

City Council – Action Request Form

Date: February 13, 2024

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager
Ken Millett, Economic Development Director

Council Action Requested:

Resolution Accepting a Directed State Grant of \$35 Million for the Midtown Economic Development Project and Authorizing Agreements with the State of North Carolina and Carter USA/Front Street Capital

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: Promote Travel and Tourism

Strategic Plan Action Item: NA

Key Work Item: NA



Summary of Information:

The State of North Carolina’s FY 2023-2024 budget included a Directed State Grant of \$35 million to the City of Winston-Salem for the “Midtown Economic Development Project.” This project represents a partnership between the City and Wake Forest University to create a vibrant, mixed-use development adjacent to Truist Field, Lawrence Joel Veterans Memorial Coliseum, Couch Ballpark, and the Winston-Salem Fairgrounds and Annex. The project would support economic development activities and reinforce Winston-Salem’s position as a tourism and sports and entertainment district serving the Piedmont region and Northwest North Carolina.

Goals include the following:

- Enhance the event and entertainment activities already taking place at the Winston-Salem Fairgrounds and Annex and Wake Forest’s athletics venues;
- Drive economic activity and inbound tourism to Winston-Salem and Forsyth County;
- Create a critical mass where people can live, work, play, and stay within a vibrant development;

Committee Action:

Committee	<u>FC – 2/13/24</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

- Revitalize the area between Reynolds Boulevard and Coliseum Drive for the benefit of the entire Winston-Salem community; and
- Attract major private-sector and community partner investment

This area includes the largest entertainment and sports venues in North Carolina—west of Greensboro and north of Charlotte, with more than 750,000 patrons attending over 260 event days annually.

As the major property owner within the Midtown area, Wake Forest University has engaged the development team of Carter USA and Front Street Capital to carry out the master planning and development of this district. The Directed State Grant, which is appropriated from the Regional Economic Development Reserve, would support the development of the infrastructure needed for this district, including roadway development and improvements and utility improvements and extension. Under State guidelines, the City must expend the grant within two years of approval, or October 2025.

As part of the grant execution process, the City must submit a scope of work that details how the \$35 million grant will be used. City staff have been working with the Carter USA/Front Street Capital team on the development of this scope. Carter USA/Front Street Capital would serve as a sub-recipient of the grant funds, with the City disbursing the funds as work progresses on the project.

Under the State grant guidelines, the City must provide the sub-recipient agreement along with the scope of work. The attached resolution accepts the \$35 million State grant and authorizes the City Manager and City Clerk to execute an agreement with the State of North Carolina to receive the funds and a sub-recipient agreement with Carter USA/Front Street Capital to use the funds. The sub-recipient agreement will specify the planned uses of the grant funds, timeline for expending the funds, reporting requirements, and disbursement schedule.