

RESOLUTION AUTHORIZING AMENDMENTS TO THE 2007 ECONOMIC DEVELOPMENT PROJECT WITH WAKE FOREST UNIVERSITY HEALTH SCIENCES AND THE CITY OF WINSTON-SALEM FOR THE EXPANSION OF THE WAKE FOREST INNOVATION QUARTER, PREVIOUSLY THE PIEDMONT TRIAD RESEARCH PARK, AND AUTHORIZING EXECUTION OF AN AMENDED AGREEMENT

WHEREAS, North Carolina General Statute 158-7.1 authorizes counties to make appropriations for economic development purposes which are determined by the governing body of the county to increase the population, taxable property, agricultural industries, employment, industrial output, or business prospects of the county; and

WHEREAS, in 2007, Wake Forest University Health Sciences (WFUHS), which is responsible for developing the Wake Forest Innovation Quarter (WFIQ), previously called the Piedmont Triad Research Park, entered into an economic development agreement (2007 Agreement) with the County and City of Winston-Salem, to expand the WFIQ Northern District Phase II, through public infrastructure improvements, site preparation, and the construction of three new facilities representing 200,000 square feet within the WFIQ during a ten-year period which new facilities would represent capital investment of approximately \$47.6 million dollars in addition to public infrastructure and/or site preparation costs; and

WHEREAS, under the 2007 Agreement, the County agreed to reimburse WFUHS in an amount not to exceed \$6,657,336 for un-reimbursed public infrastructure and site preparation costs associated with the proposed new facilities based upon and contingent upon a capital investment by WFUHS of 200,000 square feet in new office, laboratory, and light industrial space as well as a 425 space parking facility to accommodate between 500 and 600 transferred or new WFUHS jobs and 75 to 100 new private sector jobs, all representing capital investment of approximately \$47.6 million over a ten-year period; and

WHEREAS, under the provisions of the 2007 Agreement, if WFUHS fails to complete construction of a minimum of 100,000 square feet of new office, laboratory and light industrial space within ten years of execution of the said 2007 Agreement, WFUHS must repay to the County and City all fixed incentive payments previously paid under the 2007 Agreement and the County and City will be relieved of any further obligation under the said Agreement; and

WHEREAS, to date WFUHS has not constructed any new office, laboratory or light industrial space under the 2007 Agreement and WFUHS requests that the said Agreement be amended as follows:

- To extend the deadline for completion of minimum square footage by 10 years to September 10, 2027; and
- To increase the minimum capital investment requirement from 100,000 to 150,000 square feet of office, laboratory, and light industrial space by September 10, 2027; and

- To increase the total capital investment from 200,000 to 250,000 square feet with the addition of 50,000 sq ft of mixed-use space (not incentivized) – 200,000 must still be office, laboratory, and light industrial use; and
- To require expenditure of \$55 Million in capital investment anywhere within the Innovation Quarter Northern District, Phase 2 (formerly known as the WFIQ Central District), through construction of up to three office, laboratory, or light industrial buildings with associated surface or structured parking facilities. Each building and parking facility constructed with the \$55 Million in capital investment must be maintained as fully subject to ad valorem property taxes for a period of at least twenty (20) years from its completion; and
- To include additional legal authority for County’s support of Parking Deck and possibly Reimbursement Agreements; and
- WFUHS will return 10% of the assistance provided by the City and County if WFUHS includes a residential component, which does not include affordable housing, in this phase of the development; and
- The original incentive amount will not change; and
- To require Existing Park Facilities – A1, AP1, A1A to remain fully subject to ad valorem property tax for at least twenty-five years (from 2007 through 2032) from execution of the original Agreement; and

WHEREAS, the Forsyth County Board of Commissioners has duly advertised and conducted a public hearing to consider whether to participate in the amended economic development project with WFUHS and the City of Winston-Salem to facilitate the expansion of the WFIQ, based upon the foregoing provisions; and

WHEREAS, the proposed amendments to the economic development project as outlined herein, to expand the WFIQ public infrastructure, make capital investments in the WFIQ, and create jobs will increase the population, taxable property, employment, industrial output, and business prospects of the County.

NOW, THEREFORE, BE IT RESOLVED that the Forsyth County Board of Commissioners, after duly advertised public hearing held, finds that the proposed economic development project with amendments outlined herein between the County, WFUHS and the City of Winston-Salem will increase the population, taxable property, employment, industrial output, and business prospects of the County.

BE IT FURTHER RESOLVED that the Forsyth County Board of Commissioners hereby approves and authorizes amending the 2007 economic development incentives agreement between Forsyth County, WFUHS and the City of Winston-Salem to facilitate the expansion of the WFIQ as follows:

- To extend the deadline for completion of minimum square footage by 10 years to September 10, 2027; and

- To increase the minimum capital investment requirement from 100,000 to 150,000 square feet of office, laboratory, and light industrial space by September 10, 2027; and
- To increase the total capital investment from 200,000 to 250,000 square feet with the addition of 50,000 sq ft of mixed-use space (not incentivized) – 200,000 must still be office, laboratory, and light industrial use; and
- To require expenditure of \$55 Million in capital investment anywhere within the Innovation Quarter Northern District, Phase 2 (formerly known as the WFIQ Central District), through construction of up to three office, laboratory, or light industrial buildings with associated surface or structured parking facilities. Each building and parking facility constructed with the \$55 Million in capital investment must be maintained as fully subject to ad valorem property taxes for a period of at least twenty (20) years from its completion; and
- To include additional legal authority for County’s support of Parking Deck and possibly Reimbursement Agreements; and
- WFUHS will return 10% of the assistance provided by the City and County if WFUHS includes a residential component, which does not include affordable housing, in this phase of the development; and
- The original incentive amount will not change; and
- To require Existing Park Facilities – A1, AP1, A1A to remain fully subject to ad valorem property tax for at least twenty-five years (from 2007 through 2032) from execution of the original Agreement.

BE IT FURTHER RESOLVED by the Forsyth County Board of Commissioners that the Chairman or the County Manager and the Clerk to the Board are hereby authorized to execute the necessary documents on behalf of Forsyth County to participate in the amended economic development agreement with Wake Forest University Health Sciences and the City of Winston-Salem as further described herein, subject to a pre-audit certificate thereon by the County Chief Financial Officer, if applicable, and approval as to form and legality by the County Attorney.

Adopted this the 21st day of December 2015.