



Emerging Capital Needs Report

April 2019

INTRODUCTION

In November 2018, City voters approved a five bond orders totaling \$122 million to address capital needs in the areas of economic development, housing, public safety facilities, parks and recreation, and streets and sidewalks. The 2018 referendum represented a continuation of the City's efforts to address the community's most critical capital needs and to invest in the city's quality of life. The debt model developed by City staff showed that with a four-cent property tax increase to pay for the 2018 bonds, the City would have \$20 million in capacity for other financings such as limited obligation bonds. Since the November referendum, the Mayor and Council Members have identified other capital needs that require attention. In January, City staff presented a proposal that would utilize the \$20 million in capacity.

This document presents a proposed capital plan for FY 2019-2020 that would address the emerging needs presented in January, as well as other capital priorities that have been identified in recent months. The following table lists the projects along with the proposed funding source.

Projects	LOBS	Two-Thirds Bonds	2018 Bonds	Union Station Reserves	Total
Bowman Gray Stadium Improvements	\$9,000,000	\$0	\$0	\$0	\$9,000,000
Belview Recreation Center Improvements	1,500,000	0	1,500,000	0	3,000,000
Long Creek Park Development	2,000,000	0	0	0	2,000,000
Pedestrian Safety Projects	2,000,000	0	0	0	2,000,000
New City-County Parking Deck	5,000,000 (1/2 from parking revs.)	0	0	0	5,000,000
Liberty Plaza - Kaleideum	2,000,000	0	0	0	2,000,000
Bankruptcy Court Property Acquisition	1,750,000	0	0	0	1,750,000
East Ward Resurfacing	0	0	0	500,000	500,000
Meadowlark Drive Widening	0	3,000,000	0	0	3,000,000
Novack Street Bridge Replacement	0	2,000,000	0	0	2,000,000
Recreation Maintenance Projects	0	1,840,000	0	0	1,840,000
City Hall & Bryce A. Stuart Building Roof Replacements	0	0	0	1,000,000	1,000,000
TOTAL	\$23,250,000	\$6,840,000	\$1,500,000	\$1,500,000	\$33,090,000

The following pages provide descriptions of each of these emerging needs. If the Mayor and Council endorse these projects at the upcoming Committee of the Whole meeting on April 15th, City staff will bring forward a budget amendment at a future date to appropriate the funds.

Project Title

Bowman Gray Stadium Improvements

Ward

East

Estimated Cost

\$9,000,000

Source of Funding

LOBS

Project Description

In May 2013, the Mayor and City Council approved the sale of Bowman Gray Stadium and surrounding property (approximately 92 acres) to Winston-Salem State University. In the following months, the University initiated the process for approval of the purchase by the State of North Carolina. At the same time, the City entered into an interim operating agreement in 2014 with the University for the operation and maintenance of the stadium. The City contracted with the University over the next four years, as the State's process to approve the purchase lingered among State agencies.

At a joint announcement by the University and the City on November 14, 2018, Chancellor Elwood Robinson announced that Winston-Salem State University no longer would pursue purchase of Bowman Gray Stadium. Mayor Joines and City staff presented a proposed plan in which the City would invest **\$9 million** in improvements to the stadium site and facilities. Improvements would include replacement of concession stands and restrooms, re-grading the football field, resurfacing the race track, utilities upgrades, facility repairs, and aesthetic improvements that would better identify the stadium as the home of Rams Football. The following table provides a detailed breakdown of the proposed improvements.

Improvements	Cost
Site Work	\$1,677,000
Restroom Facilities	1,740,000
Concession Facilities	1,035,000
Ticket Facilities	7,000
East Press Box	130,000
West Press Box	76,000
Field House	180,000
Main Seating Area (i.e. the Bowl)	1,567,000
Design & Contingency	2,588,000
Total	\$9,000,000

