

Item Title: Approval of the Greater Raleigh Convention and Visitors Bureau's FY 2025 Operating Budget

Specific Action Requested:

That the Board of Commissioners approves the FY 2025 operating budget for the Greater Raleigh Convention and Visitors Bureau in the amount of \$12,319,000, subject to the adoption of the Wake County FY 2025 Budget.

Item Summary:

Purpose: State statute requires the Greater Raleigh Convention and Visitors Bureau (GRCVB) to submit its 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 local entities such as Wake County, the City of Raleigh, and the Greater Raleigh Convention and Visitors Bureau distribute and use the revenues. Section 15, Paragraph 2 of the act 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 must also submit the budget to the City of Raleigh for approval. The GRCVB is proposing an 8.8% (or \$993,873) increase in its FY 2025 budget from the FY 2024 operating budget. The FY 2025 budget of \$12,319,000 reflects continued growth in leisure, business, meetings and conventions, and sporting events.

Board Goal: This action supports routine County operations.

Fiscal Impact: The FY 2025 County Manager's Recommended Budget for the Major Facilities fund includes projected revenues and expenditures consistent with the proposed GRCVB FY 2025 budget.

Additional Information:

On April 16, 2024, the Greater Raleigh Convention and Visitors Bureau Board of Directors approved an FY 2025 budget and on May 8, 2024, submitted the proposed budget to Wake County and the City of Raleigh for consideration. The proposal (attached) totals \$12,319,000 and represents an increase of \$996,873, or 8.8%, compared to the current fiscal year. Of the total, 81% (or \$10,010,000) of the revenue is generated by the GRCVB's share of hotel occupancy and prepared food and beverage taxes. Other revenues include advertising revenue from Destination Travel Network, investment earnings, and IBMA and NCAA Basketball Local Organizing Committees. The GRCVB also anticipates using \$1,568,000 from reserves that accrued in prior years due to a greater than expected growth in hospitality tax collections that resulted in

higher than anticipated revenues for the GRCVB. 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 2025 budget include:

- A 5% cost of living increase for full-time and part-time staff
- A 11% increase in marketing and advertising efforts
- A 72% decrease in rent/parking expenses due to signing perks related to an office relocation to occur in September 2024

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

This item is subject to the approval of the FY 2025 Wake County Recommended budget for the Major Facilities fund that is also being considered on June 3, 2024. The GRCVB's FY 2025 budget is expected to be considered by the Raleigh City Council in June.

Attachments:

1. FY 2024-2025 Budget Proposal
2. Business Plan