

NEW MARKETS TAX CREDIT OPPORTUNITY



1001

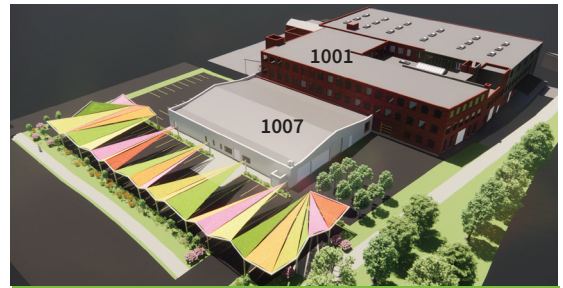
1001 S. MARSHALL STREET | WINSTON-SALEM, NC 27101

1001ws.com

DESCRIPTION

Cross Street Partners, in partnership with Beta Verde, LLC is seeking **\$22MM** to repurpose the Bahnsen Company Building (1001) in Winston-Salem, North Carolina. The 130,000 SF former Bahnsen Company building at 1001 Marshall Street will be repurposed through a \$28M historic redevelopment; which includes a \$2M investment in the broader 1001/1007 project from the City of Winston-Salem. Branded as **1001**, the energized Bahnsen property will become an active, community focused, mixed-use development project designed to embrace the broader community by reimagining the connection of the region's rural agricultural abundance to its urban production resources. The two core components of this creative hub serendipitously fill an existing void in Winston-Salem's fast evolving arts and innovation ecosystem. WSSK, a shared use commercial kitchen, will focus on growing women and minority food entrepreneurs into job creating enterprises that improve healthy food access, support regional growers and enrich the cultural diversity of the Winston-Salem food scene. Similarly, a textiles proof-to-concept lab will offer shared commercial equipment and skilled staff that will allow apparel entrepreneurs to prototype new products with in-house small production runs in order to more successfully scale their operations. Both of these components, generating job and training opportunities, will be key resources in refreshing Winston-Salem as a rural/urban hub centered around the future of sustainable agriculture (food and fibers), creating a resource not only for locals but also sought out by talent near and far.

To enhance visibility and pedestrian access on the Strollway, the **1001** development team is moving forward with the lease/purchase of the adjacent 1007 Marshall Street property. The **\$17M** adaptive reuse development of the historic Camel City Coach Co. Building (1007) will feature mission aligned, food and lifestyle retail businesses and already serves as the permanent year-round location of Cobblestone Farmers



A HUB OF OPPORTUNITY
FOR MAKERS, ARTISTS
AND ENTREPRENEURS



For more information, please contact:

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Market – Winston-Salem’s nationally ranked, fully sustainable public market hosting over 50 regional agricultural businesses weekly. Cobblestone not only accounts for annual gross sales of \$1.5M circulating through the local food economy, they also bring a deep commitment to healthy food access through their robust community outreach and match program for SNAP/EBT and WIC FMNP (Farmers Market Nutrition Program) recipients. By consistently activating an otherwise vacant corner, Cobblestone has steadily increased its weekly attendance, nearing pre-pandemic numbers once again and bringing new energy and interest to the potential of these projects.

Transforming this vacant blight will propel leasing and secure additional funding sources. The *shovel in the ground* start will also: (a) cut six months off our completion timeline once closing occurs on the project’s full funding sources (b) save significant interest expense and (c) create definite delivery dates of occupancy for tenants.

Located in a *highly distressed* census tract, 1001 will be accessible to Winston-Salem’s underserved populations through opportunity and location. In spite of its academic and cultural richness, the Southside is in need of opportunity—jobs, training, education, services, food. **1001** seeks to be the catalyst for complementary economic revitalization through synergistic partnerships with area organizations and businesses. **1001** is the nexus and key connector for the surrounding academic and cultural institutions of Old Salem Museum & Gardens, UNC School of the Arts, Salem College and Winston-Salem State University as well as the bustling historic neighborhoods of Happy Hill, West Salem and Washington Park

Anticipated Uses

- **Winston-Salem Shared Use Kitchen (WSSK):** Phase 2 of WSSK will be housed within 1001 (Phase 1 will open in 1007) to expand opportunities for the processing, aggregation and distribution of local and regional food products and encourage the development of value-added agricultural products through access to ample cold storage and specialty production equipment.
- **Textile Research & Development Lab:** A North Carolina clean-tech manufacturer of hemp and other natural fibers with a vision to reimagine the textile industry working for, not against, nature will use 1000 SF of space to house what will be both a visible working model of the only all-America sustainable hemp fiber supply chain using their patented hemp degumming process and an active R&D lab for the continued innovation of their production. The company is also interested in relocating a portion of their production process to 1001.
- **Textile Proof-to-Concept Lab:** This 30,000 SF shared lab facility will support textile/apparel entrepreneurs – with shared commercial equipment, skilled staff and expert mentors – in developing new

