

Item Title: Approval of the Greater Raleigh Convention and Visitors Bureau's FY 2020 Operating Budget

Specific Action Requested:

That the Board of Commissioners approves the FY 2020 Operating Budget for the Greater Raleigh Convention and Visitors Bureau in the amount of \$8,653,000, subject to the adoption of the Wake County FY 2020 Budget.

Item Summary:

Purpose: State statute requires the Greater Raleigh Convention and Visitors Bureau (GRCVB) to submit their 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 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. The GRCVB is proposing a 16.6% (or \$1,232,967) increase in their 2020 budget from the 2019 operating budget. The 2019 budget amount of \$7,420,034 will increase to \$8,653,000. This new budget amount will reflect expected increases in occupancy tax revenues and increases in personnel costs and event promotions.

Board Goal: This action supports routine County business.

Fiscal Impact: The FY2020 County Manager's Recommended Budget includes projected revenues and expenditures consistent with the proposed GRCVB FY2019 budget. There is no impact on Wake County's General Fund or other funds.

Additional Information:

On April 23, 2019, the Greater Raleigh Convention and Visitors Bureau Board of Directors approved a FY 2020 budget and on May 3, 2019 submitted the proposed budget to Wake County and the City of Raleigh for consideration. The proposal (attached) totals \$8,653,000 and represents an increase of \$1,232,967 or 16.6%, compared to the current revised fiscal year. Of the total, 80% (or \$6.915 million) of the revenue is generated by the GRCVB's share of hotel occupancy and prepared food and

beverage taxes. The increased budget is due to projected growth in occupancy tax revenue. Other revenues include a marketing contract with the Raleigh Convention Center, investment earnings, IBMA Local Organizing Committee income and revenue from annual meeting.

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

This item is subject to approval of the FY 2020 Wake County Adopted Budget that is also being considered on June 3, 2019. The GRCVB's FY2020 budget is expected to be considered by the Raleigh City Council in June.

Attachments:

1. FY 2019-2020 Budget Proposal and Business Plan