



# North Carolina

## NMTC Allocatee

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## Bailey Power Plant

The Bailey Power Plant (“the Project”) is the adaptive re-use of a former RJ Reynolds tobacco facility that is being redeveloped by Wexford Science and Technology, LLC (“the Sponsor”) into an 110,815 sq ft mixed-use, LEED Silver certified historic preservation project. The Project’s tenants will include an innovation center, university research space, early stage R&D companies, and mixed-use retail and restaurants serving local neighborhoods. The Project is located on an abandoned section of 4th Street, which has experienced significant industrial flight, and is key to revitalizing downtown Winston- Salem and the newly energized Wake Forest Innovation Quarter (WFIQ) that is creating a new economy driven by discovery, commercialization and entrepreneurship for Winston-Salem and Forsyth County. The Project is located in a severely distressed census tract with a 28.2% poverty rate.

As of result of the environmental contamination, an inefficient layout, and other cost factors, the Project had high development costs; and therefore, the \$38 million redevelopment was not financially feasible without the NMTC subsidy. Given its focus on providing a pathway to innovation and entrepreneurship and the remediation of a Brownfield site, the Project attracted \$16 million in NMTC financing from three CDEs – Urban Action Community Development (UACD) provided \$8 million, City First Bank of DC \$6 million, and USBCDC \$2 million. The Project also included federal and state Historic Tax Credits.

The Project is aligned with UACD’s mission of neighborhood transformation with a focus on catalytic projects that promote the innovation economy. The Project will have a major impact on employment and will create 283 new permanent positions, of which 10% will be accessible to low-income persons (LIPs). The Project will create 450 construction jobs, of which 80% will be accessible to LIPs and 70% of those employed will have access to medical benefits. The Project’s sponsors will collaborate and partner with local organizations to recruit LIPs in East Winston-Salem through job fairs and other strategic outreach and engagement efforts.

As part of the NMTC financing, the Project’s Sponsor established a Community Benefits Fund of an estimated \$400,000 to support 5,000 sq of innovation space that will be used for computer coder training and workforce development programs. Overall, the Project will provide considerable financial support to education and workforce training programs in Winston-Salem.

## Community Profile

### Winston-Salem, NC

**Poverty Rate** 28.2%

## Project Highlights

- Investor: U.S. Bancorp Community Development Corporation
- Co-Allocatees: USBCDC, City First Bank of DC
- Total Project Cost: \$38M
- NMTC: \$16M
- Jobs: 450 construction, 283 full-time, permanent
- USDA Food Desert, Brownfield site, Winston-Salem Target Area Business Assistance Program District #1

