

City Council – Action Request Form

Date: December 9, 2019

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager

Council Action Requested:

Resolution Approving a New Scoreboard Agreement for Bowman Gray Stadium (East Ward)

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: Promote Travel and Tourism

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

In March 2008, the City entered into an agreement with Winston-Salem State University (WSSU) and Winston-Salem Speedway, Inc. (WSSI) to partner in the investment of a new multi-use LED matrix scoreboard at Bowman Gray Stadium. Under the agreement, the City financed the purchase of the scoreboard and is responsible for the debt payments, operating expenses, and maintenance. The City, WSSU, and WSSI share equally in these expenses.

There are two areas designated for advertising sales—static panel advertising space and temporary advertising space. Static panel advertising space consists of the four 8’9” x 6’10” static panels, two on each side of the scoreboard. The City, WSSU, and WSSI jointly sell these panels to produce the income to cover the debt payments, operating expenses, and maintenance of the scoreboard. Under the agreement, WSSU and WSSI each contribute \$15,000 for two of the panels. The City contributes \$30,000—one panel designated for the exclusive beverage provider and one panel to be sold by the City. Temporary advertising space is the 18’ x 18’ LED matrix portion of the scoreboard that is sold individually by the City, WSSU, and WSSI for their respective events. Revenues from the sale of this space are retained by the three parties and not applied toward the debt payments and expenses. The City made the final debt payment on the scoreboard in FY 2017-2018. As a result, most of the revenue contributed by the City,

Committee Action:

Committee	<u>Finance 12/9/19</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

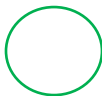
WSSU, and WSSI in FY 2018-2019 was divided equally among the three parties.

In an effort to simplify the agreement, City staff have discussed a framework for a new agreement with WSSU and WSSI officials in which WSSU and WSSI would be authorized to sell three of the four static panels for their respective seasons and all three parties would share equally in the operating and maintenance expenses up to a maximum of \$6,000. The City would retain 100% of the revenues from the fourth static panel that is designated for the exclusive beverage provider. Any operating and maintenance expenses above the cap of \$6,000 would be paid from the revenue from the exclusive beverage provider. Similar to the current agreement, the term of the new agreement would terminate at the end of the present leases with WSSU and WSSI, at the end of any extensions, or upon termination of either lease.

The attached resolution authorizes City management to enter into a new scoreboard agreement with Winston-Salem State University and Winston-Salem Speedway, Inc. according to the provisions proposed in this action item.



Static Panel Advertising Space



Temporary Advertising Space