CHAPTER 14

Key Public Investments
Chapter 14. Key Public Investments

Goal:
Use public improvements to catalyze investment, increase revenues, minimize public expenditures, increase our community's competitiveness in the global marketplace, and improve our quality of life.

Introduction
Any thriving community needs a variety of capital improvements to maintain and improve its livability and its ability to attract future growth. One type of improvement is the reinvestment in a community's current assets, such as street improvements; updating parks, recreation centers, and pools; or replacing or rebuilding an outdated central library. A second type of improvement includes investment in quality-of-life concerns, such as expanding the sidewalk network to areas lacking pedestrian amenities or adding greenways, parks, and community centers. A third type of capital improvement is to key facilities such as water or wastewater treatment plants, sanitary landfills, or public safety facilities. The fourth group of capital improvements is strategic in nature. Key public investments can catalyze private investment and shape our future growth in a way that benefits the entire community. New roads, rail transit, streetscape improvements, shared parking facilities, land assembly, and community gathering spaces can help complement or even be a catalyst for development, redevelopment, or economic development.

A community’s capital improvement plan needs all four of these types of improvements and investments. The recommendations of this final chapter of Legacy 2030 focus on the types of improvements that address the strategic growth

What the 2001 Legacy Plan says about Government Initiated Capital Improvements...

- Acquire and bank sites for future development in Downtown Winston-Salem
- Consider incentives to construct high-density housing and other uses Downtown
- Develop incentives to facilitate redevelopment of vacant sites and nonresidential buildings in Downtown Winston-Salem
- Upgrade and expand convention facilities in Downtown Winston-Salem
- Seek adoption of a policy to earmark a percentage of the cost of public buildings/places for aesthetic enhancement of public spaces
- Identify development-ready greenfield industrial sites
- Provide incentives to encourage business investment in brownfield sites
- Provide incentives to address vacant or derelict commercial properties
- Develop incentives to promote development and redevelopment in slow-growth areas, particularly in the east and south sides of Winston-Salem
- Identify financial resources to facilitate affordable housing development
- Implement a countywide pedestrian plan
- Implement a countywide bikeway plan
- Implement a countywide multimodal long range transportation plan
- Improve vehicular access to Downtown Winston-Salem from Business 40 and US 52
- Identify and consider restoration of degraded urban streams
- Dedicate funding in municipal and County budgets for open space and greenway development
- Develop the Winston Net fiberoptic network and other telecommunications infrastructure countywide
- Establish a financial package for historic resources preservation
- Focus light rail in Downtown and surrounding areas to move people, spur economic development, and complement a future regional rail system
opportunities and the need to continually improve our quality of life.

**How Have 2001 Legacy Plan Strategies Worked?**

Most 2001 Legacy Plan recommendations support fiscally efficient public investments, either directly or indirectly. Legacy recommends a carefully selected set of strategies to promote more compact patterns of urban development, mixed-use living environments, and transportation options. Growth Management Plan recommendations, for example, discourage the costly extension of municipal services into the Rural Area and encourage public investment for infill development and redevelopment. As a key part of our community’s overall economic development strategy, Legacy recognizes and encourages public investment as a catalyst to attract new and retain existing jobs and private capital investment. Some public investments have taken the form of performance-based cash incentives while others included physical infrastructure, such as roadway, utility improvements, and parking facilities.

Many 2001 Legacy recommendations were incorporated into the area plan process to prioritize publicly-funded capital improvements. Some were prioritized according to broader, more generalized community needs, such as street construction, parks, and utility infrastructure improvements while others were directed toward particular neighborhood or site-specific needs, such as sidewalks. Public bonds funded major capital improvements or community-scale construction projects requiring longer-term financing. Other plans, mandates, and funding sources, including State, federal, and private grants became part of the mix of revenue sources and allocation priorities that supported Legacy recommendations.

The results of these efforts have generally been positive. Downtown revitalization has been greatly enhanced due to the private investment in development associated with public improvements made there. Job creation has been enabled from public participation in performance-based incentives. Neighborhood revitalization has taken place because of public participation in partnerships that rebuilt street infrastructure, assembled properties and financed property improvement. Continuing to look for strategic investment opportunities to help shape these positive trends will pay dividends going forward.

