

NEW MARKETS TAX CREDIT OPPORTUNITY



1007

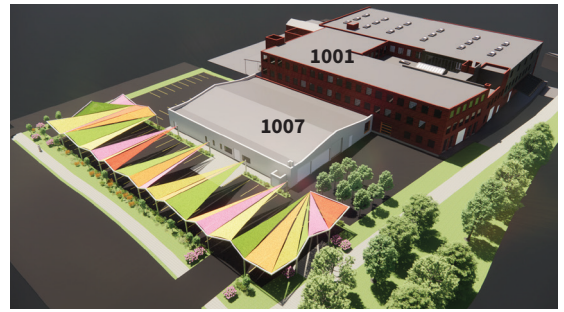
1007 S. MARSHALL STREET | WINSTON-SALEM, NC 27101

DESCRIPTION

Cross Street Partners, in partnership with Beta Verde, LLC is seeking **\$10M** to repurpose the Camel City Coach Co. Building (**1007**) in Winston- Salem, North Carolina. The 17,000 SF building at **1007** Marshall Street will be repurposed through a **\$17M** historic redevelopment.

To enhance pedestrian access, placemaking efforts and economic opportunity on this highly visible, yet otherwise vacant neighborhood corner, the development team is moving forward with the lease/purchase of the **1007** Marshall Street property which sits adjacent to both the Strollway (connecting to downtown) and 1001, a mission aligned adaptive reuse development project slated to follow on the heels of **1007**.

1007 will be a mixed use space featuring food production and both F&B and lifestyle retail. The parking lot already serves as the permanent year-round location of Cobblestone Farmers 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. After 18+ months of consistently activating the vacant lot every Saturday, Cobblestone has steadily increased its weekly attendance, nearing pre-pandemic numbers once again and bringing new energy and interest to the potential of the project. In addition, the project has committed roughly 30% of its space to the first phase of WSSK, a shared use commercial kitchen and storage facility projected to support 40-72 business concepts and catalyze over 150 new jobs in a central urban location, immediately expanding onsite retail opportunities for more culturally diverse food concepts to test the market.



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For more information, please contact:

Margaret Norfleet-Neff, Cross Street Partners

mnorfleet-neff@crossstpartners.com | 336.240.8374

2101 E. Biddle Street, Suite 1201 | Baltimore, MD 21213

CrossStPartners.com

Transforming this vacant blight will propel leasing and secure additional funding sources for both projects.

Located in a highly distressed census tract, **1007** 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. **1007** seeks to be the catalyst for complementary economic revitalization through synergistic partnerships with area organizations and businesses. **1007**, in conjunction with 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):** This +/-5,000 SF kitchen facility will provide commercial grade kitchen equipment, storage facilities and wrap around business support for local food entrepreneurs and food trucks to start, scale and grow food-related businesses. To date, over 100 operational or aspiring food businesses have shown interest in this facility and its proximity to the thriving Cobblestone Farmers Market is already initiating partnership opportunities.
- **Urban Garden Resource Center:** an established small business with five existing locations in the southeast region of the US looking to expand in Winston-Salem where there is an unmet demand for garden resources and where the ownership team is located. Offerings include an extensive collection of plants, supplies and items for urban homesteading such as hydroponic & organic gardening and beer & wine making products.
- **Event Space:** The publicly accessible “spine” of the building offers an intimate open floor plan space which could host winter farmers’ markets, pop-up eateries from the shared use kitchen, artist shows and be available for public and private event rentals 6-7 days a week. The highly visible parking lot adjacent to the public strollway (which connects to downtown) will continue to be programmed with community centric gatherings open to the public and offers ample space for various outdoor rental opportunities.
- **Cobblestone Farmers Market (CFM) Office & Retail:** To expand their bustling onsite Saturday outdoor market presence, CFM will occupy a +/- 400 SF space to conduct weekly partner meetings and offer vendors and customers added opportunities for sales and distribution of local food

