

Item Title: Resolution Approving FY 2026 Hospitality Tax Competitive Process Funding Commitments

Specific Action Requested:
That the Board of Commissioners:

- 1. Adopts the resolution committing \$23,500,000 of hospitality tax funding for 12 capital projects; and**
- 2. Authorizes the County Manager to execute funding agreements for each project, subject to terms and conditions acceptable to the County Attorney.**

Item Summary:

Purpose: Enabling legislation enacted by the North Carolina General Assembly in 1991 authorized countywide hospitality taxes in Wake County, including a 6 percent Occupancy Tax and a 1 percent Prepared Food and Beverage Tax to support investments in arts, sports, cultural and convention facilities. The law required the Board of Commissioners and Raleigh City Council to enter into an interlocal agreement that, in conjunction with the law, governs use of the revenues.

Background: The 23rd Amendment to the Interlocal Agreement between the City and County provided for a total of \$23.5 million to be allocated through a competitive process in late 2025 to support capital projects. The amendment required that \$15.5 million of the funding awarded be jointly approved by the Board of Commissioners and Raleigh City Council, with the remaining \$8 million to be awarded exclusively by vote of the Board of Commissioners.

In September 2025, the County published a Request for Proposals (RFP) to solicit capital projects for arts, sports, cultural, and convention facilities in Wake County. The applications were due November 6, 2025, and there were 22 project submittals requesting a total of \$75.7 million. A panel including representatives from the City of Raleigh, Wake County, Wake County municipalities, and community stakeholder groups evaluated and scored the applications, and developed funding recommendations for consideration by the boards. The recommendations were presented to the Board of Commissioners at their February 9, 2026 work session, and included in the resolution for approval. Raleigh City Council is expected to vote on the \$15.5 million requiring joint approval on February 17, 2026.

Strategic Plan: This action supports Inclusive Prosperity Goal 3: By 2029, nine out of ten residents asked will share that they can find and enjoy

enriching experiences that support our community's high quality of life.

Fiscal Impact: In accordance with the 23rd Amendment, a total of \$20.75 of the \$23.5 million has already been appropriated in the Major Facilities Capital Projects Fund to support the projects. The remaining balance of \$2.75 million will be included in the Fiscal Year 2027 Budget, ahead of reimbursement-based payments to awardees upon project completion in future fiscal years. No additional appropriations are required. This resolution simply commits the funds to the specified projects.

Additional Information:

The competitive funding process is intended to support projects that accomplish the following goals:

- Provide activities and amenities for residents and visitors to Wake County to generate overnight stays and patronage of food and beverage establishments.
- Enhance cultural, sports, and arts opportunities by addressing an unmet need, inadequate existing facilities or a future need that supports and improves the quality of life in Wake County.
- Develop an increased capacity in Wake County for partnerships between public, nonprofit and for-profit sectors.

The Request for Proposals (RFP) to solicit projects was developed in conjunction with staff from the City of Raleigh to achieve the stated goals above. An overview of the RFP process was presented to the Board of Commissioners at the August 15, 2025 work session. A brief summary of the RFP and evaluation process is included below, including a summary of the recommended projects. A detailed summary of all projects that requested funding, and the staff recommendations, is included as an attachment to this item.

Minimum Project Criteria

- The project must be fully located within Wake County.
- The project must be consistent with the statutorily defined purposes of the funding (convention, arts, culture or sports facilities)
- The project must be capital in nature with a minimum value of \$100,000.
- The request for interlocal funding must be less than 50% of the total capital project cost.
- Applicants must demonstrate commitment of at least one-half of the non-interlocal funding requested at the time the project is submitted.

Evaluation Panel Representation

An 11-member review team consisting of representatives from Wake County, the City of Raleigh, United Arts of Wake County, the Greater Raleigh Convention and Visitors Bureau, the Wake County Hospitality Alliance, and Wake County municipalities reviewed each proposal, received presentations, and asked questions of each project team. Each

project was scored by the review team using established criteria included in the RFP and summarized below.

Evaluation Criteria

Return on Investment: Demonstrated link between the project and increases in overnight room stays, food and beverage purchases, and overall tourism in Wake County.

Facility Demand: Analysis demonstrating clear demand or unmet need, inadequate facilities, or emerging need, and details how the project will address the need in comparison to existing facilities.

Project Feasibility and Viability: Resources, partnerships, and expertise in place to execute the project and successfully operate and market the facility for years to come. Higher scores were given to projects that:

- Secured more of the required non-interlocal funding at the time of submittal
- Demonstrated lower reliance on interlocal funding to execute the project
- Included a broader mix of committed funding partners, demonstrating project buy-in and support

Project Readiness: The project is ready, or nearly ready to enter the construction phase. Higher scores were given to projects that are “shovel ready” (land is acquired and designs are complete or in progress).

