

Information Item

Date: November 7, 2022

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

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

Subject:

Modification to Approval of Financial Assistance to 1001 Marshall MM, LLC for Community Development Purposes Pursuant to N.C.G.S. 160D-1311.

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: No

Strategic Plan Action Item: No

Key Work Item: No



In 2018 City Council approved \$2 million of City funds to assist 1001 S. Marshall MM, LLC (developer) for the redevelopment of an existing 130,000 square foot facility located at 1001 S. Marshall Street into a mixed-use development supporting Winston-Salem's creative and culinary ecosystem. Total cost was expected to be approximately \$26 million.

Project plans included public green space, enhancements to public infrastructure, event space to be utilized by the public, and connectivity to the strollway. It was also anticipated that up to 400 jobs would be created in its first 3 years.

Given the public benefits, at the time City participation was based on the Downtown Development Project provisions of N.C.G.S. 160A-458.3 (now N.C.G.S. 160D-1315). The source of funds was 2014 General Obligation Economic Development Bonds. Approval also included three key conditions:

1. City funds were designated for hard construction costs, specifically public infrastructure and public enhancements.
2. City funds would be disbursed in alternating tranches with other non-City secured financing.
3. The developer shall secure all required additional financing for the project and provide proof of the same to the City Manager before any City funds are disbursed.

The project has not advanced at the pace originally anticipated by the developer, but it remains active. The scope has also broadened to include a redevelopment plan incorporating the adjacent building at 1007 S. Marshall.

At the Finance Committee, the developer will present an update on the project's progress to date, the current scope of work for redevelopment, and its request for modifications to the original terms of approval. Should the modification ultimately be approved, the recommended authorizing statute would become N.C.G.S. 160D-1311 (Community development programs and activities).