

May 3, 2018

Mr. David Ellis, County Manager, The County of Wake

On behalf of the Greater Raleigh Convention & Visitors Bureau and the Raleigh Convention Center, we are requesting Wake County to approve an additional \$75,000 from the existing Business Development Fund for the International Bluegrass Music Association (IBMA) for 2018, 2019, 2020, and 2021.

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. Of which \$75,000 is being applied towards the rental of the Raleigh Convention Center and \$25,000 toward the outdoor festival as a signature event. The *additional* \$75,000, if approved, will be used to offset convention and signature expenses, which have continued to increase.

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 (LOC) 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.

What has happened since moving the World of Bluegrass to Raleigh has been *transformative* in many ways for both IBMA and the local community. The City and County have made IBMA's World of Bluegrass its signature event and has put IBMA and bluegrass music in the spotlight for the whole world to celebrate. Drawing more than 200,000 attendees over its five days, IBMA's World of Bluegrass in Raleigh has become one of the largest urban bluegrass events on the planet.

IBMA has grown exponentially in both concept and participation. 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

¹ *2015 attendance was reduced due to Hurricane Joaquin



Greater Raleigh Convention and Visitors Bureau

Typically, business conventions are insular events, with their activities taking place within the convention center and appealing exclusively to registered attendees. IBMA, on the other hand, works with a Local Organizing Committee to ensure its **World of Bluegrass programs are inclusive and broadly integrated throughout Wake County communities**. For example, the general public is welcome to attend IBMA's Bluegrass Ramble showcases, Awards programs, Music Expo, and Festival programs *without* being registered for the conference. IBMA also works with the United Arts Council of Raleigh and Wake County to put bluegrass bands into 12-15 Wake County Schools during the week of World of Bluegrass. Elementary schools are selected to host performances, while middle schools with orchestras and/or strings programs host master classes with bluegrass bands.

The average Hotel Occupancy Rate during the first five years (2013-2017) of the weekend festival is 83.4% for Friday and 80.3% for Saturday (compared to average year-to-date rate of 70%).

Over the past five years, however, IBMA's World of Bluegrass related expenses have increased, while its revenues have remained relatively flat.

IBMA's World of Bluegrass Revenues and Expenses:

Year	Revenue	Expense	Net Revenue
2013	\$1,215,702.00	\$955,758.00	\$259,944.00
2014	\$1,210,671.11	\$1,041,126.66	\$169,544.45
2015	\$1,245,912.31	\$1,134,250.50	\$111,661.81
2016	\$1,172,032.22	\$1,085,797.97	\$86,234.25
*2017	\$1,315,577.00	\$1,139,748.00	\$175,829.00

*2017 financials are not yet final.

IBMA's Festival expenses, for example, are 3 times greater than they were in Nashville, in large part due to the \$250,000 talent budget with the move to Raleigh to ensure a robust lineup on the paid amphitheater stage. The LOC's talent budget for the Street Fest has been less than \$70,000 for 100+ artists. Without the IBMA's Conference and Awards Show, the Street Fest artists would not be in Raleigh and accept a fraction of their normal fee to perform. They would demand full fee. This saves the City and County approximately \$250,000.

** 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.



More than 70% of IBMA's annual budget is directly attributed to World of Bluegrass; thus, there is immense pressure to have the events succeed financially. To this end, **IBMA requests an additional \$75,000 from the Business Development Funds (total = \$175,000) to apply towards its World of Bluegrass expenses in 2018, 2019, 2020, and 2021.**

IBMA requests an additional \$90,000 in combined total "cash" (\$30,000 from the Greater Raleigh Convention & Visitors Bureau and \$60,000 from the City of Raleigh via previously budgeted line items) to apply towards its World of Bluegrass expenses in 2019, 2020, and 2021.

Combined, the additional BDF funds and "cash" (= \$165,000 total) help IBMA address its growing expenditures and improve its return on investment in Raleigh for its World of Bluegrass. All funds will be spent on local goods and services.

Respectfully submitted,

Denny Edwards, President & CEO, GRCVB

