

**RESOLUTION AUTHORIZING ECONOMIC DEVELOPMENT ASSISTANCE OF \$4
MILLION TO CARTER/FRONT STREET CAPITAL FOR PUBLIC
INFRASTRUCTURE IMPROVEMENTS AT THE GROUNDS**

WHEREAS, the State of North Carolina’s FY 2023-2024 budget included a Directed State Grant of \$35 million to the City of Winston-Salem for infrastructure serving the joint Carter/Front Street Capital (CFS) mixed-use project now known as “The Grounds” along Deacon Boulevard; and

WHEREAS, the total cost of infrastructure improvements exceeded the state grant by \$20 million, and the developer value-engineered the project to eliminate approximately \$11.3 million from the original scope; and

WHEREAS, the developer is working with various sources such as the State of North Carolina, Whitaker Park Development Authority, federal government, and others to secure additional funding for infrastructure; and

WHEREAS, CFS has requested \$4 million from the City, as well as \$4 million from Forsyth County, for infrastructure support of the remaining high-priority projects: Deacon Boulevard enhancements focused on traffic, events, and pedestrian safety (~\$1 million); 32nd Street improvements focused on traffic and events (~\$3.9 million); Stream restoration focused on environmental sustainability and community amenity (~\$6.1 million); and Multi-use path focused on pedestrian safety (~\$2.5 million); and

WHEREAS, the difference between the City and County requests (\$8 million) and the total cost of these projects (\$13.5 million) would be funded through various sources, including interest on the state grant debt, funds from the North Carolina Land and Water Fund, and additional investment from CFS; and

WHEREAS, the source of City funds would be \$4 million from proceeds from the sale of an economic development property purchased with 2018 General Obligation Bonds that were specifically designated for use on Economic Development Sites and Infrastructure projects, and these monies must be used for an economic development purpose (restricted by bond covenants); and

WHEREAS, CFS engaged a consultant for an Economic and Fiscal Impact Study of The Grounds based on the assumption that all baseline infrastructure work is completed, and the study projects that over the next 10 years, the project will generate ~\$1.3 billion in total business sales, with over \$37.7 million in state and \$27.5 million in local taxes generated through direct, indirect, and induced spending; and

WHEREAS, Phase I is expected to involve ~\$200 million in total capital expenditures with a completion target for the end of 2027, followed shortly by an additional ~\$300 million.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Winston-Salem, and in accordance with N.C.G.S. 158-7.1, that after a duly advertised public hearing, the Mayor and City Council hereby approve \$4 million of economic development assistance to CFS or its subsidiary for public infrastructure improvements at The Grounds.

BE IT FURTHER RESOLVED, that the Mayor and City Council hereby authorize and approve the City Manager, City Attorney, and City Clerk to execute an agreement with CFS or its subsidiary to use the funds, with a provision that CFS would cover any shortfall between the property tax revenue generated and the debt service on the \$4 million in bonds.