Because the City would construct these improvements during the months after Winston-Salem State University's football season and before the start of the NASCAR racing season, this project would be phased in over three years, starting in 2020 and finishing in 2022. Due to the challenges of coordinating the construction work in a way that would minimize the impact on the football and racing seasons, City staff intend to utilize the construction management at risk (CMR) method for delivering this project (authorized under General Statute 143-128.1). Under this method, the City would retain a construction manager who would manage both the design and

construction of the improvements at Bowman Gray Stadium. With this approach to the project, the construction manager would work with the City’s architect during the preconstruction phase to design the project. Once design plans are 60-80% complete, the City would negotiate a Guaranteed Maximum Price (GMP) with the construction manager in which the contractor would be paid the GMP, even if the actual cost of the project exceeds the negotiated price, unless authorized by the City. Forsyth County utilized this method to construct the new Central Library. Advantages of the CMR method include more effective cost control, faster project delivery, improved quality, decreased administrative burden, and greater ability to increase MWBE participation. While the CMR method would be used to deliver most of the improvements envisioned for this project, City staff anticipate that some project elements would be delivered through other construction contracts. The GMP would not fully encumber the \$9 million budget.



Project Title

Belview Recreation Center Replacement

Ward

Southeast

Estimated Cost

\$3,000,000

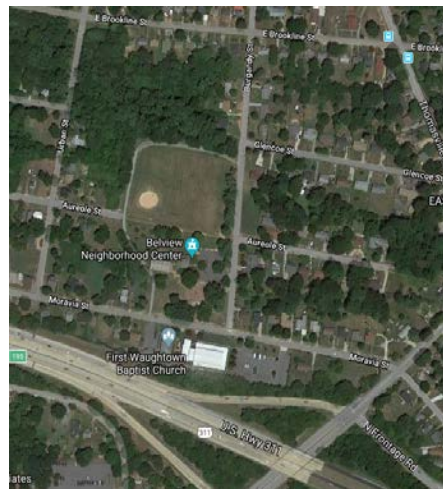
Source of Funding

LOBS (\$1,500,000)

2018 ED Bonds – Southeast Ward
(\$1,500,000)

Project Description

Belview Recreation Center and Park is located at 2800 Burgandy Street in southeast Winston-Salem. This project would provide for the construction of a new recreation Center. To better serve the neighborhood, the City would invest **\$3.0 million** to rebuild this facility, using \$1.5 million of the \$20 million in other debt capacity and \$1.5 million from 2018 Southeast Ward economic development bonds. The project would include the demolition of the existing recreation center, outdoor basketball court, playground, and parking lot. The new facility would include a gymnasium, dedicated classroom and work space for the City's S.O.A.R. and YouthBuild Programs, computer lab, meeting room space for community groups, new playground, improved parking facilities, and improved lighting inside and outside of the facility. The first phase would include selecting a consultant to perform a site inventory/analysis and design development.



Project Title

Long Creek Park Development

Ward

North

Estimated Cost

\$2,000,000

Source of Funding

LOBS

Project Description

In 2017, the City acquired 164 acres of the former Long Creek Golf Course, including the clubhouse and swimming pool. The Recreation and Parks Department made repairs to the swimming pool and parking lot, reopening the pool in the summer of 2018. The City also commissioned the development of a master plan to repurpose the property and meet the recreation needs of the surrounding community. To further develop Long Creek Park, the City would invest **\$2 million**, using other debt capacity, to renovate the swimming pool, including the bath house, rebuild the parking lot, and demolish the clubhouse. After these improvements, the City may construct other elements of the master plan, such as walking trails, if funds remain.



