

Resolution #20-0316  
Resolution Book, Volume 2, Page 165

**RESOLUTION APPROVING AN ECONOMIC DEVELOPMENT  
LOAN TO FRONT STREET CAPITAL**

**WHEREAS**, Front Street Capital (FSC) is seeking a \$2,500,000 economic development loan to help finance the construction of a speculative building on Wallburg Rd. adjacent to the entrance of Union Cross Business Park; and

**WHEREAS**, this building would contain approximately 250,000 square feet with expansion capabilities and would be marketed primarily to companies seeking to relocate to Winston-Salem; and

**WHEREAS**, it is anticipated that the facility will have an initial aggregate tax value of approximately \$12 million with the potential to increase to \$15 million upon the completion of future tenant improvements; and

**WHEREAS**, FSC would repay the City's loan in full upon the occupation of the facility by a tenant and the subsequent sell or refinancing of the facility; and

**WHEREAS**, the repayment of the City's loan shall not occur later than five years from the date of the loan closing without the expressed permission of the Mayor and City Council; and

**WHEREAS**, the parcels upon which the facility will be constructed are not currently located in the corporate limits of the City of Winston-Salem; and

**WHEREAS**, the city's assistance shall be conditioned, in part, upon the annexation of the aforementioned parcels into the corporate limits of the City of Winston-Salem; and

**WHEREAS**, FSC commits to adhering to all of the terms and conditions as enumerated in the City's April 2015 agreement with Winston-Salem Business Inc. including, but not limited to, providing the City with a first lien position (or a second lien position if a construction loan

from a third party financial institution is required) on the subject property, committing to the utilization, where possible, of local contractors including minority and women contractors, committing to hiring, where possible, Winston-Salem and Forsyth County residents, including qualified ex-offenders and re-entry applicants, for the construction of an industrial facility in the Union Cross Industrial Center.

**NOW, THEREFORE, BE IT RESOVLED**, by the Mayor and City Council of the City of Winston-Salem that, after a duly advertised public hearing pursuant to N.C.G.S. 158-7.1, the City hereby approves a loan of up to \$2,500,000 economic development loan to FSC to assist with the construction of a speculative building on Wallburg Rd.

**BE IT FURTHER RESOLVED**, that the economic development loan will be provided from undesignated fund balance in the City's Economic Development Loan fund and that the Mayor and City Council hereby authorizes and approve the City Manager, City Attorney, and City Clerk to take such actions as may be necessary for the execution of an Economic Development Loan Agreement, and such other documents that may be required to effectuate this transaction, with FSC or one of its subsidiaries.