---

**Legacy Themes Advanced in Policies and Action Agenda Recommendations**

- Fiscal Responsibility
- Livable Design
- Sustainable Growth

**Objectives, Policies, and Action Agenda**

**Objective 1:**

**Strategic Infrastructure Improvements**

Catalyze private investment in Downtown and the Center City, town centers, activity centers, and growth corridors. Target infrastructure improvements to increase the community’s return on public investments and minimize long-term costs of municipal services.

It makes sense to think of a community’s development pattern as one of its long-term investments. Compact development yields a greater tax value than comparable development spread over a larger area. Tax base and tax revenue for development in the Downtown and Center City, as well as the Urban Neighborhoods (GMA 2), far exceeds the per-acre yield for development in the outlying Growth Management Areas (Figure 14-1). Given Forsyth County’s limited amount of developable land, this is an even more compelling reason why at least some public investments should be strategically located to facilitate development that can return more revenues and reduce service costs.

---

Infrastructure work on Wake Forest Innovation Quarter.
An example of the difference in tax revenues generated between low-density and high-density development can be seen by comparing the Magnolia Building, a high-rise office building in Downtown Winston-Salem, with the Wal-Mart big-box retail center on Peters Creek Parkway. The Magnolia Building, situated on 2.28 acres, is proportionately valued at $33.2 million per acre with a total tax value of $75.7 million. The Wal-Mart retail center still has a relatively large total tax value at $21.1 million, but the average per acre value spread over its 28 acres is only $753,343. On a per-acre basis, the Magnolia Building is forty-four times more valuable than the Wal-Mart retail center. There are many other individual examples showing how compact growth contributes proportionally greater tax revenues on a per-acre basis.

Just as important are a development’s long-term costs. For example, greater operational and maintenance costs must be spent on the greater lengths of roadway and utility lines constructed to serve less dense development. Ironically, much new public infrastructure is initially constructed and paid for by private development, but like a free puppy, it becomes the public’s responsibility to operate and maintain virtually forever. Particularly as infrastructure ages, additional operational and maintenance costs become even more apparent. For example, it costs approximately $100,000 to resurface a mile of two-lane road regardless of whether it serves fifty or five hundred households. Table 14-1 shows a sampling of unit costs for infrastructure and service vehicles independent of the cost of personnel. Add this analysis to each development’s continuing costs to taxpayers, and it is clear how investments in denser downtowns and activity centers will benefit the public through time in terms of maintenance and operating costs.

Private investment in new development is largely a market-driven response to various economic factors that include consumer preferences, land costs, lending practices, tax laws, and local ordinances, policies, and regulations. Accordingly, development typically follows a path of least resistance, i.e., the greatest profit with the least risk or uncertainty. Over the last several decades, such economic drivers have favored more geographically dispersed patterns of development.

Even though national trends and other macroeconomic factors operate independently, local governments can still play an important role in promoting more cost-efficient development.

For example, major pedestrian improvements were constructed in Downtown Winston-Salem in the early 2000s, which included wider sidewalks, street trees, street furniture, as well as public incentives to help start the restaurant row concept. These improvements, which used federal, State and local revenue sources, totaled approximately $2 million. Subsequently, between 2005 and 2011, Downtown Winston-Salem experienced an 81 percent increase in housing units from 659 to 1,194. During this same six-year period, the number of Downtown restaurants and pubs increased 51 percent from 49 to 74, and retail shops and services increased 113 percent from 47 to 100 establishments. Simultaneously, office
vacancy rates decreased 68 percent from 36.5 percent in 2005 to 11.5 percent in 2011. By 2012, vacancy rates for class A offices stood at just 4.3 percent. While it is hard to quantify the total economic impact that such new public investments may have, subsequent private investments in new Downtown housing alone approached $100 million during the six-year period between 2005 and 2011. A much greater return can be attributed to such strategic pedestrian improvements when other private investments in office, service and commercial retail are considered. It is estimated that since 2001, private investments in downtown development easily exceed $200 million in value.