Project Title
Pedestrian Safety Projects

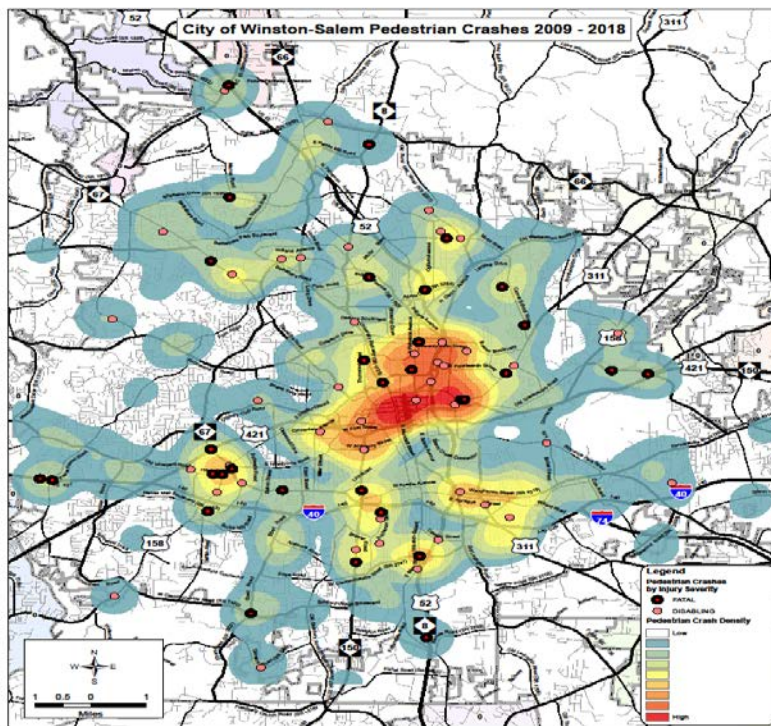
Ward
Citywide

Estimated Cost
\$2,000,000

Source of Funding
LOBS

Project Description

At the Public Works Committee’s February 2019 meeting, City Department of Transportation staff presented data on pedestrian incidents, including fatalities and disabling injuries, from 2009-2018. While the authorized 2018 bonds include \$1.4 million for bicycle/pedestrian improvements, the investment of **\$2 million** in other debt capacity for these projects will enable the City to more quickly address those locations that require more attention according to the safety data. Improvements would include additional miles of bike lanes, sidewalks, and other safety improvements such as pedestrian crossings. City staff will present a list of candidate locations, based on the data compiled, for review by the Public Works Committee.



Project Title

City-County Parking Deck

Ward

East

Estimated Cost

\$5,000,000

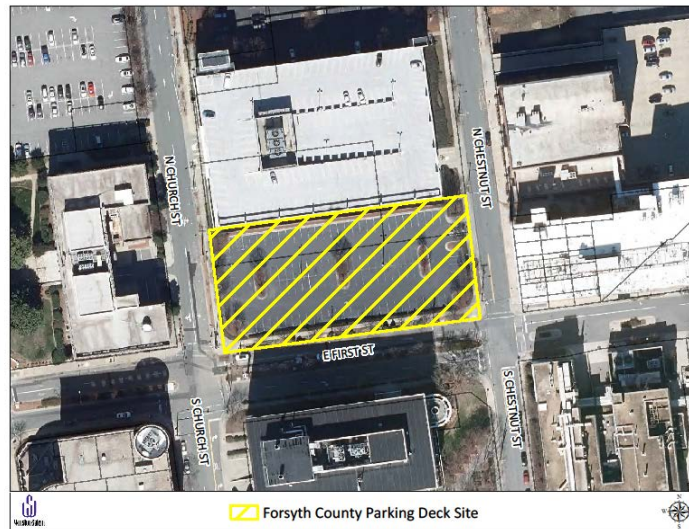
Source of Funding

LOBS (\$2,500,000)

LOBS – Parking Revenue (\$2,500,000)

Project Description

Over the last few years, the Forsyth County Commission has been discussing options for renovating the existing Hall of Justice or constructing a new courthouse. The current proposal would involve the construction of a new courthouse on Chestnut Street, next to the Forsyth County Government Center. The project would include the construction of a 660 space parking deck on Chestnut and First Streets. Due to the increased use of the City’s Fourth and Church Parking Deck to support the nearby development in the Innovation Quarter, City management has been working with County management on a proposed interlocal agreement in which the City would have access to 183 spaces for City vehicles, with an additional 101 spaces available for public parking. According to County staff, the estimated cost of the parking deck totals \$13.2 million. Under the proposed agreement, which staff would present in a separate action, the City’s share of the cost would be 35.4%, or approximately \$5 million, based on the number of designated spaces and an even split of the public spaces. The County would finance the construction of the deck, and the City would utilize **\$5 million** of its debt capacity to make annual payments for the City’s share of the financing out of the debt service fund. Of the total contribution, the City would finance \$2.5 million using the other debt capacity, with the remaining \$2.5 million funded from the tax increment and parking revenue from the Bailey Power Plant redevelopment project. In addition to provisions for the construction and payment of the deck, the proposed interlocal agreement would establish the responsibilities for operating and maintaining the deck.



