

**Resolution #21-0049
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**RESOLUTION AUTHORIZING THE EXECUTION OF A LEASE OR LEASES OF
CITY-OWNED PROPERTY TO WS DASH, LLC (f/k/a Sports Menagerie, LLC) AND
ITS AFFILIATES AND AMENDMENTS TO THE COMPANION AMENDED AND
RESTATED INCENTIVES AGREEMENT**

WHEREAS, in April 2014, the Mayor and City Council approved a restructuring of the stadium lease agreements with WS Dash, LLC that extended the term, simplified the financial structure, and stabilized the debt expense while ensuring the cost of the stadium continued to be paid from team revenues; and

WHEREAS, as a result of these modifications, the City became the sole owner of the stadium; and

WHEREAS, in addition, the incentives agreement provided for a payment in lieu of taxes, reduced the ticket surcharge, and required a letter of credit from the team to ensure payment of the lease payments; and

WHEREAS, during FY 2020, the Mayor and City Council approved a refinancing of the City's outstanding debt on the stadium (\$20 million) that eliminated balloon payments and issued new Limited Obligation Bonds (LOBS) at fixed rates, replacing the previous variable rate debt; and

WHEREAS, this past spring, the novel coronavirus pandemic forced Minor League Baseball (MiLB) to cancel the 2020 season. As a result, the Winston-Salem Dash was unable to make their lease payment, as well as the ticket surcharge; and

WHEREAS, beyond the impact of the pandemic, the future of MiLB is uncertain since the expiration of the Professional Baseball Agreement between Major League Baseball (MLB) and MiLB on September 30, 2020. According to media reports, MLB is looking to reduce the number of affiliated minor league teams from 160 to 120, known as "contraction;" and

WHEREAS, the owner of the Winston-Salem Dash has approached City management requesting the City restructure the current lease agreements for Truist Stadium to bolster the team's chances of being retained as one of the 120 remaining minor league teams. Recently, MiLB presented the team with a proposal to continue as one of the remaining teams.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of Winston-Salem, after a duly advertised public hearing, hereby authorize, as set forth in Exhibit A, execution of a new 25-year lease (or, if the existing leases cannot be consolidated, new 25-year leases) with WS Dash, LLC (f/k/a Sports Menagerie, LLC) or its affiliates for the land, stadium, and improvements currently owned by the City, pursuant to North Carolina General Statute 160A-457 and 160A-458.3 by the appropriate City officials, upon approval as to form and legality by the City Attorney.

BE IT FURTHER RESOLVED that, after a duly advertised public hearing pursuant to G.S. 158.7.1, the Amended and Restated Incentives Agreement between the City, Brookstown Development Partners, LLC, Sports Menagerie, LLC, Sports Menagerie Corp., and Sports Menagerie Stadium, LLC regarding the Baseball Stadium and the Brookstown Project (a \$189 million dollar mixed use development) is hereby amended to eliminate the ticket surcharge of \$175,000 currently due on October 1, 2021 and to change the due date of the payment in lieu of taxes to coincide with the due date of the new annual lease payment.

BE IT FURTHER RESOLVED that the new lease(s) and the second amendment to the Amended and Restated Incentives Agreement shall contain provisions similar to Exhibit A with limited revision rights given to the City Manager and City Attorney as long as such rights do not abridge the underlying intent of the Mayor and City Council as expressed in this resolution and that the City Manager and City Clerk are hereby authorized to execute all documents necessary to implement this resolution.