PROJECT HIGHLIGHTS

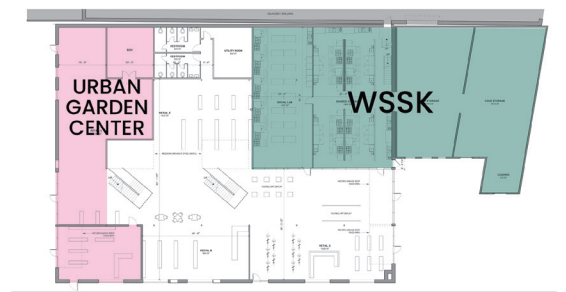
Allocation Sought: \$10MM

Anticipated NMTC Closing: Q3' 2023

Completion Date: Q1 2024

Square Feet: 18,000 SF

Total Development Cost: \$17MM



- **F&B / Lifestyle Retail:** Storefront retail space will be available to local, independently owned businesses looking to expand that could include a wine bar & restaurant, bakery & cafe, small electric bike shop and/or a lifestyle retail businesses featuring both their own goods as well as goods from regional makers and artists.

Economic Impact

Based on experience with comparable projects, the development team expects **1007** to directly create over 50 new businesses and 150 jobs, post construction. The property currently supports the Cobblestone Farmers Market which draws an average of 2500 customers each week. The indirect catalytic impact for these key food connectors in South Winston-Salem will be far greater than the sum of onsite businesses and uses.

Community Impact

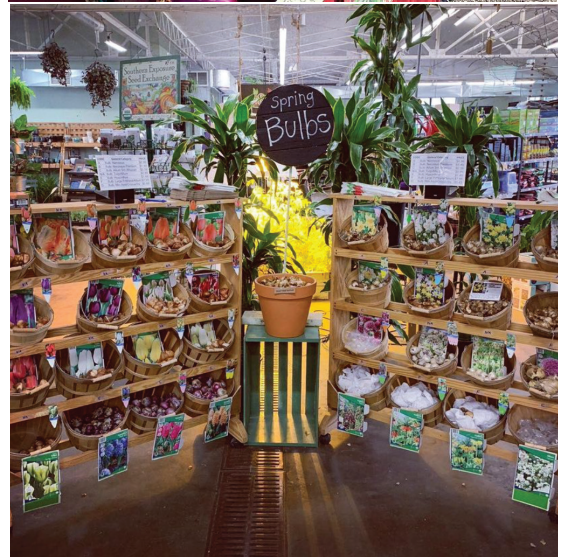
- **Jobs and Entrepreneurship:** **1007** will dismantle barriers to entry for entrepreneurs and businesses across industries and at all stages of development. Kitchen members will have access to the shared kitchen, which will feature commercial grade kitchen equipment, an incubator program, dry storage, cold storage and licensed food preparation areas, as well as support services and flexible membership terms to help them scale their business operations.
- **Workforce Development:** A key component for the creative and culinary programs at **1007** (and 1001) is workforce development that will be driven by tenants offering on the job training programs that lead to 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 the projects, resulting in businesses located at **1007** (and 1001) hiring program graduates, establishing a self-sustaining cycle of success.
- **Food Related Programming:** Located in a USDA designated food desert, **1007** 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.
- **Community Arts:** Centrally located between Sawtooth School for Visual Arts, a veteran community arts organization in downtown Winston-Salem, and UNC School of the Arts, a public arts conservatory with strong community arts programs, **1007** seeks to strengthen the community's creative core with space for existing and grassroots arts



organizations, non-traditional schools and educators in the community to convene and collaborate on expanded programming, providing further access to hands-on visual and performing arts experiences for students of all ages, backgrounds and skill levels and with opportunities to grow into permanent space(s) within 1001 next door.

But For

1007 will require significant rehabilitation funds to bring the building back into active use. Rental rates for light manufacturing 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 with capital intensive relative to its 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,