Project Title

Liberty Plaza - Kaleideum

Ward

Northwest

Estimated Cost

\$2,000,000

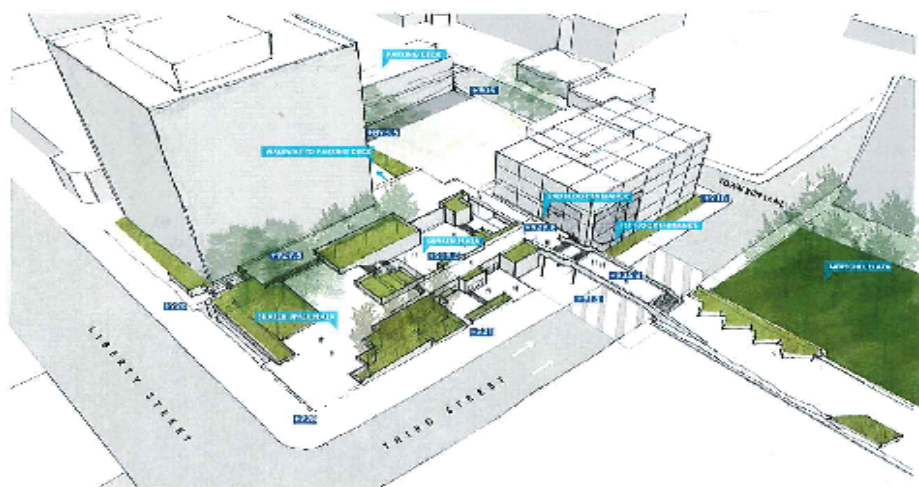
Source of Funding

LOBS

Project Description

Two years ago, SciWorks and the Children’s Museum of Winston-Salem merged to form Kaleideum. Currently, Kaleideum has two facilities—Kaleideum North at the former SciWorks site and Kaleideum Downtown at the former Children’s Museum. Forsyth County officials and Kaleideum leadership have been working on the design of a new building that would be located on the site of the former Forsyth County Sheriff’s Office building. Part of the vision for the site includes improvements to Liberty Plaza in order to create the “front door” to the new building. The City currently owns Liberty Plaza. The potential **\$2 million** for improvements to Liberty Plaza would include demolition of the existing office pods, as well as new sidewalks, brick work, and landscaping.

In 2018, Kaleideum was ranked among the top 30 tourist attractions in North Carolina by the Triad Business Journal. Kaleideum has hosted over 200,000 visitors annually, generating \$8 million in overall economic impact. Of the 200,000 visitors, almost one-third come from low income zip codes in Forsyth County. Kaleideum provides free admission through its Community Access passes, scholarships for family memberships, and reduced admission through the Museums for All program.



Project Title

Bankruptcy Court Acquisition

Ward

South

Estimated Cost

\$1,750,000

Source of Funding

LOBS

Project Description

The United States Bankruptcy Court building currently is located off of Liberty Street, near the site of the Business 40 corridor project. Efforts involving the Conservation Fund and the Creative Corridors Coalition are underway to acquire the property and develop it into open space. The land is the site of the former farm of Peter Oliver, who was enslaved, joined the Moravian community in the late eighteenth century, and purchased his freedom working as a potter. Based on early concepts for the development of the property, the open space would include the current strollway, sidewalks, lighting, landscaping, and interpretive walls among the improvements.

The site includes four parcels totaling 1.537 acres, and the building includes 18,927 square feet. The Conservation Fund has negotiated a purchase price of \$1.635 million. The appraised value totaled \$1.89 million. The property’s tax value totals \$1.659 million, generating \$9,911 in City property tax revenue. As part of the due diligence process, the Conservation Fund has conducted environmental assessments of the site. While contaminants were discovered in a confined location, it is anticipated that subsequent assessments will not uncover more widespread contamination.

