

Item Title: Approval of the Greater Raleigh Convention and Visitors Bureau's FY 2026 Operating Budget

Specific Action Requested:

That the Board of Commissioners approves the FY 2026 operating budget for the Greater Raleigh Convention and Visitors Bureau in the amount of \$12,691,000.

Item Summary:

Purpose: State statute requires the Greater Raleigh Convention and Visitors Bureau (GRCVB) to submit their proposed budget to the City of Raleigh and Wake County for processing and approval.

Background: During the 1991 session, the North Carolina General Assembly adopted an act authorizing "Wake County to levy a room occupancy tax and a prepared food and beverage tax." The act directs how the revenues are distributed and used by local entities such as: Wake County, the City of Raleigh, and the Greater Raleigh Convention and Visitors Bureau. The law requires the Bureau to "prepare an annual budget" and submit the proposed budget to the County" for processing and approval through the regular budget procedures." The Bureau is also required to submit the budget to the City of Raleigh for approval. The GRCVB is proposing a 2.9 percent, or \$353,188 increase over the FY 2025 Revised Budget of \$12.3 million. The budget reflects continued growth in leisure, business, meetings and conventions, and sporting events.

Strategic Plan: This action supports routine County operations.

Fiscal Impact: The FY 2026 Adopted Wake County Budget for the Major Facilities Fund includes projected revenues and expenditures consistent with the GRCVB's Proposed FY 2026 Budget.

Additional Information:

On April 22, 2025, the Greater Raleigh Convention and Visitors Bureau Board of Directors approved a FY 2026 budget and on May 1, 2025, submitted the proposed budget to Wake County for consideration. The proposal (attached) totals \$12,691,000 and represents an increase of 2.9 percent, or \$353,188 over the prior year. Of the total, 85% (or \$10,939,000) of the revenue is GRCVB's share of occupancy and prepared food and beverage taxes. Other revenues include advertising revenue from Destination Travel Network, annual meeting fees, and interest income. GRCVB also anticipates using \$1,500,000 from reserves from higher than anticipated hospitality tax collections in FY 2024 and FY 2025. These funds will assist the GRCVB expand marketing, advertising and operational efforts to achieve the goals of the Destination Strategic Plan.

Key changes in the FY 2026 budget include:

- A 4% compensation increase for full time and part-time staff
- A 12% increase in sales, marketing, and communications efforts
- A \$260K increase in lease expenses due to the expiration incentives included in the first year of GRCVB's office lease
- \$300,000 for the Business Development Fund (BDF), which supports the Convention Center's marketing and booking program. In accordance with the 23rd Amendment to the interlocal agreement, GRCVB will gradually absorb the full cost of the BDF in its budget over the next three fiscal years. It was previously covered within Raleigh's Convention Center Complex Fund.
- Increases above are partially offset by decreases in other areas

The GRCVB will continue to promote Wake County as a destination for tourists, business conventions, sporting events, and promotional activities.

The GRCVB's FY 2026 Budget was adopted by the Raleigh City Council on June 9th.

Attachments:

1. FY2026 Budget Proposal
2. Business Plan