

**RESOLUTION AMENDING THE BENTON  
QUALIFIED MANAGEMENT AGREEMENT  
WITH HOSPITALY VENTURES MANAGEMENT GROUP, LLC**

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

**WHEREAS**, Noble Investment Group, LLC acquired the Adam's Mark Hotel and repositioned the property into two separate hotels—a Marriott and an Embassy Suites; 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, LLC (HVMG); and

**WHEREAS**, in September 2017, HVMG sold the Embassy Suites to SH Winston Cherry, LLC, a Florida limited liability company owned by Premier Management, LLC, and assigned the lease of the City-owned space to PM Meeting Venue, LLC; and

**WHEREAS**, under this arrangement, HVMG continues to operate and manage all three properties in the Twin City Quarter (The Benton, Marriott Hotel, and Embassy Suites Hotel); and

**WHEREAS**, the City and HVMG are in the final years of the original 15-year Qualified Management Agreement (QMA) that was executed in June 2004 and is set to expire on June 30, 2019; and

**WHEREAS**, during the term of the QMA, City and Twin City Quarter management adopted practices that allowed for more efficient operation of The Benton and an allocation of expenses that better reflected the use of select staffing across all three properties; and

**WHEREAS**, while the current QMA will expire in just over a year, City and HVMG management have discussed amending the agreement to reflect actual practices; and

**WHEREAS**, the amendments include specific definitions of the revenues used to allocate select positions, identification of the specific positions that are included in the allocation, adjustment to the date for submission of the operating budget proposal, and a revised calculation of the management fee to coincide with the City's budget development calendar; and

**WHEREAS**, at their June 11<sup>th</sup> meeting, the Public Assembly Facilities Commission reviewed the proposed amendments and recommended approval by the Mayor and City Council.

**NOW, THEREFORE, BE IT RESOLVED** that the Mayor and City Council of the City of Winston-Salem does hereby approve the proposed amendments to The Benton Qualified Management Agreement, as specifically noted in Attachment A.

**BE IT FURTHER RESOLVED** that the City Manager and City Secretary are hereby authorized to execute the amendments to The Benton Qualified Management Agreement on behalf of the City with contract forms to be approved by the City Attorney.