

May 21, 2021

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 extend the prior BDF agreement from 2019-2021 and approve an amount of \$175,000 per year from the existing Business Development Fund for the International Bluegrass Music Association (IBMA) for 2022, 2023, and 2024.

The Wake County Commissioners previously approved \$175,000 per year for the IBMA's World of Bluegrass Convention and IBMA Bluegrass Live! festival for 2019-2021. \$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 again, 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 and FREE access to concerts at the Red Hat Amphitheater as IBMA's primary fundraiser; plus, a FREE Street Fest organized by a Local Organizing Committee (LOC) featuring five additional stages, an arts market, local vendors, barbecue championship, and more. The events attract hundreds of 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 Bluegrass Live! 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 the largest urban bluegrass event 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, and to a virtual platform in 2020 due to the Covid-19 global pandemic, 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 <sup>1</sup>	98,000	\$5.6 Million	\$188,956
2016	217,225	\$11.5 Million	\$531,658
2017	221,596	\$11.7 Million	\$602,016



**Greater Raleigh Convention and Visitors Bureau**

<b>2018</b>	223,320	\$12.7 Million	\$655,696
<b>2019</b>	218,301	\$18.6 Million	\$991,172
<b>2020</b>	N/A-Virtual Event	Covid-19	Covid-19
<b>Cumulative<sup>2</sup></b>	<b>1,298,442</b>	<b>\$80.1 Million</b>	<b>\$3,567,004</b>

<sup>1</sup>Source: 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 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 seven years (2013-2019) of the weekend festival is 83.4% for Friday and 80.3% for Saturday** (compared to an average year-to-date countywide occupancy rate of 70%).

Through the first five years (2013-2017), IBMA's World of Bluegrass related expenses had increased, while its revenues had remained relatively flat. The BDF increase and the subsequent MOU agreement that were put into place (2018-2021) with Wake County, City of Raleigh and the GRCVB have stabilized IBMA's World of Bluegrass Revenues and Expenses:

<b>Year</b>	<b>Revenue</b>	<b>Expense</b>	<b>Net Revenue</b>
<b>2013</b>	\$1,215,702.00	\$955,758.00	\$259,944.00
<b>2014</b>	\$1,210,671.11	\$1,041,126.66	\$169,544.45
<b>2015</b>	\$1,245,912.31	\$1,134,250.50	\$111,661.81
<b>2016</b>	\$1,172,032.22	\$1,085,797.97	\$86,234.25
<b>2017</b>	\$1,315,577.00	\$1,139,748.00	\$175,829.00
<b>2018</b>	\$1,311,196.58	\$976,663.47	\$334,533.11
<b>2019</b>	\$1,347,649.11	\$864,330.22	\$483,318.89
<b>2020</b>	N/A-Virtual Event	Covid-19	Covid-19

<sup>1</sup>\*2015 attendance was reduced due to Hurricane Joaquin.

<sup>2</sup>\* GRCVB switched to a new calculator for WOB 2016 -2019, 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 again requests an additional \$75,000 from the Business Development Funds (total = \$175,000) to apply towards its World of Bluegrass expenses in 2022, 2023, and 2024.**

**IBMA also requests again 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 2022, 2023, and 2024.**

**This request has been approved by both the City Council at their 5/18/21 meeting and the GRCVB Board of Directors at their 5/18/21 BOD Meeting.**

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

Respectfully submitted,

Denny Edwards, President & CEO, GRCVB

