

City Council – Action Request Form

Date: June 16, 2025

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

From: Ben Rowe, Assistant City Manager

Council Action Requested:

Resolution Authorizing Agreements with Winston-Salem Speedway, LLC and Winston-Salem State University for the Acquisition and Maintenance of a New Bowman Gray Stadium Scoreboard

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: Promote Travel and Tourism

Strategic Plan Action Item: NA

Key Work Item: NA



Summary of Information:

On February 2nd, NASCAR held The Cookout Clash, the season-opening exhibition race for the 2025 season, at Bowman Gray Stadium. The race was part of a full weekend that included an invitation-only Modified Division race and qualifying heats for The Clash on Saturday. NASCAR officials have shared with City management that the weekend was highly successful, and their leadership is evaluating whether to hold The Clash at Bowman Gray Stadium next year. The following are highlights from the weekend:

- The television broadcast on Fox Sports drew three million viewers and a Nielsen rating of 1.5, making it the second highest viewed sporting event that weekend.
- There were 1,500 mentions of Winston-Salem during the broadcast.
- Ticket sales came from over forty states, five countries, and three continents.
- According to the Smith Travel Report, which is provided to Visit Winston-Salem, hotel occupancy on Saturday, February 1st was 66%, up 26% from the prior year. Nine hundred more rooms were sold on Saturday than the prior year. (Please note that not all this growth can be attributed to The Cookout Clash because other groups had sold out.)

Committee Action:

Committee

Action

For

Against

Remarks:

- Visit Winston-Salem was a key partner in engaging NASCAR fans and promoting the community before, during, and after The Cookout Clash. The following are highlights of their support.
 - Paid for a sponsorship package valued at \$25,000
 - Created a dedicated microsite to build awareness and trip planning (18,412 website users, 26,723 views, 20,951 sessions, and 14,144 engaged sessions)
 - Created a paid regional digital advertising and retargeting campaign for future remarketing
 - Distributed branded welcome materials to enhance visibility and local excitement
 - Distributed 60 pole banners in high visibility areas, mainly along Martin Luther King, Jr. Blvd.
 - Created a hospitality tent at the stadium as a welcoming hub for fans (handed out 5,000 commemorative flags)
 - Leveraged social media to position Winston-Salem as a must-visit destination, with 700,000 social media impressions
 - Promoted the arrival of the team haulers on Friday, January 31st

The Cookout Clash also provided a positive fiscal impact for the City of Winston-Salem. The following table summarizes the City's net income for the weekend.

City of Winston-Salem Net Income for The Cookout Clash

Revenues	
Concessions Commission (35%)	\$139,797
City Share from Parking	47,342
Rent (\$5,250 Per Day)	10,500
Staffing Charges	8,254
Reimbursement for Dumpster Rentals	4,200
Total Revenues	\$210,093
Expenses	
Concrete Work to Expand Concourse	\$75,000
Temporary Staffing	53,000
City Expenses for Concession Operations	16,769
Supplies/Parts/Tools	14,549
Dumpster Rentals	3,875
In-house Staffing	1,680
Total Expenses	\$164,873
Net Income	\$45,220
Net Income Excluding Concrete Work	\$120,220

NASCAR invested \$5 million in improvements to Bowman Gray Stadium, including the installation of SAFER walls, fiber optic infrastructure, and new stadium lighting. The new stadium lighting was provided through a partnership with Musco Lighting and funded in part

by the State Motorsports Assistance Grant, which the N.C. Department of Commerce awarded to the City during the COVID-19 pandemic. The N.C. Department of Commerce also has awarded the first grant from the Major Events, Games, and Attractions Fund totaling up to \$2 million for event operations. The City will serve as the pass-through entity for this grant.

The City's one-time investment in concrete work to expand the concourse provided more point-of-sale locations for concessions. In addition, Victory Concessions, LLC, the City's concession contractor, secured a covered structure to establish a temporary catering operation. The City may consider an additional investment in this structure to ensure catering operations can be scaled to serve other high-profile events.