Alignment with Stakeholder Principles: The project aligns with and supports the Stakeholder Operating Principles that guide expenditure of the Interlocal Funds.

Summary of Projects Recommended for Funding

Joint Funding: \$15,500,000		
Requires City Council and Board of Commissioner Approval		
Organization	Project Description	Recommended Funding
Triangle Aquatic Center	Renovations/Enhancements: Renovate hospitality suite used for meals, volunteer space, and sponsor activations to maintain and improve ability to secure events.	\$ 59,000
Town of Morrisville	Renovations/Enhancements: Church Street Park cricket field renovations and improvements including a new drainage system to maximize field utilization, two additional pitches to increase availability of play, and lighting upgrades to meet broadcasting requirements for international matches.	\$ 2,000,000
Town of Rolesville	New Facility: Construct five soccer (multipurpose) natural grass fields and supporting infrastructure (parking, restrooms, concessions) at the Farm Athletic Complex.	\$ 3,800,000

NC Football Club Youth	New Facility: Construct 23,500 sq. ft. event and office headquarters in WRAL Soccer Park including a fast-casual café, medical suite, restrooms, meeting rooms, multipurpose event space, and administrative offices to serve as the year-round hub for tournament operations, training, summer camps, and events.	\$ 2,000,000
Town of Wake Forest	Renovations/Enhancements: JB Flaherty Park improvements for three existing ball fields including a new scoreboard, batting cages, additional bleachers, new bullpens, new dugouts, a new concession stand, and associated infrastructure.	\$ 750,000
Town of Wake Forest	New Facility: Construct 25,000 square foot skate park and 2,700 linear ft. Pump Track on 12-acre site along Devon Square Blvd. in Wake Forest.	\$ 3,891,000
Friends of the NC Museum of Natural Sciences	Renovations/Enhancements: Convert main entrance on Jones Street into a Welcome Hall including consolidated and streamlined guest services, improved visitor flow and orientation, and relocation of the articulated 52-foot Right Whale ("Stumpy") from the Nature Research Center exhibit to the new Welcome Hall entrance.	\$ 954,000
Town of Holly Springs	Renovations/Enhancements: Ting Park improvements including replacement of artificial turf and videoboard, mechanical and HVAC system updates, construction of a parking deck, and improvements to the existing parking lot.	\$ 546,000* *Joint funding only. Total is \$1,789,000 with contribution from County only funds.
Carolina Ballet	New Facility: Convert portion of existing, vacant car dealership into Starline South Hills to serve as the new performance and administrative headquarters for the Carolina Ballet. Includes five studios, a black box theater, costume shop and storage, offices, and a ballet school. Private developer is partnering to upfit the rest of the building with food, beverage, and retail offerings.	\$ 1,500,000
9 Projects Recommended to Receive Funding from the Joint Pot		\$ 15,500,000

County Only Funding: \$8,000,000 Board of Commissioner Approval Only		
Organization	Project Description	Recommended Funding
Town of Zebulon	New Facility: Construct four soccer (multipurpose) fields, parking, a playground, walking paths, relocation of the existing disc golf course, and construction of a second park entrance.	\$ 2,159,000
Town Fuquay-Varina	Renovations/Enhancements: Convert seven existing fields at Fleming Loop Recreation Park to artificial turf and construct six pickleball courts onsite.	\$ 4,250,000
Town of Apex	New Facility: Construct performance stage on the Apex Town Campus to host concerts, performances, and Town events	\$ 348,000
Town of Holly Springs	New Facility: Construct performance stage on the Apex Town Campus to host concerts, performances, and Town events.	\$ 1,243,000* *County only. Total recommendation is 1,789,000 with the Joint funds
4 Projects Recommended to Receive Funding from the County Only Funds		\$ 8,000,000

Funding Agreements

Once approved, each project will enter into a funding agreement with Wake County that will specify the use of project funds, conditions of funding and reporting requirements. The agreements will also include provisions for an expiration of the grant award if the projects are unable to proceed to construction (for example, the organization is unable to raise non-interlocal funds through organization-led capital campaigns), as well as provisions for the repayment of funds if the terms of the agreement are not met or if the project ceases to be used for its stated purposes.

Attachments:

1. Resolution
2. Work Session Presentation: Staff Funding Recommendations
3. Full Summary of Requests and Recommendations
4. Request for Proposals (RFP) Published
5. Executed 23rd Amendment to the Interlocal Agreement Between Wake County and the City Relating to Countywide Room Occupancy and Prepared Food and Beverage Tax Revenues