Because the project envisioned for this site would involve the demolition of the building, a facility assessment has not been conducted. However, the property owners have noted that a complete restoration of the building was performed five years ago. Currently, there are two tenants in the building—the United States Bankruptcy Court and the State Highway Patrol. The State Highway Patrol leases space for \$24,000 per year. The U.S. Bankruptcy Court is in the process of securing a new location and could vacate their space in the building by the end of the calendar year. Based on the appraisal, the estimated annual operating costs for the building total \$31,000.

The potential **\$1.75 million** would provide for the purchase of the property from the Conservation Fund. With the closing of the Conservation Fund’s purchase scheduled for July, the City would have sufficient time to conduct its own due diligence process, including a facility assessment of the building. Additional funding would have to be raised or identified for development of the property into public open space, including demolition of the building.



Project Title

East Ward Resurfacing

Ward

East

Estimated Cost

\$500,000

Source of Funding

Union Station Reserves

Project Description

As part of the development of the 2018 bond project list, the East Ward's \$1.7 million allocation of street resurfacing funds was designated for housing development projects. Recent winter storms have damaged city streets, creating cracks and potholes that increase the wear and tear on vehicles. This project would provide for resurfacing of street segments within the East Ward with low pavement condition ratings.

Project Title
Meadowlark Drive Widening

Ward
West

Estimated Cost
\$3,000,000

Source of Funding
Two-Thirds Bonds

Project Description

This project would widen Meadowlark Drive from Country Club Road to the current widened segment near Robinhood Road to alleviate existing traffic congestion resulting from the additional residential development that has taken place over the last decade and the pending status of the Northern Beltway, which would divert north-south traffic.

The 2014 bond referendum included \$5.6 million for widening Meadowlark Drive. Based on the low bid initially received for the project, the Mayor and City Council increased the budget by \$2 million using premium that the City realized from the issuance of the 2014 bonds. In addition, the Winston-Salem Urban Area MPO allocated \$1.5 million in federal Congestion Mitigation/Air Quality funds for this project. The projected shortfall in funding totals **\$3 million**.

The following table summarizes current revenues and projected expenditures for the project.

Project Revenues	Amount
2014 Bonds + Premium	\$7,600,000
Congestion Mitigation/Air Quality Funds	1,500,000
Developer Improvements	165,000
Total Revenues	\$9,265,000
Project Expenditures	
Land Acquisition	\$636,000
Design	701,000
Projected Construction Cost	9,678,000
Other	1,250,000
Total Expenditures	\$12,265,000
Funding Shortfall to be Funded by 2/3 Bonds	(\$3,000,000)

