

Item Title: Approve Business Development Fund Request for Support of the International Bluegrass Music Association Convention

Specific Action Requested:

That the Board of Commissioners approves a recurring funding request for \$75,000 in additional Greater Raleigh Convention and Visitors Bureau Business Development Funds to support the International Bluegrass Music Association Convention each year from 2018 through 2021.

Item Summary:

Purpose: The Greater Raleigh Convention and Visitors Bureau (GRCVB) is authorized to award Business Development Grants (BDF) grants up to \$100,000. Awards exceeding this amount may be offered upon approval by Wake County and the City of Raleigh.

Background: The Greater Raleigh Convention and Visitors Bureau (GRCVB) is requesting approval to award up to \$175,000 annually in Business Development Funds for 2018 through 2021 (cumulative \$700,000) to support the International Bluegrass Music Association Convention and Bluegrass Festival. This is an increase of \$75,000 per year. The GRCVB Business Development Fund (BDF) was approved by the City of Raleigh and Wake County in April 2007. The BDF uses \$600,000 in revenues from the Room Occupancy Tax and Prepared Food and Beverage Tax “to fund grants on behalf of major convention and meeting groups utilizing the Raleigh Convention Center for the Benefits of the Wake County economy.” The additional funding will be applied towards convention related expenses.

Fiscal Impact: Funds are appropriated to GRCVB through the Interlocal Agreement and associated amendments governing the Wake County Room Occupancy and Prepared food and Beverage Taxes. There is no fiscal impact to Wake County.

Additional Information:

The GRCVB Board of Directors previously approved \$100,000 for the IBMA’s World of Bluegrass Convention and Wide Open Bluegrass festival for 2013-2018. The *additional* \$75,000, if approved, will be used to offset convention and signature expenses, which have continued to increase. The GRCVB Board supported the increase and extension through 2021 at their April 17, 2018 meeting.

The City of Raleigh approved the request on May 15, 2018. The BDF is funded within the 85% of the allocation of Room Occupancy Tax and Prepared Food and Beverage tax revenues dedicated to the Convention Center financing. The GRCVB can accommodate this request within their annual BDF allocation.

IBMA's World of Bluegrass is a three-day Business Conference, an awards show, and a two-day Festival. The weekend festival includes ticketed concerts at the Red Hat Amphitheater as IBMA's primary fundraiser; plus, a free Street Fest organized by a Local Organizing Committee featuring seven additional stages, an arts market, local vendors, barbecue championship, and more. The events attract thousands of fans, industry professionals, media, and musicians to Raleigh and Wake County from 45 different States and 11 foreign countries. Except for 2015, when the events were moved indoors due to Hurricane Joaquin, the attendance numbers – and consequently the direct economic impact to Raleigh and Wake County – have grown every year.

Year	Attendance	Direct Economic	Direct Local Taxes
2013	146,894	\$9.28 Million	\$294,799
2014	180,000	\$10.8 Million	\$302,707
2015*	98,000	\$5.6 Million	\$188,956
2016	217,225	\$11.5 Million	\$531,658
2017	221,596	\$11.7 Million	\$602,016
Cumulative	863,715	\$48.88 Million	\$1,920,136

¹Source: Greater Raleigh Convention and Visitors Bureau

Attachments:

1. BDF Extension letter from GRCVB
2. Business Development Fund Operating Document
3. BDF Application Extension for IBMA

¹ *2015 attendance was reduced due to Hurricane Joaquin

** GRCVB switched to a new calculator for WOB 2016 and 2017, using the Tourism Economics (a division of Oxford Economics) Festival Impact Calculator. Prior calculations were done by GRCVB using semi-annual research provided by the State of NC and D.K. Shiflett, along with DMAI's EX-PACT Calculator.