

Update on Occupancy and Prepared Food and Beverage Taxes and Interlocal Agreements

*Board of Commissioners
September 4, 2018*

Wake County Hospitality Taxes

- ❖ State legislation approved in 1991 and amended in 1995 levies 6% on occupancy stays and 1% on prepared food and beverage countywide
- ❖ Wake County and City of Raleigh are responsible for oversight and approval for uses of revenues
- ❖ Revenues must be used for projects supporting arts, cultural, sports or convention
- ❖ Revenues in FY1995 = ~ \$12 million
- ❖ Revenues in FY2018 = ~ \$55 million

Interlocal Review

- An interlocal agreement between the City of Raleigh and Wake County along with 20 Amendments articulate the oversight and uses of the revenues
- 20th Amendment calls for a public review
 - Review Financial Models
 - Current Projections and Forecast
 - Review PNC Capital Plan
 - Review Convention Center Capital Plan
 - Inclusive of stakeholders
 - Complete by January 1, 2020

Staff Review Team

- Operating Principles established a staff review team to assist City and County managers to help plan, review model scenarios and advise on the distribution of tax revenues
- Staff review team developed proposed review process
- Review Team:
 - Centennial Authority
 - City of Raleigh
 - Greater Raleigh Convention and Visitors Bureau
 - Town of Cary
 - Town of Knightdale
 - Town of Morrisville
 - Wake County
 - Wake County Hospitality Alliance

2019 Interlocal Review Schedule

- September 4, 2018 – Brief Wake County Commissioners
- September 11, 2018 – Brief Raleigh City Council
- October 1, 2018 – Brief stakeholders
- October 10, 2018 – Release Request for Information (RFI)
 - Goal of RFI: Seek to learn about capital projects that are being planned or proposed in Wake County related to arts, culture, sports or convention from period 2019 – 2024 that may request interlocal funds at a future date
- October 25, 2018 – RFI Pre-submittal meeting
- January 10, 2019 – Receive RFI responses

2019 Interlocal Review Schedule

- January/February 2019 – Stakeholders meet to review financial models, results of capital maintenance plans for Raleigh Convention Center Complex, PNC Arena and Cary Sports Facilities
- March 2019 – Develop recommended modifications to financial models to address findings of facility studies and develop process for consideration of new investments
- March/April/May 2019 – If funding available, conduct process for consideration of new investments

Questions?

