



INFRASTRUCTURE SUPPORT REQUEST
July 2025

Prepared for:
City of Winston-Salem

I. EXECUTIVE SUMMARY

The City of Winston-Salem ('City') received \$35 M from the State of North Carolina to allocate towards infrastructure projects that enhance future economic development in the Deacon Boulevard area (now known as 'The Grounds') related to sports, entertainment, and tourism. As development manager, Carter-Front Street ('CFS') worked with the City and the landowner Wake Forest University ('WFU') to design projects that would further the goal of the initial \$35 M and enable private development. The initial budget of the agreed upon projects exceeded \$35 M, so CFS completed a value engineering ('VE') process to identify the public infrastructure projects critical to future development. After the VE process, a gap remains between the \$35 M allocation and the overall project budget. CFS is seeking additional funding from several sources to ensure completion of these critical public infrastructure projects including the City, Forsyth County, economic development entities, as well as additional private investment from CFS.

CFS is requesting funding support from the City of Winston-Salem for the following key reasons:

1. Additional funding completes the public infrastructure projects 'the right way' after responsible value engineering. If individual projects are delayed it would be much more expensive to complete later and jeopardize the completion of planned Phase 1 projects (valued at \$200+M).
2. Completing all infrastructure projects (further outlined below) are critical for CFS and other private developers to achieve the projected development plans of \$500+M and the associated economic impact of \$1.3 billion over the next 10 years. See Appendix at end of this memo for renderings of infrastructure projects.
3. The full scope of projects achieves the initial purpose of the \$35 M from the State of North Carolina – to enhance economic development around tourism, entertainment, and events. These projects:
 - a. Enhance the ability to host more concerts, shows, graduations, and various other entertainment events that create significant economic development for Winston-Salem.
 - b. Enhances the future value of the City's investment in the neighboring Fairgrounds.
 - c. Enhances Winston-Salem's presence as a sports destination in this region of North Carolina.
4. Funding support from local government enhances CFS's ability to seek additional outside funding from other local economic development entities, the NC Land & Water Fund, and the federal government.

But for this additional funding support from the City of Winston-Salem, CFS would not be able to complete the critical public infrastructure investments required for Phase 1's initial development value of \$200+M. Following Phase 1, the infrastructure investments create the ability to deliver on the \$500+M in development and \$1.3B in economic impact over the first 10 years of The Grounds.



The Grounds groundbreaking
December 2024

II. BACKGROUND

The City of Winston-Salem, North Carolina ("City") was allocated \$35,000,000 by the State of North Carolina in September 2023 to install infrastructure associated with the phased mixed-use district referred to as the "Midtown Economic Development Project," now branded as "The Grounds" ("Project"). The Project sits on 80+ acres, with the first vertical phase of development anticipated to include \$200+ M of investment in multifamily residential, a retail village, and a signature office building. The long term expected result (3-10+ years) will be additional private investment across multiple asset classes in an effort to create a vibrant community asset that allows individuals to live, work, and play in a historically underutilized area.

A Subrecipient Reimbursement Agreement (City Contract No. 10432) was entered into on July 24, 2024 between the City and CFS Infrastructure, LLC ("Developer"), where the Developer would serve as the manager for the infrastructure work. The City and Developer then worked to design a master plan that would allow for a phased development that would reinforce Winston-Salem's position as a tourism, sports, and entertainment destination. Key pieces of public infrastructure—namely related to traffic enhancements, pedestrian connectivity, and signature public amenity spaces—were identified that would be necessary to compel high quality private development over the next 10-15 years with the end goal of enhancing the ability for Winston-Salem to host more large-scale events, improve the experience of the existing venues, and boost economic development related to sports & entertainment.

When the Brasfield & Gorrie ("General Contractor") detailed pricing of design development documents of full infrastructure build out was presented, the total cost of infrastructure improvements exceeded the amount of available funds by nearly \$20 M. The following memo outlines the efforts to reduce project costs, quantify the economic impact of The Project, and identify a path forward to build foundational infrastructure for this catalytic project.