Downtown Winston-Salem is not the only area of Forsyth County that can catalyze private development through targeted infrastructure improvements. Legacy 2030 also encourages compact growth in the larger Center City area, activity centers, along growth corridors, and in town centers. The following are some examples of key public investments that can help shape development in a more compact pattern, which will result in a much greater tax base per acre and more efficiency in public service costs:

- Streetcar or similar people-mover system that could help focus significant growth in the Downtown and Center City;
- Parks, plazas, and streetscape improvements that create a higher level of livability in the Downtown, Center City, activity centers, and town centers;
- Historic preservation initiatives that encourage investments and adaptive reuse of historically significant structures; and
- Shared parking and transit facilities in activity centers.

Public investment in a modern people-mover system such as a streetcar in Winston-Salem’s Center City would go a long way to maximize the synergistic benefits of our community’s educational institutions, employment centers and entertainment venues surrounding Downtown. As evidenced by other communities where streetcar systems have been constructed over the last 10 years, private investment in development near streetcar routes has exceeded by 10 to 60 times the initial public investment. A development pattern shaped by this technology can also enhance other transportation options such as local and regional bus service, and eventually regional rail service. Such improvements can distinguish our community as an urban center that is ready for the new economy and associated growth that is emerging.

As the population of Forsyth County grows, similar opportunities await underutilized commercial locations elsewhere in the county where public investments could catalyze new private investment in compact, mixed-use development. As with Downtown Winston-Salem, many activity centers could benefit economically from a more efficient use of existing public infrastructure, provide convenient services for surrounding neighborhoods, and provide the economies of scale needed to support transportation alternatives.

---

**Table 14-1. Sample Costs of Local Municipal Services**

<table>
<thead>
<tr>
<th>Annual operation/maintenance cost:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavement resurfacing: $0.75/linear foot (25 year average service life)</td>
<td></td>
</tr>
<tr>
<td>Sewer line: $0.75 per linear foot</td>
<td></td>
</tr>
<tr>
<td>Water line: $0.75 per linear foot</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Per mile operation/maintenance/depreciation costs:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Cruiser: $0.64 per mile</td>
<td></td>
</tr>
<tr>
<td>Fire Truck (pumper): $4.34 per mile</td>
<td></td>
</tr>
<tr>
<td>Fire Truck (aerial): $10.19 per mile</td>
<td></td>
</tr>
</tbody>
</table>
Infrastructure Improvement Locations Target infrastructure improvements to promote compact, mixed-use development in Downtown Winston-Salem and the Center City, town centers, activity centers, and growth corridors.

Transportation Investments Promote transportation investments, such as a streetcar or other people-mover system, that helps focus compact, mixed-use development in Downtown Winston-Salem and the Center City.

Benefits of Mixed-Use Promote the benefits of compact, mixed-use development as an integral part of municipal and county governments’ fiscal management plans and policies.

Maximize Public Investments Coordinate strategic capital investments with other plans and policies to maximize the return on public investment.

Municipal Services in Rural Area Minimize infrastructure costs by limiting the extension of municipal services into the Rural Area as identified in the Legacy 2030 Growth Management Plan. Encourage municipal and county plans, policies, and capital budgets to incorporate Growth Management Plan recommendations.

Mixed-Use Development Coordinate with real estate and development professionals to promote compact, mixed-use development strategies and public/private investment opportunities.

Action Agenda

14.1.1. Transit Routes Coordinate with WSTA to plan transit routes to link activity centers, Downtown, and town centers via growth corridors.

14.1.2. Catalyze Private Investment Target and allocate funding in municipal capital improvement plans to catalyze private investment in Downtown, town centers, and activity centers.

14.1.3. Streetcar Benefits Continue to study the development and tax base benefits of a streetcar or people-mover system as a catalyst for the development of compact, mixed-use development in Downtown Winston-Salem and the Center City.

14.1.4. Coordinate Plans Coordinate capital improvement plan policies and recommendations with strategic elements of Legacy 2030.

