

**MODIFICATION TO APPROVAL OF FINANCIAL ASSISTANCE TO 1001 S.  
MARSHALL MM, LLC FOR COMMUNITY DEVELOPMENT PURPOSES PURSUANT  
TO N.C.G.S. 160D-1311**

**WHEREAS**, in 2018 City Council approved \$2 million of City funds to assist 1001 S. Marshall MM, LLC with the \$26 million 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; and

**WHEREAS**, the source of funds was 2014 General Obligation Economic Development Bonds, and approval included three key conditions: 1) City funds were designated for hard construction costs, specifically public infrastructure and public enhancements related to the 1001 property; 2) City funds would be disbursed in alternating tranches with other non-City financing; and 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; and

**WHEREAS**, the project scope has expanded from its original vision to include the adjacent 1007 S. Marshall St. building, which is currently under a lease to purchase agreement with the developer and has served as home to Cobblestone Farmers Market since the fall of 2021; and

**WHEREAS**, due to the broader reach of the project, the developer has divided redevelopment into two phases with Phase I estimated to cost \$14.5 million and involves upfitting 1007 as space providing indoor/outdoor retail options for creative and culinary entrepreneurs with exterior and interior renovation to be in accordance with the State Historic Preservation Office; and

**WHEREAS**, site work for Phase I will include re-grading the parking lot, patio for community gathering, stormwater management, lighting, and landscaping; and

**WHEREAS**, Phase II will bring total investment in the project to \$36 million and connect the shared kitchen space of the 1001 and 1007 buildings with more workspaces, preparation areas, pods, value-added packing areas, and refrigerated space; and

**WHEREAS**, by the end of 2024, all 130,000 square feet of 1001 are projected to be activated for the shared use kitchen, culinary workforce training for area residents, entrepreneurial and scale-up production space, and community arts programming; and

**WHEREAS**, due to the redevelopment being divided into phases involving two adjacent properties, the developer is requesting a modification to the \$2 million approval that would allow City funds to be used for building/site improvements and renovation to 1007 during Phase I; and

**WHEREAS**, City funds would be a part of the capital stack expected to include New Market Tax Credits, Historic Tax Credits, private investment, tenant-focused grants, and a loan from a commercial lender. Self-Help, a Durham-based community development financial institution, has expressed intent to join the project as co-developer and partner.

**NOW, THEREFORE, BE IT RESOLVED**, by the Mayor and City Council of the City of Winston-Salem, upon recommendation of the Finance Committee, that pursuant to N.C.G.S. 160D-1311, the City hereby approves a modification of the \$2 million of City funds to 1001 S. Marshall, MM to allow use for building/site improvements and renovation of the 1007 property during Phase I.

**BE IT FURTHER RESOLVED**, that the City funds be escrowed along with other sources and disbursed for Phase I in alternating tranches with the other non-City secured financing providing the first payment and thereafter the City providing the next payment on an equal percentage basis and continuing in that same manner thereafter. Prior to City funds being disbursed, the developer shall first secure all of the required additional financing for Phase I as

described herein from non-City sources and provide proof of the same to the City Manager. The City's total assistance for the project will not exceed \$2 million.

**BE IT FURTHER RESOLVED,** that the City Manager and City Clerk are authorized to execute the necessary documents pursuant to review and approval by the City Attorney.