



# RUTGERS

Edward J. Bloustein School  
of Planning and Public Policy

ECONOMIC IMPACT REPORT AS OF 2022

# Pepper Building

## Historic Preservation and Rehabilitation

The 1928 Pepper Building, named after the family that owned the parcel, was constructed as a department store and is a very good local example of Art Deco design. The building reflects the important urban and commercialization of the city in the 1920s. Beginning in 2016, GBX Group worked with its partners, Mayfair Street Partners, North Carolina State Historic Preservation Office, Preservation North Carolina, and the National Park Service to revitalize the Pepper Building. Full redevelopment began in the Fall of 2017 and was completed in April of 2019.

### Pepper Building Overview

104 W. 4<sup>th</sup> Street | Winston-Salem, NC

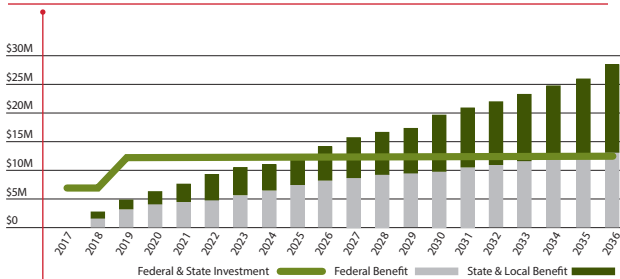
Year Built:	1928
Area:	56,000 square feet
Current Use:	Hospitality
Redevelopment Cost:	\$20.8M
Redevelopment Completed:	2019
Direct Jobs from Operations:	52
Annual Direct Payroll from Operations:	\$1.2M

### Historic Preservation Related Funding Sources

Historic Preservation Easement**	\$7.1M
Historic Tax Credit – Federal	\$3.0M
Historic Tax Credit – State	\$2.8M

\*\*Represents the estimated US income taxes assuming a 39.6% tax rate, as a result of charitable deductions arising from the placing of the historic preservation easement.








### Return on Governmental Preservation and Rehabilitation Incentives



Today, the property, which was added to the National Register of Historic Places in 2012, operates as the 75-room Hotel Indigo Winston-Salem Downtown, joining a global portfolio of boutique hotels under the InterContinental Hotels Group (IHG) umbrella.



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	Building Rehabilitation	Annual Operation
<b>Economic Impact Comparison</b>	The one-time economic impact from construction associated with the building's rehabilitation.	The economic impact associated with ongoing annual operations.
<b>Jobs Supported</b> 	<b>334</b> jobs supported	<b>88</b> jobs supported
<b>Labor Income</b> 	<b>\$19.2M</b> labor income	<b>\$3.1M</b> labor income
<b>Economic Output</b> 	<b>\$51.4M</b> economic output	<b>\$10.1M</b> economic output
<b>Gross Domestic Product</b> 	<b>\$26.8M</b> gross domestic product	<b>\$5.7M</b> gross domestic product
<b>Federal Taxes</b> 	<b>\$2.4M</b> federal taxes	<b>\$629K</b> federal taxes
<b>State Taxes</b> 	<b>\$1.3M</b> state taxes	<b>\$414K</b> state taxes
<b>Local Taxes</b> 	<b>\$599K</b> local taxes	<b>\$291K</b> local taxes



Commissioned by:

 PRESERVATION NORTH CAROLINA



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The economic impact analysis of the Pepper Building was completed on October 28, 2022 by the Edward J. Bloustein School of Planning and Public Policy at Rutgers University using the R/ECON™ input-output (I-O) model and was commissioned by Preservation North Carolina and GBX Group LLC.

**Michael L. Lahr, Ph.D.** Distinguished Research Professor | Director, Rutgers Economic Advisory Service (R/ECON™) 848.932.2372 | lahr@rutgers.edu | <https://bloustein.rutgers.edu>