

### INTEROFFICE MEMORANDUM

June 10, 2013

**MEMO TO:** J. Russell Allen  
City Manager

**FROM:** Hazel Cockram  
Assistant Director, Raleigh Convention and Performing Arts Complex

**SUBJECT:** Budget Note 34 – Greater Raleigh Convention & Visitors Bureau Partnership

At the June 3<sup>rd</sup> budget work session, Councilor Odom raised a question regarding the partnership between the Raleigh Convention Center and the Greater Raleigh Convention & Visitors Bureau (GRCVB). The details of the partnership are explained below.

#### **Joint Sales and Marketing**

The Raleigh Convention Center and the GRCVB jointly market and sell the Convention Center. It is a team approach with an annual strategic plan for how money and personnel are integrated and deployed from both organizations. The Convention Center contracts with and pays the GRCVB \$150,000 per year for services rendered by the Bureau in these efforts.

#### **Business Development Fund**

The Business Development Fund was created by the City of Raleigh and Wake County in 2007 to assist the GRCVB and the Raleigh Convention Center in the highly competitive convention sales market. This fund is utilized for convention groups fitting very definitive measurements related to peak hotel rooms, total hotel rooms and multi-year room's usage. Additionally, direct economic impact, the average daily rate the hotel partners confirm via contracts with the convention organization and the total tax revenue generation for the City of Raleigh and Wake County are all factors in determining the funding of business. There is \$450,000 allocated to this fund annually.

#### **GRCVB Budget**

The Greater Raleigh Convention & Visitors Bureau's annual budget is almost entirely derived from allocations from the Hotel Occupancy Tax and the Prepared Food and Beverage Tax. The Bureau's 2012-13 budget was \$4,845,000. Their 2013-14 budget is expected to be \$4,928,000, a 1.7% increase. The increase is based on growth in Hotel Occupancy Tax collections as Prepared Food and Beverage Tax is capped at \$675,000.