

WINSTON-SALEM JOURNAL

Downtown's Innovation Quarter would get more medical, residential, retail and green space under new plan unveiled in Winston-Salem

Richard Craver – June 14, 2021



Winston-Salem's Innovation Quarter on Tuesday, Jan. 12, 2021, including Bailey Power Plant, Bailey Park, Wake Forest School of Medicine, Piedmont Leaf Lofts and Krankies. Walt Unks

The next stage for downtown Winston-Salem's Innovation Quarter was unveiled Monday with plans to convert a 28-acre site into as many as 10 buildings and up to 2.7 million square feet of medical and mixed-use space.

Innovation Quarter officials provided a broad-strokes presentation on how the land on both sides of Research Parkway and abutting U.S. 52 and Salem Parkway will be developed into Phase II of the North District.

Officials did not provide an overall project cost or a proposed completion date. It is the first formal plan for developing the 28 acres since the concept of a downtown research park surfaced in 1995.

The city's bus station once operated on the land. The space also had been considered as a potential stadium site for a Major League Soccer team in 2000-01, a plan that fell apart when MLS chose instead to contract in 2001-02.

The first confirmed project in Phase II will be the Eye Institute that was announced in November 2019 as part of Atrium Health's \$2.8 billion commitment to Wake Forest Baptist Medical Center. Atrium became the parent company of Wake Forest Baptist Health in October.

Another key element is a plan for up to 450 residential units and 30,000 square feet of retail and restaurant space similar to the mixed-use pattern used in Phase I.

"Before the Eye Institute is completed in 2022, there will be a significant amount of infrastructure work," said Graydon Pleasants, head of development for Innovation Quarter.

Wake Forest School of Medicine governs the innovation district, which covers 1.2 million square feet, under the auspices of Wake Forest University.

"The next phase of the Innovation Quarter Development is consistent with our overall goal of creating a world-class innovation ecosystem here in Winston Salem," Mayor Allen Joines said.

Eugene Woods, Atrium Health's president and chief executive, said in a statement that "this new phase of development continues that effort in a way that will allow Atrium Health and Wake Forest School of Medicine to build upon our scientific and innovation capabilities in a rich, blended environment, while creating new connections and partnerships in order to expand these dynamic spaces to Charlotte."

Phase II details

Phase II will add 1 million square feet of clinical, laboratory and office space to the 2.1 million square feet of similar space in the existing Innovation Quarter.

One focal point will be Fogle Commons, which is described as "a linear park capable of hosting larger-scale activities like musical and arts performances, academic and corporate events, and casual play or recreation."

The use of Fogle comes from Fogle Street, a portion of which still exists and runs underneath the Long Branch Trail bridge.

Phase II calls for creating 15 acres of green space and extending the Long Branch Trail by almost half a mile, connecting it with the Third Street bridge that leads to neighborhoods in east Winston-Salem.

"This new phase of development will create the same feel and aesthetic found in the Innovation Quarter today," Pleasants said.

“This mix of science and business, recreation and retail, green spaces and residential will bring even more vibrancy to this section of downtown Winston-Salem.”

Pleasants said there is the potential for the residential segment to be the second development component, as well as an office, laboratory and technology building.

"We have a great relationship with Grubb Properties and we are talking with them about some additional projects in this phase," Pleasants said.

The goal would be to serve individuals working in the Phase II section of the district, along with what Pleasants called "market-based housing."

Support Local Journalism

Your subscription makes our reporting possible.

Grubb constructed the 344-unit Link Apartments property in Innovation Quarter next to Wake Forest BioTech Place.

Charlotte-based Grubb also owns Link Apartments Brookstown near Truist Stadium and the future 244-unit Link Apartments 4th Street, which is under construction near the 500 West Fifth tower and scheduled to debut in the second quarter of 2022.

Wexford Science + Technology, a major development partner of Phase I, is expected to have a similar role for Phase II, while global design firm Perkins and Will will assist in developing and designing the master plan

“Innovation Quarter has become one of the foremost examples of how to create a comprehensive sense of place that integrates university research, academics, entrepreneurial activity, corporate engagement, workforce development, and community inclusion,” said Thomas Osha, Wexford’s senior vice president for innovation and economic development.

Funding challenges

To date, the total public and private investment in the Innovation Quarter is more than \$841 million.

Winston-Salem’s overall investment has been at least \$56 million, along with at least \$5.85 million from Forsyth County.

Officials acknowledge, however, that Phase II will represent a much different development challenge given the 28 acres do not contain buildings that qualify for historic rehabilitation tax credits.

Those tax credits attracted outside investors, such as Blue Cross Blue Shield of N.C., that helped to offset up to 40% of the renovation costs of the historic buildings.

"Unfortunately, we are all out of old buildings that we could reuse because we really like that work. Those days are over, sadly," Graydon Pleasants, head of development for the Innovation Quarter,

"As with the first phase, a strong public-private partnership with government agencies at the federal, state and local level will be key to realizing this next phase of development," said the Innovation Quarter statement.

Joines said that "the city's involvement in the first phase has produced a very solid return on investment for us, and we will continue to partner with the IQ and Wake Forest Medical Center to carry out this very exciting planned phase."

Innovation Quarter officials said they plan to work with community leaders "to increase and strengthen physical links between the district and neighborhoods immediately to the east across U.S. 52."

"Connectivity across Highway 52 has long been a challenge, and proposed infrastructure — including improved streetscapes, bridge enhancements and potential extension of Long Branch Trail — aims to improve the connectivity between Innovation Quarter and new developments like the Metropolitan Village, which was announced in April."

Mark Owens, president and chief executive of Greater Winston-Salem Inc., said Phase II "represents great potential for growing our economy and workforce, both within the district itself and across greater Winston-Salem and Forsyth County."

"This exciting announcement will expand our portfolio of available space for companies to locate and grow," he said.

"When companies and talent consider Winston-Salem, they are drawn to the vibrant atmosphere of the downtown core and the Innovation Quarter — the mix of creativity and innovation has become a symbol of Winston-Salem's identity."

Possibilities

The timing of the Phase II unveiling could serve as another recruitment tool for Innovation Quarter and downtown Winston-Salem, said John H. Boyd, a national corporate site-selection expert based in New Jersey.

"The project's residential components and proximate, walkable neighborhoods would certainly would be great landing spots for those professionals migrating out of high-cost and high-tax

states of New Jersey, New York and Connecticut — many of which are in life science-related occupations," Boyd said.

"New Jersey and New York are both historic epicenters of the pharma, biotech and med tech industries, so many of these individuals heading south on I-95 recognize North Carolina as a hot bed for their occupation, and a great place to advance their careers or to start up a new enterprise."

Among the possibilities, according to Boyd, are new start-up enterprises in fields such as "healthcare head-hunters," as well as advertising, public relations, consultants in compliance matters, government relations, medical ethics and the growing field of corporate environmental, social and governance.