II. KEY PROJECTS RETAINED IN SCOPE

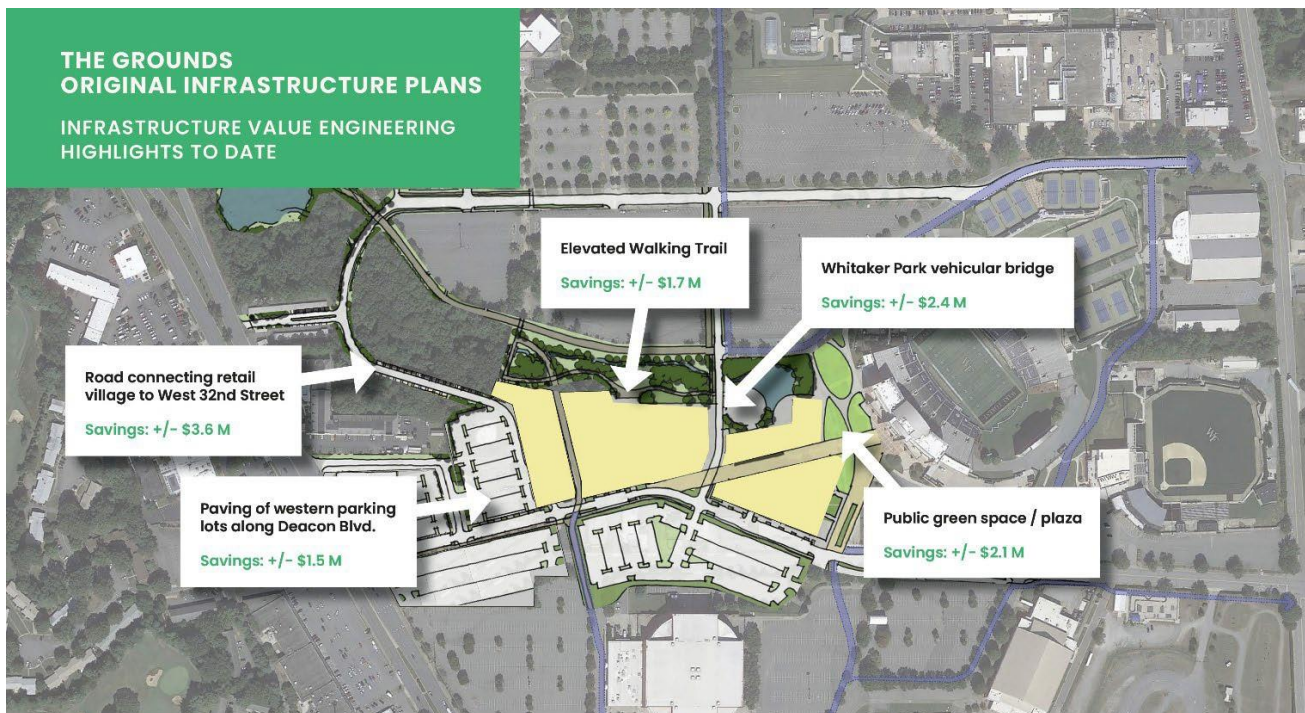
As the Developer began their value engineer exercises, the first step was to prioritize scope items that were considered critical infrastructure enhancements to enable private development. The goal of the value engineering process was to bring down costs and scope, while completing the project the right way (and ultimately allow for sustained development beyond the first phase). Through a collaborative prioritization process with designers, engineers, economic development officials, and public partners, the following projects that were deemed critical to retain in the foundational infrastructure scope:

- **Deacon Boulevard Enhancements** (focused on traffic, events, and pedestrian safety)
 - o Includes signals, a road diet, curb work, and parking enhancements around the project's main vehicular and pedestrian thoroughfare. Also includes significant public safety enhancements at the University Parkway & Deacon Boulevard intersection through new crosswalks and added signalization.
- **32nd Street Improvements** (focused on traffic and events)
 - o Includes road improvements and construction of an additional ingress / egress point to Allegacy Stadium parking lots (significantly enhancing major event traffic flow). Also enhances future development of the surrounding parking lots and land parcels included in the 80+ acre site.
- **Stream Restoration** (focused on environmental sustainability and community amenity)
 - o Includes stabilizing banks, addressing severe erosion that has occurred over the last 75+ years, planting 200+ trees and 30,000+ plants, and improving stormwater management for the immediate area and downstream neighborhoods.
- **Multi-use Path** (focused on pedestrian safety and community amenity)
 - o Includes creation of a true community amenity for adjacent neighborhoods that will allow activation and engagement for all ages for free. Efforts during this phase of infrastructure will set up future phases of the path that have the ability to further connect adjacent neighborhoods.

III. VALUE ENGINEERING EFFORTS

Using the above scope items as baseline infrastructure improvements, value engineering began. Through a collaborative value engineering exercise with designers, engineers, economic development officials, and public partners, +/- \$11.3 M of scope items were eliminated from the original scope in an effort to reduce project cost:

- **Road connecting retail village to West 32nd Street** (focused on traffic and events; savings of +/- \$3.6 M)
 - o This connection from the retail village towards University Parkway was removed; instead directing traffic engineers to focus on utilizing existing roads onsite.
- **Whitaker Park vehicular bridge** (focused on traffic and events; savings of +/- \$2.4 M)
 - o This North / South connection from Reynolds Boulevard to Deacon Boulevard (over Silas Creek) was removed; instead directing traffic engineers to focus on utilizing existing roads onsite.
- **Public green space / plaza** (focused on environmental sustainability and community amenity; savings of +/- \$2.1 M)
 - o This scope was removed in lieu of funding going towards more infrastructure related to traffic and events.
- **Elevated walking trail** (focused on pedestrian safety and community amenity); savings of +/- \$1.7 M)
 - o Large portions of the Multi-use Path were originally designed to be elevated over Silas Creek; the scope was altered to be at grade (a much more cost-effective design) rather than elevated.
- **Paving of western parking lots along Deacon Boulevard** (focused on traffic and events; savings of +/- \$1.5 M)
 - o The scope of these parking lots was updated to be gravel vs. paved.



