

**RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT LOAN
TO FRONT STREET CAPITAL FOR CONSTRUCTION OF A SPECULATIVE
INDUSTRIAL BUILDING AT UNION CROSS INDUSTRIAL CENTER PURSUANT TO
N.C.G.S. 158-7.1**

WHEREAS, Front Street Capital (FSC) is seeking a \$2,500,000 economic development loan to help finance the construction of a speculative industrial building on Lot #4 at Union Cross Industrial Center; and

WHEREAS, this building would contain approximately 144,000 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 \$15.7 million with the potential to increase by an additional \$1 million to \$3.5 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 selling 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, FSC commits to complying with the terms and conditions outlined in Exhibit A "Project and Assistance Description" of the accompanying Council Action Request Form.

NOW, THEREFORE, BE IT RESOLVED, 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 from the proceeds from the repayment of the original \$2,500,000 to FSC to assist with the construction of a speculative building on Lot #4 at Union Cross Industrial Center.

Winston-Salem City Council
APPROVED
February 6, 2023

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.