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Wexford, PTRP agree to downtown project

By By Richard Craver



A downtown economic-development project that has been planned for three years -- and hoped for over the course of more than 16 years -- is finally moving forward.

Officials with the Piedmont Triad Research Park said they have reached an agreement with Wexford Science and Technology LLC of Baltimore on an \$87 million project for the North District. A formal announcement, which will involve Gov. Bev Perdue, is set for 11 a.m. today.

The project involves the renovation of Building 91, a former manufacturing building near the corner of Fifth Street and Patterson Avenue donated to the park by R.J. Reynolds Tobacco Co.

It is one of the largest, if not the largest, economic-development projects in downtown history. It also is the biggest announcement regarding the park since plans for it surfaced in 1994.

Officials said that the renovation will begin within one to two weeks. The project is scheduled for completion by the end of 2011.

"There's a sense of joy that something we've worked on -- to create a large footprint in the North District -- is going to happen," said Doug Edgeton, the president of the park. "It will help put jobs back into a part of the city that has experienced job erosion since the late 1980s."

Wake Forest University Health Sciences plans to move 320 positions from its Hawthorne campus and other offices to the site. Another 30 jobs are expected to be created, along with 100 jobs related to support and construction companies and startup businesses.

Officials at Wake Forest University Baptist Medical Center, which is landlocked on its main campus, have longed for years for expansion space for its research departments. Wake Forest Baptist plans to occupy 85 percent of the 242,000 square feet for laboratory, research and office uses.

"This project represents a giant step for the medical center toward achieving our goal of becoming one of the very best academic medical centers in the nation," said Dr. John McConnell, the chief executive of Wake Forest Baptist.

There are plans for wet laboratories for startup companies and retail that could include a cafe and a financial-services company, said Dan Cramer, a regional executive for Wexford.

Park and Wexford officials have negotiated for 15 months over the project. The talks began shortly after Struever Brothers Eccles and Rouse Inc. backed out after 14 months of negotiations because of its financial problems.

The recession contributed to the talks stalling, decreasing banks' appetites for large loans even with a proven developer in Wexford and a sound health-care system in Wake Forest Baptist.

One significant step was getting the city of Winston-Salem and Forsyth County to agree to splitting the \$6.2 million cost of infrastructure upgrades. Mayor Allen Joines said that a key component to city and county involvement was the Wake Forest subsidiary agreeing to pay taxes on the building.

Another was the project qualifying for federal historic and state mill-rehabilitation tax credits. Wexford will be the property owner and will lease the building to Wake Forest Baptist. The tax credits, along with other credits, are passed on to Wake Forest Baptist, Cramer said.

"Essentially, the tax credits take the \$87 million project down to, say, \$55 million to the tenant," Cramer said. "We could not, and they could not, do this project without these historic tax credits."

Gayle Anderson, the chief executive and president of the Winston-Salem Chamber of Commerce, called the project a major economic-development step for creating biotech jobs.

"We desperately need space for potential park tenants, and having them co-located with Wake Forest University scientists and researchers creates the knowledge environment that is critical to the success of the park," Anderson said.

"Bringing hundreds of knowledge workers downtown is a positive step for our downtown development, which will have an impact far beyond the two buildings," she said.

Both Edgeton and Cramer expressed confidence that the project could be the first of many involving the groups.

"We're already studying other buildings for their potential use," Cramer said. "We're not as attracted to one-and-done projects, but rather projects we can flesh out over time, even though we may have to tackle them one at a time."

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