



property has served as home to Cobblestone Farmers Market since the fall of 2021, drawing crowds of approximately 2,500 each week with vendors generating aggregate sales of \$1.5 million annually.

Due to the broader reach of the project, the developer has divided redevelopment into two phases. In addition to continued operations of the Cobblestone market, Phase I includes upfitting 1007 as space providing indoor/outdoor retail options for creative and culinary entrepreneurs. The building has undergone environmental remediation and is ready for construction upfit, including for Winston-Salem Shared Kitchen space. Exterior and interior renovation for tenant spaces will be performed in accordance with the State Historic Preservation Office. Site work will include re-grading the parking lot, patio for community gathering, stormwater management, lighting, and landscaping. Investment is estimated at \$14.5 million and should serve as a catalyst for additional investment in the surrounding South Marshall Street community. Construction is scheduled to begin no later than the second quarter of 2023.

Phase II expects to build on the momentum of 1007 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. 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 serving the community. Once completed, total investment for Phases I and II is expected to total \$36 million.

Because the redevelopment has been divided into two phases involving two adjacent properties, the developer is requesting a modification to the \$2 million approval. Rather than be the last money into the project, the developer is requesting that City funds be eligible for construction upfit of 1007 during Phase I of the project.

The City funds would 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. Recently, Self-Help, a Durham-based community development financial institution, has expressed intent to join the project as co-developer and partner. A letter expressing their support from the Director of Real Estate is attached.

N.C.G.S. 160D-1311 authorizes local governments to expend funds for assistance and financing of rehabilitation of private buildings principally for the benefit of low- and moderate-income persons. Funds can also be used for the restoration or preservation of older properties.

If approved by City Council, the attached resolution authorizes staff to take the necessary steps to execute an agreement with 1001 S. Marshall MM, LLC to provide the City's \$2 million in financial assistance. The developer would escrow the City's funds, along with other sources, and would not access the funds until the Phase I funding is in place.