

Resolution #21-0099
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**RESOLUTION AUTHORIZING AMENDMENTS TO THE GRAND PAVILION AND
CONFERENCE CENTER LEASE AGREEMENT WITH PM MEETING VENUE, LLC**

WHEREAS, in February 2004, the Mayor and City Council approved a Memorandum of Understanding (MOU) between the City and Noble Investment Group, LLC regarding the acquisition of the Adam's Mark Hotel and their management of The Benton; and

WHEREAS, under the MOU, the City purchased for \$10 million the 38,000 square feet of renovated meeting/support space in the lower level of the Embassy Suites, as well as the Grand Pavilion Ballroom (formerly Beneath The Elms); and

WHEREAS, in June 2016, Noble Investment Group, LLC sold both hotels and transferred management of The Benton to Hospitality Ventures Management Group; and

WHEREAS, in the fall of 2017, HV Winston-Salem II LLC, a Delaware limited liability company, sold the Embassy Suites to SH Winston Cherry, LLC, a Florida limited liability company and authorized to transact business in North Carolina, and assigned the lease of the City-owned space to PM Meeting Venue, LLC, a Florida limited liability company and authorized to transact business in North Carolina; and

WHEREAS, prior to the onset of the novel coronavirus pandemic, PM Meeting Venue, LLC, ceased making monthly rent payments starting in September 2019; and

WHEREAS, through December 2020, PM Meeting Venue, LLC is in arrears totaling \$800,000; and

WHEREAS, in October, the City's outside legal counsel mailed a letter to PM Meeting Venue, LLC communicating the City's intention to declare them in default under the lease agreement; and

WHEREAS, after initial discussions with PM Meeting Venue, LLC, the City provided an extension to the notice of default until March 1, 2021 in order for the owner to develop a plan to make up the delinquent payments to the City; and

WHEREAS, City staff and the owner have developed a plan to transfer operation and maintenance of the Grand Pavilion and Conference Center to the City.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of Winston-Salem hereby authorize amendments, as outlined in Exhibit A, following a public hearing pursuant to G.S. 160A-457 and 160A-458.3 (G.S. 160D-1312 and G.S. 160D-1315), to the Grand Pavilion and Conference Center lease agreement with PM Meeting Venue, LLC, upon approval as to form and legality by the City Attorney.