

RESOLUTION AUTHORIZING EXECUTION OF A REIMBURSEMENT AGREEMENT WITH FRONT STREET CAPITAL, LLC TO FUND DESIGN, CONSTRUCTION, AND ACQUIRE AN EASEMENT TO MUNICIPAL INFRASTRUCTURE IMPROVEMENTS AT BAILEY POWER PLANT SOUTH IN WAKE FOREST INNOVATION QUARTER

WHEREAS, Front Street Capital, LLC (“Front Street Capital”) is a private developer which is considering renovating the Southern portion of the Bailey Power Plant lot located in the Wake Forest Innovation Quarter; and

WHEREAS, as part of the renovation project, Front Street Capital proposes to convert the existing railroad track into an elevated walkway to provide public access to the project and adjoining courtyard and to serve the Wake Forest Innovation Quarter; and

WHEREAS, Front Street Capital has requested that Forsyth County enter into a Reimbursement Agreement with Front Street Capital, LLC, as private developer, pursuant to the provisions of N.C.G.S. 153A-451 and N.C.G.S. 153A-149(c)(14), to fund the construction of municipal infrastructure improvements which will be made in connection with Front Street Capital’s renovation project at Bailey Power Plant South (such categories of expenses being identified on the attached Exhibit A consisting of four pages) in an amount up to \$829,200 for expenses which are not being reimbursed by any other state or local governmental entity, with such reimbursement being paid quarterly by the County as invoiced by Front Street Capital, until paid in full, following the execution of a Reimbursement Agreement between the County and Front Street Capital; and

WHEREAS, the infrastructure improvements identified in Exhibit A will be included on the County’s Capital Improvement Plan, as required by N.C.G.S. 153A-451; and

WHEREAS, Front Street Capital will grant the County an easement over the municipal improvements to be constructed on the site, for permanent access by the public over the municipal improvements to be constructed on the site ("Public Access Easement"), within ninety (90) days following the County's receipt of the last invoice submitted by Front Street Capital for reimbursement of the cost of construction of the municipal infrastructure improvements, and that the final invoice will contain no less than \$150,000 in reimbursable expenses and will be paid within ten (10) days following the recordation of the Public Access Easement; and

WHEREAS, Front Street Capital is willing to comply with the bidding laws as required by N.C.G.S. 153A-451 and to be responsible for maintaining the municipal infrastructure improvements and to grant the Public Access Easement to the site to the County for permanent public access to municipal improvements to be constructed on the site as described herein; and

WHEREAS, it is proposed that, upon authorization by the Forsyth County Board of Commissioners, County funding for the requested Reimbursement Agreement would

come from the County's Unreserved General Fund Fund Balance in an amount up to a total of \$829,200 for the combined cost of the design and construction to the municipal infrastructure improvements as described herein;

WHEREAS, the Forsyth County Board of Commissioners has analyzed the request and determined that it complies with the provisions of the County's Ordinance Establishing Procedures, Criteria, and Terms Under Which Reimbursement Agreements May Be Authorized Pursuant to the Provisions of N.C.G.S. 153A-451;

NOW, THEREFORE, BE IT RESOLVED that the Forsyth County Board of Commissioners hereby authorizes the Chairman or County Manager and Clerk to the Board to execute, on behalf of Forsyth County, a Reimbursement Agreement with Front Street Capital, LLC to fund the design and construction of municipal infrastructure improvements at the Bailey Power Plant South, and the acquisition of the Public Access Easement over the municipal infrastructure improvements to be constructed on the site, all in an amount up to \$829,200 in a manner consistent with the provisions set forth herein, subject to a pre-audit certificate thereon by the County Chief Financial Officer and approval as to form and legality by the County Attorney.

BE IT FURTHER RESOLVED that the infrastructure improvements identified in Exhibit A are hereby included on the County's Capital Improvement Plan as required by the provisions of N.C.G.S. 153A-451.

BE IT FURTHER RESOLVED pursuant to the provisions of N.C.G.S. 153A-451, as a party to the proposed Reimbursement Agreement, Front Street Capital will comply with Article 8 of Chapter 143 of the General Statutes when Front Street Capital awards contracts for work that is subject to a competitive bidding process, if required by the law.

BE IT FURTHER RESOLVED that the County Manager and Chief Financial Officer are hereby directed to reserve \$829,200 of General Fund Fund Balance for the requested Reimbursement Agreement authorized herein.

Adopted this 6th day of September 2018.



Kyle Haney
Economic Development Specialist
Forsyth County Government

Re: Public Enhancement Project

Kyle,

I appreciate your time in learning about Bailey South, our proposed development in the Innovation Quarter. Bailey South will be a key part of the WFIQ mission serving as the bridge between the significant investment already made in the WFIQ and the broader Winston Salem/Forsyth County community. Bailey South will serve as the hub of activity providing exactly what the WFIQ has been seeking, an opportunity to engage with the community in an entertainment and lifestyle-centric development. The City and County's investment has been a huge catalyst for the success of the Innovation Quarter. Through Bailey South we are excited about creating the opportunity for more people in our community to experience the success of that investment. This letter outlines a request for the County's participation in a public enhancement project: the redevelopment of the historic railroad track that runs behind Bailey South. Please see the attached renderings and exhibit at the end of this letter for reference of our planned project.

