

Item Title: Approval of the Greater Raleigh Convention and Visitors Bureau's FY 2021 Operating Budget

Specific Action Requested:

That the Board of Commissioners approves the FY 2021 operating budget for the Greater Raleigh Convention and Visitors Bureau in the amount of \$6,570,500, subject to the adoption of the Wake County FY 2021 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 23.8% (or \$1,953,520) decrease in their 2021 budget from the 2020 operating budget. The 2020 budget amount of \$8,653,000 will decrease to \$6,570,500. Lingered effects from COVID-19 are the leading factors to the budget decline.

Board Goal: This action supports routine County business.

Fiscal Impact: The FY2021 County Manager's Recommended Budget includes projected revenues and expenditures consistent with the proposed GRCVB FY2021 budget.

Additional Information:

On April 21, 2020, the Greater Raleigh Convention and Visitors Bureau Board of Directors approved a FY 2021 budget and on April 22, 2020 submitted the proposed budget to Wake County and the City of Raleigh for consideration. The proposal (attached) totals \$6,570,500 and represents a decrease of \$1,953,520 or 23.8%, compared to the current revised fiscal year. Of the total, 91% (or \$5,974,000 million) of the revenue is generated by the GRCVB's share of hotel occupancy and prepared food and beverage taxes. The decreased budget is due to projected impacts of COVID-19 in occupancy tax revenue. Other revenues include advertising revenue from Destination

Travel Network, investment earnings, and IBMA and NCAA Basketball Local Organizing Committee income.

To adjust to the revenue declines, GRCVB began budget reductions in FY20 that will continue in FY21, including:

- Employee salaries reduced by 10%
- All travel suspended through December 2020
- All promotional or advertising related expenses have been suspended
- All client events are on hold

The GRCVB will continue 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 2021 Wake County Adopted Budget that is also being considered on June 15, 2020. The GRCVB's FY21 budget is expected to be considered by the Raleigh City Council in June.

Attachments:

1. FY 2020-2021 Budget Proposal and Business Plan