City management has been in discussions with NASCAR officials about the return of The Clash to Bowman Gray Stadium in 2026. NASCAR officials have shared that they received negative feedback about the functionality of the stadium scoreboard. They consider the replacement of the scoreboard the highest priority to ensure Bowman Gray Stadium can host The Clash in 2026, as well as other NASCAR events beyond that. An enhanced scoreboard would provide a positive fan experience by enabling fans to follow race leaders and see instant replays of activity on the track. This type of experience is commonplace at the other venues that host NASCAR races. NASCAR officials have developed a couple of concepts for a new scoreboard that would be mounted on the Field House. The estimated cost may total up to \$1 million.

The current scoreboard was acquired in 2008 and financed over ten years with the City, Winston-Salem Speedway, Inc., and Winston-Salem State University (WSSU) sharing the cost of debt service and annual maintenance equally. The scoreboard consists of one 18' x 18' LED matrix screen and four 8'9" x 6'10" static panels, two on each side. In addition to event information such as racing order and football game scores and time, the scoreboard serves as a source of advertising revenue for the three parties. Over the past several years, the availability of replacement video panels has become scarce, with the City purchasing several at a time as they are shipped from overseas. A new scoreboard would provide more efficient operation and reliability with a manufacturer's warranty and the availability of parts. The current scoreboard agreement, which the parties executed in September 2021, provides for an equal sharing of the annual maintenance cost of the scoreboard up to a cap of \$6,000. The City pays any expenses beyond that shared amount.

City management considers an investment in a new scoreboard as an economic development opportunity based on the potential positive impact on the community and the City financially. A new scoreboard would position the City to host other NASCAR events in the future, including The Clash, Cup Series, Xfinity Series, and Craftsman Truck Series races.

Working with NASCAR officials and Winston-Salem State University administration, City management has developed a framework for replacing the current scoreboard. The framework would consist of agreements in which the City, Winston-Salem Speedway, LLC (WSSLLC), and WSSU would share the cost of the investment. Under this framework, each party's share would be based on the number of events that they hold at the stadium. The following table calculates the basis for the cost share.

	WSSLLC	WSSU	City	Total
Revenue-Generating Events	19	5	24*	48
% of Total Revenue-Generating Events	40%	10%	50%	100%

* All the events are considered revenue-generating opportunities for the City because the City receives rent and concession revenues.

WSSLLC and WSSU would retain the revenues generated from selling advertising on the scoreboard for their events, which could be applied toward their share of the cost of the scoreboard. Based on the net income that the City realized from The Clash, the City could pay its share from future net income from hosting more NASCAR events.

To expedite the acquisition and installation of a new scoreboard, WSSLLC would purchase the scoreboard and lease it to the City over a five-year period, with the City's share of the cost set at a not-to-exceed amount of \$500,000 (i.e., 50% based on a total estimated cost of \$1 million). WSSLLC's final share would represent 40% of the total cost. WSSU would cover the remaining 10% of the cost. At the end of the lease, WSSLLC would sell the scoreboard to the City for a nominal amount. As the owner, the City would be responsible for on-going operation and maintenance. In addition to sharing the cost of acquiring a new scoreboard, the three parties also would share the annual operating and maintenance expenses for the scoreboard, based on the same percentage split. WSSLLC would be responsible for the removal of the current scoreboard, site preparation, and installation of the new one. The City would be responsible for disposing of the current scoreboard as surplus.

Under the framework, the City would execute separate agreements with WSSLLC and WSSU to formalize a lease, the cost share for acquisition and annual expenses, retention of advertising revenues, and terms for payment of each party's respective share. To ensure the payback of the City's share of the acquisition of the scoreboard over a five-year period, NASCAR would commit to scheduling NASCAR series events at Bowman Gray Stadium over this time.

Exhibit A provides the key provisions of the City's proposed agreements with WSSLLC and WSSU. The attached resolution authorizes City management to execute agreements with WSSLLC and WSSU based on the provisions outlined in Exhibit A. WSSU officials will have to seek approval from the WSSU Board of Trustees as well.