General Project Details

- Phase I – Bailey South
 - 75,000sf
 - 6 stories – 2 stories of retail, 4 stories of office
 - The 65,000sf of new construction in Phase I will wrap the existing 9,000sf historic power plant to create one integrated building
 - \$20M +/- total project cost

- Phase II – The Morris Building
 - 20-25,000sf
 - multi-story retail
 - \$5-8M +/- total project cost
 - Phase II will come upon the substantial completion of Phase I

Introduction

As evidenced by the vibrancy of previous WFIQ developments, much of the culture and community-building activities are driven by investment in outdoor common spaces that allow the WFIQ community and general public to engage with the Innovation Quarter. The 'place-making' success of Bailey South will be dependent upon that same design – leveraging outdoor spaces and the unique elements of the site to deliver a place of engagement and connectivity for the regional community who visits Bailey South. These project elements are difficult to achieve because they do not produce



any income (unlike rentable office/retail space) yet they are critical to the overall project and enhance the public's engagement with such an important downtown landmark.

The Railroad Track

A key success factor for the entire Bailey Power Plant block (Bailey South + The Morris Building + Wexford's Bailey Power Plant) is the redevelopment of the historic RJR railroad track for enhanced public access. Particularly for Bailey South, this serves as a defining element of our project since it will provide direct access from Fourth Street to the 2nd floor of our building via two new bridge connectors (see the attached rendering to see this proposed design). This allows our project to expand the retail space from the 1st to the 2nd floor since we will have sidewalk pedestrian access from Fourth Street directly to the 2nd floor. A key way that the railroad track benefits Wexford's Bailey Power Plant is by providing a set of stairs down from the railroad track to the 'coal pit'. This greatly enhances the County's investment in public improvements/access around the power plant since pedestrians will be able to directly connect from Fourth Street to the coal pit via the elevated railroad track (the main path of pedestrian traffic). Once reactivated, the railroad track will create enhancements for public access, it will bring to life a historical element of RJR's legacy in the area, and it will be an architectural feature attraction that enhances the overall culture of the WFIQ downtown Winston-Salem. Examples of this can be seen in other cities such as Greenville SC's bridge over the downtown river, the highline in Manhattan, downtown Richmond's suspension bridge, Atlanta's Ponce City Market redevelopment, and many others. These developments used unique architectural elements to create a destination and a defining element that puts their projects 'on the map'. *The redevelopment of the railroad track will be a game-changing impact to the overall Bailey Power Plant block, but without the redevelopment Bailey South it will not happen.*

FSC's Challenge

The redevelopment of Bailey South is a very difficult project as we try to maximize the potential of this critical downtown corner. Previous developers were simply looking at the existing building for a 9,000sf restaurant. Though Bailey South we are trying to set the bar for how people view future (re)development in Winston Salem where we maximize the potential of a site and deliver a unique product that enhances the entire Winston Salem and Forsyth County community. By maximizing this site with a 75,000sf project (without tax credits) it comes with associated costs that we are trying to overcome in making this project a success.

County Request

Our development team is seeking support from the county for the redevelopment of the railroad track. Based on initial conversations about other precedent projects the County has participated in, the redevelopment of the railroad track for public pedestrian access. The redevelopment of the railroad track will have a direct impact on enhanced public access and engagement to all three buildings in the Bailey Power Plant block including Wexford's Bailey Power Plant, Bailey South and the Morris Building. This new public access will become the feature architectural attraction of the



innovation quarter through our proposed bridge and stair connections to all three buildings. Bailey South will be connected to the railroad track via two elevated bridges, the Bailey Power Plant will be connected via a new set of stairs down to the coal pit and the Morris Building will be connected via new access points directly from the building to the railroad track.

FSC has been working with engineers, architects and our general contractor to identify the best design and most cost-effective construction method for the railroad track. We have reduced the budget by over \$100,000 from initial estimates through further design and construction investigations.

Below is a breakdown of cost and we have all associated supporting documents from each trade. We anticipate these costs to change slightly as the project is finalized but this represents a very close estimate of total project costs.

- Civil Engineer Design: \$19,700
- Structural Engineer: \$16,000
- Railroad Track Construction: \$688,000
- Elevated walkway from Fourth St to Bailey South: \$80,000
- Upgrade 4th St chain link fence: \$25,500

Total Project Cost: \$829,200

Our request is, in exchange for an additional \$25-28 million in tax base generated by Bailey South and the Morris Building, that Forsyth County assists our project by funding the railroad track redevelopment.

We appreciate the County’s consideration of this partnership and we look forward to discussing in greater detail.

Kind Regards,

Coleman Team
Front Street Capital

Proposed Railroad Track Redevelopment Rendering