IV. INVESTMENT BY DEVELOPER AND LANDOWNER

With +/- \$11.3 M of scope removed from the project and a delta still in place to achieve baseline infrastructure improvements, the Developer is committing \$4-5 million dollars towards the overall project's horizontal improvements as part of the value engineering process. The Developer initially anticipated that all costs for sitework—including public amenity spaces—related to the residential and retail components of the project would be covered by the State of North Carolina grant. As (higher) pricing has come in and value engineering has begun, those assumptions are no longer viable and the Developer is committed to contributing to bridge that gap themselves. Once the foundational infrastructure has been installed, the Developer will begin the vertical development of multifamily residential, a retail village, and a signature office building in the first phase.

The landowner (Wake Forest University) is directly responsible for the Project happening, having supported this project over the past 20+ years through intentional and strategic accumulation of the land parcels that are now ready for development as well as hosting local and regional events year-round. Without the direct cooperation by WFU, there would be no opportunity for an 80+ acre mixed-use project as well as turning non-taxable parking lots into taxable new construction. Additionally, the WFU will be moving 400+ employees and into a new 130,000 SF office building that will anchor the Project's retail village. That commitment will significantly enhance the viability of the Project through density and activation.

V. REQUEST FOR SUPPORT

An Economic & Impact Study of The Grounds—performed by Tourism Economics, an Oxford Economics Company—projects over the next 10 years that the Project will generate nearly \$1.3 B in total business sales, with over \$37.7 M in state and \$27.5 M in local taxes generated through direct spending, indirect spending, and induced spending. These projections all assume baseline infrastructure work is completed, allowing the project to have the foundation to attract future development. Phase 1 of the Project is anticipated to be \$200+ M in total capital expenditures with completion targeting EOY 2027, with another \$300+ M anticipated to occur shortly thereafter. A summary of the study is attached to this memo.

As the Developer works to secure additional infrastructure funding, local funding significantly enhances the Developer's ability to secure additional outside funding from entities like the State of North Carolina (another funding request is anticipated), the North Carolina Land and Water Fund, Whitaker Park Development Authority, federal government, and more. The Developer is already working with various sources to secure additional infrastructure funding.

The Developer is formally requesting that the City support the Project with \$4,000,000 (four million dollars) in funding—to be matched by Forsyth County—to support baseline infrastructure enhancements (laid out in Section II) for the Project. This City/County support is to be promptly repaid by the net new tax revenue generated by The Grounds, with full repayment in just over four years. A full breakdown of the remaining projects that require additional funding in order to be released by the Developer can be found below. *To clarify, the actual scope & budget shortfall is \$9,950,000, however the projects below (that total \$12.5M) cannot be released without additional funding. The additional funding from the City & County allows the Developer to release these critical path items on time so that they can be completed along with the other key projects. The breakdown of this shortfall can be found in Exhibit A below.* The difference between the City/County request and the \$9.95M shortfall is being funded through various other resources including interest on the debt, funds from NCLWF, etc. This funding would allow for the full vision and potential of the Project to be reached, driving catalytic change in a historically underutilized area and increasing the local tax base exponentially.

| Scope Item | Cost | Notes |
|--|---------------|---|
| Completion of 32nd Street Improvements | ±\$3,900,000 | The balance of costs here are related to traffic and events. |
| Completion of Stream Restoration | ±\$6,100,000 | The balance of costs here are related to environmental sustainability and community amenity creation. |
| Completion of Multi-use Path | ±\$2,500,000 | The balance of costs here are related to pedestrian safety and community amenity creation. |
| TOTAL | ±\$12,500,000 | To be sourced by both public and private funding sources |

We thank the City of Winston-Salem for their consideration, and we are standing by to answer any questions related to this request.



Coleman Team
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VI. APPENDIX



Stream rendering of Silas Creek



Stream rendering of Silas Creek



Summer 2025 drone view facing east from University Parkway



Same angle with detailed rendering of stream and upcoming Phase 1 development components

July 2025 Progress – New Deacon Blvd and New Retail Parking Lots for The Grounds