PROJECT HIGHLIGHTS

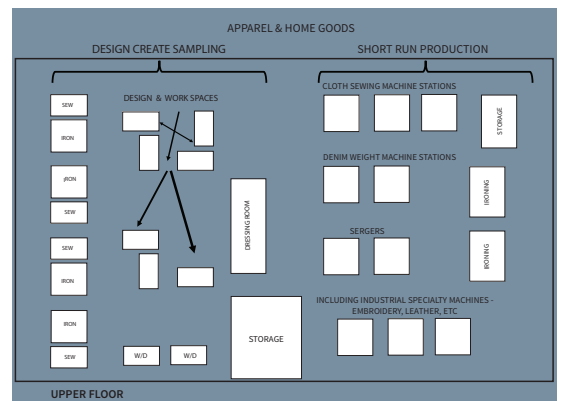
Allocation Sought: \$22MM

Anticipated NMTC Closing: Q4' 2024

Completion Date: Q1 /Q2 2025

Square Feet: 130,000SF

Total Development Cost: \$28MM



concepts and product prototypes that can be tested and produced onsite in small low-risk runs prior to being advanced for medium-large scale production. A partner economic development organization that is building creative economy and community is also seeking office and program space adjacent to this facility.

- **STEMZ:** A woman-owned business currently headquartered at 1001, STEMZ is building regional distribution hubs on a nationwide scale to connect flower farmers and wholesale buyers through an innovative, intuitive technology platform. They make buying local easy through weekly, multi-day delivery and concierge shopping services aimed to save floral designers time while also ensuring that farmers' inventory is pre-sold each week so they can invest more time on the farm and scaling their own production.
- **Social Connection Space:** A +/-50,000 SF hub for entrepreneurs of all backgrounds to socialize, learn and grow. Cultivating inclusive community through inspirational design, dynamic programming and intentionally-sourced food and beverage, this new hybrid shared office / active social space concept is coming to mid-size cities across the nation to restore opportunities meant to knit people together through work and play.
- **Virtual Reality Film Studio:** A state of the art studio anticipated to be the new, cost-effective standard for filming television and movies will benefit the UNC School of the Arts film program while also offering professional, rentable studio space in North Carolina to meet film industry demands of shooting live action movies in front of a virtual reality screen.
- **Retail, Services & Event Space:** Storefront retail space will be available to local businesses that could include a wine bar and restaurant, bakery and cafe, a small grocer or bike shop, as well as wellness services to complement nearby fitness studios. An atrium events space that functions as a community space could host winter farmers' markets, pop-up eateries from the shared use kitchen and be available for public and private events.
- **Arts & Education:** Arts Council of Winston-Salem is looking to support local artists' desire for a space where they can create as individuals but also be connected to other creatives — an "Artist Hub" at 1001 for artists to gather, connect, collaborate, create and host programming, together. The artists would be modeling the type of diversity and inclusion Winston-Salem longs to see at a city level. This could start as a co-working space with couches and coffee, work pods; eventually evolving into a larger movement with music studios, art studios and likely offer a new performance venue/area. It would become an unconventional space for Arts Council programming for artists as well as a space for arts commissions and exhibits.



Economic Impact

Based on experience with comparable projects, the development team expects **1001** to directly create over 50 new businesses and 400 jobs, post construction. The indirect catalytic impact for this key connector in South Winston-Salem will be far greater.

Community Impact

- **Jobs and Entrepreneurship:** **1001** will dismantle barriers to entry for entrepreneurs and businesses across industries and at all stages of development. Kitchen members will have access to the shared kitchen, which will feature commercial grade kitchen equipment, an incubator program, dry storage, cold storage and licensed food preparation areas, as well as support services and flexible membership terms to help them scale their business operations. Area textile artists who are at the cutting edge in lifestyle design will have access to equipment and mentorship to support taking product concepts to scale.
- **Workforce Development:** A key component for the creative and culinary programs, workforce development at **1001** will be driven by tenants offering training programs that lead to jobs and job retention. The shared use kitchen, the textile lab and the film studio as well as partnerships with non-profits such as the Enrichment Center, will offer the opportunity for new skill development in food and textile production/processing and the arts. The project team is developing or deepening partnerships with local non-profits and area colleges/universities to bring their internship programs into **1001**, resulting in businesses located at **1001** hiring program graduates, establishing a self-sustaining cycle of success.
- **Food Related Programming:** Located in a USDA designated food desert, **1001** will provide the community greater access to healthy food options through: classes offered and goods produced at the shared kitchen, various food concepts with price points aligning with the surrounding mixed-income neighborhoods, a weekly farmers market operating year-round on Saturdays and in the summer on Wednesdays.

But For

1001 has deteriorated substantially over the past several decades. The building has fallen out of compliance with city codes, the roof has collapsed in many locations, and it will take substantial rehabilitation funds to bring the building back into active use. Rental rates for light manufacturing, office, retail, and event space in Winston-Salem are below the level needed to underwrite such high construction costs. Therefore, NMTCs are necessary to ensure financial feasibility for local tenants that will further the economic development and community impact missions of the project. NMTCs will also be used to significantly alleviate the costs of developing the shared use kitchen, the textile lab, and the proposed light manufacturing start ups, each capital intensive relative to their income producing potential. ■



Cross Street Partners is a vertically integrated real estate company exclusively focused on re-building communities by creating vibrant urban mixed-use neighborhoods built on a foundation of innovation and entrepreneurial activity.

Beta Verde is a multi-pronged creative collaborative with food at the core of its programming, from farmers markets to kitchen incubators to retreats to consulting. Beta Verde serves as a consultant to adaptive reuse projects in cities across the nation. For many larger projects whose food components include shared use kitchens, market concepts,