14.1.5. Downtown and Center City Improvements Identify and target funding for sidewalks, street trees, street furniture, designated bike lanes, pocket parks, and other pedestrian-oriented improvements for Downtown Winston-Salem and the Center City.

A new road will connect Wake Forest Innovation Quarter with the city's south side.
CHAPTER 14 - KEY PUBLIC INVESTMENTS

Action Agenda

14.1.6. Public Safety Study public safety service and capital needs resulting from higher density development in the Center City, activity centers, and growth corridors areas.

14.1.7. Shared Parking Make accommodations for shared parking in activity centers and town centers.

14.1.8. Convention Facilities Upgrade and expand the convention center and other facilities in Downtown Winston-Salem.


Objective 2: Economic Competitiveness

Position our community to be more competitive in the global marketplace by targeting public investments that are responsive to local economic development objectives, the knowledge-based workforce, and the anticipated demand by that workforce for a variety of housing and living options.

Key public investments can also be used as part of the community’s economic development and overall capital improvement strategy. Economic development incentives aim to create jobs in industry and business clusters that can result in a multiplying effect that generates additional jobs. In addition to the direct and indirect return on investment benefits, such public investments send a signal to the much sought after knowledge-based workforce that our community welcomes them by being responsive to their needs, interests, and talents.

In a time when communities increasingly compete with each other to bring in high-paying job opportunities, many sought-after, well-educated workers are in the position to choose where they want to live as a precondition for where they want to work. The companies and organizations that wish to employ them pay attention to this as well. Communities that offer quality education, transportation choices, healthy lifestyles, and cultural vibrancy are the communities that attract and retain educated workers—the cornerstone of a growing modern economy. This can be an invaluable complement to the recruiting efforts of knowledge-based businesses and institutions that compete for such workers in an increasingly competitive global marketplace.

The Wake Forest Innovation Quarter, on the eastern edge of Downtown Winston-Salem, is one example of how specialized public investment strategies can add value to our community. Infrastructure improvements for this project include new and revamped pedestrian-friendly streets, parks, and improved utility services. Such investments have the dual benefit of attracting the much sought after educated workforce needed for world-class research and spin-off product development and encouraging new, compact, and capital-intensive private investment.

Targeted public investments should continue to be made in roadway, utility, and other infrastructure improvements to enhance the economic attractiveness of Forsyth County’s greenfield industrial sites as well as older, underutilized industrial and retail commercial locations. Carefully crafted economic development incentives should continue to be part of the community’s overall plan for economic growth and diversification. Such incentives include strategies for industrial site land banking and the creation of development-ready business and industrial park sites (see also Chapter 6, Economic Development).

Key public investments made in concert with redevelopment programs in East Winston, along the Martin Luther King Jr. Corridor, Liberty Street, Waughtown Street, and RUCA areas can also help create jobs. Such investments should include sidewalks, street trees and other pedestrian-oriented elements. Unique and site-specific improvements should continue to be considered for qualifying RUCA properties.
<table>
<thead>
<tr>
<th>Policies</th>
<th>Action Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Public Investments</strong> Continue to use strategic public investments for economic development purposes.</td>
<td><strong>14.2.1. Redevelopment Incentives</strong> Develop incentives to facilitate redevelopment of vacant sites and non-residential buildings.</td>
</tr>
<tr>
<td><strong>Economic Attractiveness</strong> Enhance Forsyth County’s economic attractiveness through roadway, infrastructure, and other public improvements.</td>
<td><strong>14.2.2. Knowledge-Based and Industrial Jobs</strong> Develop incentives to attract knowledge-based and industrial-sector jobs.</td>
</tr>
<tr>
<td><strong>Reinvestment in Underperforming Areas</strong> Continue to support reinvestment in underperforming commercial areas through adaptive reuse of older structures as well as redevelopment projects.</td>
<td><strong>14.2.3. RUCA Program</strong> Continue support and funding for the Revitalizing Urban Commercial Areas (RUCA) program.</td>
</tr>
<tr>
<td><strong>Promote Downtown Winston-Salem</strong> Continue to promote Downtown Winston-Salem as an integral part of Winston-Salem and Forsyth County’s economic development strategy.</td>
<td><strong>14.2.4. Pedestrian Improvements Funding</strong> Identify and target funding for sidewalks, street trees, and other pedestrian-oriented improvements in redevelopment areas.</td>
</tr>
<tr>
<td><strong>Attract and Retain Educated Workforce</strong> Promote quality education, transportation choices, healthy lifestyles, and cultural vibrancy to attract and retain educated workers.</td>
<td><strong>14.2.5. Future Industrial Sites</strong> Consider land banking and partnerships with landowners to reserve greenfield sites for future industrial and business park development.</td>
</tr>
<tr>
<td><strong>Greenfield Sites</strong> Expand the supply of available, well-located greenfield sites for future economic growth needing that type of environment.</td>
<td><strong>14.2.6. Economic Incentives</strong> Continue to use economic incentives to attract and retain quality jobs.</td>
</tr>
</tbody>
</table>
Objective 3: Overall Quality of Life
Facilitate communitywide investment to add to overall livability and quality of life.

