

Item Title: Approval of the Greater Raleigh Convention and Visitors Bureau's FY 2017 Operating Budget

Specific Action Requested:

That the Board of Commissioners approves the FY 2017 operating budget for the Greater Raleigh Convention and Visitors Bureau in the amount of \$7,119,017, subject to the adoption of the Wake County FY 2017 Budget.

Item Summary:

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. 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 is also required to submit the budget to the City of Raleigh for approval.

On April 19, 2016, the Greater Raleigh Convention and Visitors Bureau Board of Directors approved a FY 2017 budget and on May 4, 2016 submitted the proposed budget to Wake County and the City of Raleigh for consideration. The proposal (attached) totals \$7,119,017 and represents an increase of \$424,187 or 6.3%, compared to the current revised fiscal year. Of the total, 86% (or \$6,151,017) of the revenue is generated by the Bureau's share of hotel occupancy and prepared food and beverage taxes. The increased budget is due to tax revenue proceeds performing at better than expected levels established in the prior fiscal year. Other revenues include a marketing contract with the Raleigh Convention Center (\$100,000), investment earnings (\$7,500), revenue from annual meeting (\$43,000), and reserves generated by prior year collections that were higher than expected (\$400,000). Reserves are over collections of Occupancy Tax Revenue that is not appropriated until the next fiscal year. When adding the reserves with the current FY 2017 occupancy and prepared food and beverage taxes then it represents nearly 92% of the budget. This item is subject to approval of the FY 2017 Adopted Budget that is also being considered on June 20, 2016.

The Bureau will use the funds to promote Wake County as a destination for tourists, business conventions, sporting events, and promotional activities. The Bureau's FY17 budget is expected to be considered by the Raleigh City Council in June.

Attachments:

1. FY 2017 Budget Proposal and Business Plan