

**Item Title:** Approval of the Greater Raleigh Convention and Visitors Bureau's FY 2022 Operating Budget

**Specific Action Requested:**

**That the Board of Commissioners approves the FY 2022 operating budget for the Greater Raleigh Convention and Visitors Bureau in the amount of \$8,573,224.**

**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 45.2% (or \$ 2,669,046) increase in their 2022 budget from the 2021 revised operating budget. American Rescue Plan funding from Wake County and economic recovery from COVID-19 are the leading factors to the budget increase. This would return the GRCVB to similar levels pre-COVID.

**Board Goal:** This action supports routine County business.

**Fiscal Impact:** The FY2022 County Manager's Recommended Budget includes projected revenues and expenditures consistent with the proposed GRCVB FY2022 budget.

**Additional Information:**

On May 18, 2021, the Greater Raleigh Convention and Visitors Bureau Board of Directors approved a FY 2022 budget and submitted the proposed budget to Wake County and the City of Raleigh for consideration. The proposal (attached) totals \$8,573,224 and represents an increase of \$ 2,669,046 or 23.8%, compared to the current revised fiscal year. Of the total, 51.5% (or \$4,417,000 million) of the revenue is generated by the GRCVB's share of hotel occupancy and prepared food and beverage taxes. The American Rescue Plan approved by Congress in March 2021 provides funds to local governments to replace lost public sector revenue. Since the GRCVB is

dependent on Occupancy Tax revenues, on May 17, 2021, the Wake County Board of Commissioners authorized a distribution of \$1.3m to GRCVB to address FY20 and FY21 revenue losses. The Commissioners will consider an additional \$1.37M distribution in June 2021. Other revenues include advertising revenue from Destination Travel Network, investment earnings, IBMA and NCAA Basketball Local Organizing Committee income and use of fund balance.

To adjust to the revenue declines in FY20 and FY21, implemented significant budget reductions. Based on FY22 revenue projections, GRCVB is proposing to:

- Reinstatement of employee salaries from prior year 10% reduction and provide cost of living increase
- Reinstatement of travel to support event attraction
- Reinstatement of promotional or advertising related expenses at pre-pandemic levels

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

The GRCVB's FY22 budget was approved by the Raleigh City Council on June 7.

**Attachment:**

1. FY 2021-2022 Budget Proposal
2. Business Plan