As important as compact development is to fiscal efficiency, it is also important to recognize other key public investments that contribute positively to the community’s overall livability, tax base, and quality of life. Sidewalks, bike lanes, greenways, public parks, and cultural facilities such as amphitheaters, are increasingly valued throughout the community by the public for the quality-of-life benefits they offer. While Legacy 2030 advocates for a significant proportion of a community’s discretionary capital resources to be directed toward pedestrian, quality-of-life, and mobility options that are responsive to citizen demands and market-driven private investment opportunities, it also recognizes broader community infrastructure needs and costs. In this way, targeted public investments should not be limited to urban environments or pedestrian-oriented improvements in suburban settings. Especially as the county’s population grows, critical investments must continue to be made to upgrade and expand water, sewer, roadway and other vital elements of the public infrastructure.

Public improvements can better improve quality of life when they are prioritized in a way that gives more value to prior investments. For example, interconnected networks of sidewalks, greenways, and bike paths, as opposed to disconnected segments, create benefits where the function of each system is enhanced by its interconnectedness with other systems. In this respect public investments that target the missing links within and between pedestrian and bicycle networks add value to the entire system. Particular attention should be given to those networks that connect shopping and employment centers, parks, schools, institutions, and residential destinations.

The Wake Forest Innovation Quarter will have many quality of life improvements incorporated into the development.

The proposed Quarry Park will add a unique recreation area and green space to Winston-Salem.

Policies

Range of Public Investments Recognize that different types of public investments are needed in all areas of the community.

Discretionary Spending Direct a significant portion of the discretionary capital resources budget to pedestrian, quality of life, public parks, and mobility.
Conclusion

Although Forsyth County and the Triad have not grown as fast as the Charlotte and Triangle metro regions, the simple fact that it is sandwiched between two of the country’s fastest growing areas suggests that there is much we can learn from them as they respond to their own growth challenges. Inasmuch as lower land and energy costs have driven less dense growth over the last half century, newer demographic trends now favor communities that embrace the different needs and preferences of many younger, older, diverse, and well-educated populations. Increased population densities, once seen as an unwelcome consequence of growth, are now more broadly recognized as part of the solution. Compact development is fiscally responsible and therefore the most appropriate and direct public investment. The cumulative and sustainable benefits of an enhanced and fiscally efficient tax base can work to the advantage of the entire community and to the strength of its economic future.

Action Agenda

14.3.1. Prioritize Bicycle/Pedestrian System
Prioritize greenway, pedestrian, and bicycle infrastructure improvements that add to the overall connectedness of the system.

14.3.2. Bicycle/Pedestrian Connections
Connect shopping and employment centers, parks, schools, institutions and residential destinations with greenways and pedestrian and bicycle infrastructure.

14.3.3. Upgrade Infrastructure
Continue to invest in and upgrade water, sewer, and roadway infrastructure.

14.3.4. Internet Applications
Continue to invest in internet applications that ease public access to local government, including mobile applications for portable electronic devices, such as smart phones.