

City Council – Action Request Form

Date: October 12, 2020

To: Mayor Joines, Mayor Pro Tempore, and Members of City Council

From: Evan Raleigh, Assistant City Manager

Council Action Requested:

- 1) Resolution authorizing and ratifying the expenditure of City-County Utility Commission funds generated by Outside of County Utility Services to offset certain public infrastructure costs associated with project site improvements for Kaleideum Museum through a reimbursement agreement among the City of Winston-Salem, Forsyth County, and Frank L. Blum Construction Company, or any affiliate or subsidiary thereof (Northwest Ward)
- 2) Ordinance amending the Project Budget Ordinance for the City of Winston-Salem for the Fiscal Year 2020-2021

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: Promote Downtown Revitalization

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

The City has received a request from Forsyth County to approve the expenditure of up to \$48,000 from the Outside-of-County Utility Services Fund to offset the installation cost of a 3” meter and water and sewer system development fees associated with the development of the new site of Kaleideum Museum located at the intersection of W. 3rd St. and Town Run Lane in downtown Winston-Salem.

The Outside-of-County Utility Services Fund was established by the Utility Commission in the mid-1970s to provide support for economic development projects in the City and County. A modification in September 1996 to the interlocal agreement between the City and County relating to the Utility Commission established that fifty percent (50%) of revenues generated by utility services provided to customers outside of the County would be set aside for economic development purposes. The amendment specified that monies collected in the fund could be used for the development of public infrastructure including furnishing water, sewer and

Committee Action:

Committee	<u>Finance 10/12/2020</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

treatment services. The amendment to the agreement also established that money from the fund would only be released upon the approval of both the Mayor and City Council and the Forsyth County Board of Commissioners. An additional amendment to the agreement approved by the Mayor and City Council and the Forsyth County Board of Commissioners in December of 2016 clarified that Outside of County Utility Services funds could be used for public infrastructure improvements beyond water and sewer projects such as roads and for both the design and construction phases of such projects.

The Outside of County Utility Services Fund has been used on five occasions. In 2004, \$425,000 was used to fund water and sewer infrastructure improvements in the Innovation Quarter. In 2008, \$175,000 was used to install a sewer line for construction of two speculative buildings in the Union Cross Business Park. In 2010, \$1.2 million was used to assist in the construction of Research Parkway. In 2016, \$690,000 was used to assist with the infrastructure development for the Idols Road Business Park in Clemmons. In 2019, \$300,000 was used to assist in the construction of public infrastructure improvements for a new, Class A speculative building in Union Cross Business Park. The balance in the Outside of County Utility Services Fund was \$3,285,798.49 as of June 30, 2020.

The use of funds in support of the Kaleideum project was considered by the Forsyth County Board of Commissioners during their September 10th meeting and was approved. The Resolution adopted by the County Commissioners is attached for reference.