Project Title

Novack Street Bridge Replacement

Ward

Northeast

Estimated Cost

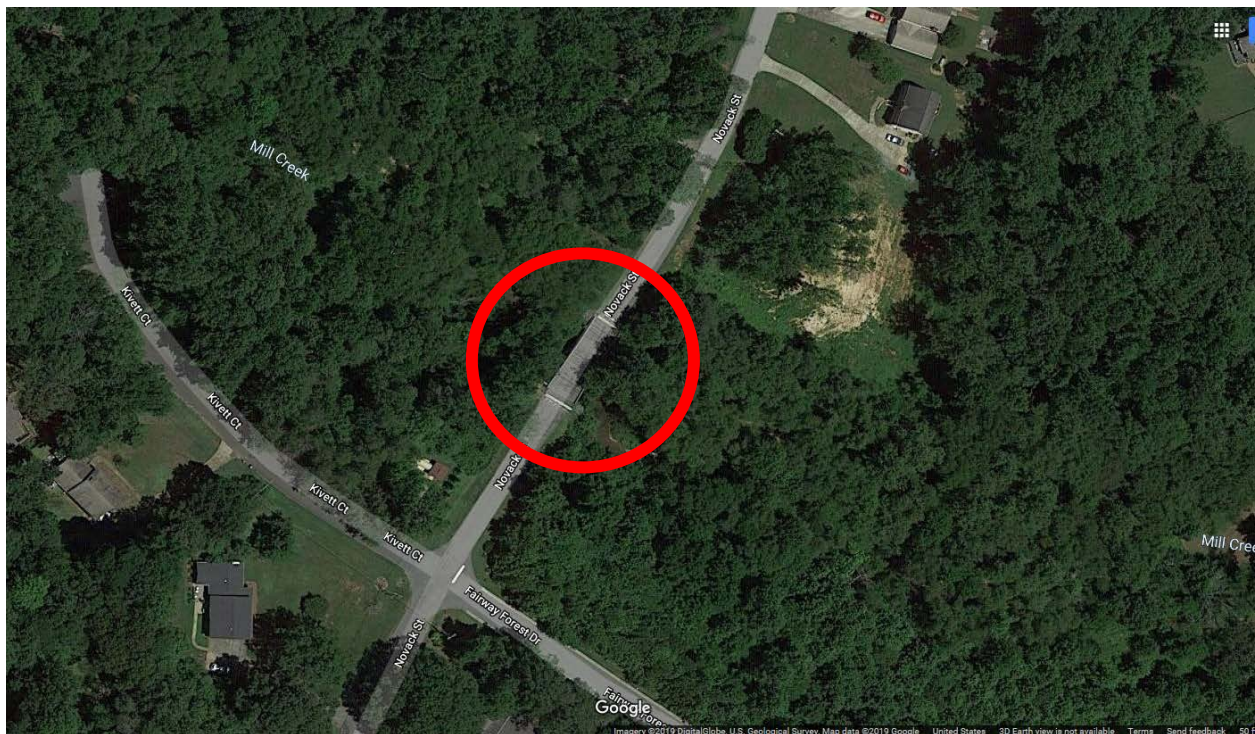
\$2,000,000

Source of Funding

Two-Thirds Bonds

Project Description

The bridge on Novack Street has experienced numerous flooding events to the point that the bridge has failed and is no longer safe to cross. It is currently closed. Replacement of the bridge has become an urgent priority. While City staff have explored options such as the construction of a culvert bridge, the recommended solution is complete replacement of the bridge. City staff also have researched revenue options to pay for this project. While the use of federal and state funds would limit the City's cost to a 20% match, the approval processes required throughout the project would result in a completion date of 2024. In order to expedite the replacement of the bridge, City staff recommend using **\$2 million** of the City's projected two-thirds bond capacity in FY 2019-2020 to fund this project. By using only local funds, staff project the bridge can be replaced by 2021.



Project Title

Recreation Maintenance Projects

Ward

Citywide

Estimated Cost

\$1,840,000

Source of Funding

Two-Thirds Bonds

Project Description

In the summer of 2017, the City's Recreation and Parks Department contracted with Stewart, an engineering firm, to conduct a comprehensive assessment of all of its facilities, including parks, recreation centers, swimming pools, and golf courses. Stewart presented its report in March 2019. The report identified \$43.8 million in deferred maintenance needs. The City already has appropriated funding to address some of the most critical needs, including \$6.38 million in 2018 bonds and two-thirds bonds designated for recreation facility renewal. To further address the findings from the Stewart assessment, the proposed capital plan for FY 2019-2020 would include **\$1.84 million** to fund maintenance and repairs, primarily for the City's recreation centers.

Project Title

City Hall & Bryce A. Stuart Building Roofs

Ward

South

Estimated Cost

\$1,000,000

Source of Funding

Union Station Reserves

Project Description

Under the City's asset management program, Property and Facilities Management has performed facility condition assessments on all buildings, including those located at City Yard, City Hall, and the Bryce A. Stuart Municipal Building. Facilities Management has documented needs and established a schedule for the replacement of roofs, replacement of heating and air conditioning systems, painting, renewal of interior finishes, replacement and repair of electrical and lighting systems, bathroom and kitchen renewal, and miscellaneous systems maintenance at each of the City-owned general government facilities. The proposed funding of **\$1 million** would provide for the replacement of both roofs at City Hall and the Bryce A. Stuart Municipal Building. Both roofs are over 15 years old and experiencing water infiltration.