

Information Item

Date: April 26, 2018

To: The City Manager

From: Derwick L. Paige, Assistant City Manager

Subject:

Consider economic development assistance to Whitaker Park Development Authority, Inc.

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: Develop and Redevelop Commercial/Industrial Park Sites

Strategic Plan Action Item: Yes

Key Work Item: Yes



Whitaker Park Development Authority, Inc. (WPDA) is a nonprofit corporation created by representatives of Winston-Salem Business Inc., the Winston-Salem Alliance and Wake Forest University for economic and redevelopment purposes. Currently, they are in the process of repurposing a large portion of the Whitaker Park campus for future economic development opportunities. In March 2016, City Council authorized entering into a Public-Private Partnership (P3) with WPDA to address critical infrastructure needs and spur economic development in and around the Whitaker Park area.

To date, nearly \$7.0 million has been spent on some critical needs including the installation of water and sewer, and various facility enhancements such as the separation of the sanitary sewer lines; electrical and HVAC systems; and fire protection system. The City has provided approximately \$2.0 million towards these expenses with a total commitment of \$4.0 million.

The next phase of the critical infrastructure needs involves major road construction and new water and sewer installation. The estimated cost for this phase is \$4.5 million. WPDA is requesting City assistance of \$1.25 million to assist with the extension of Akron Drive through Whitaker Park to connect with Shorefair Drive. The new, public road will provide access to some developable parcels in Whitaker Park as well as provide a critical transportation linkage between Akron Drive and Shorefair Drive.

Because the P3 has been previously approved by City Council, and the required critical infrastructure resolution and approval resolutions contemplated and identified this particular road work as part of the overall project, it appears that the P3 method will be the most cost effective way to have this project completed. If approved following a public hearing, the P3 Agreement will be amended to incorporate and fund this aspect of the project. WPDA would still be required to follow all of the City's bidding and purchasing procedures.

If approved by Council, 2014 Economic Development General Obligations Bonds would be used to assist with this critical infrastructure need. There is currently \$13.7 million available for economic development infrastructure and projects available. Based upon Council direction an item could be prepared for consideration in June.