

**Wake County Room Occupancy & Food and Beverage Tax Stakeholders
March 9, 2017**

Goals:

1. Broaden discussion among stakeholders
2. Develop principles to guide future decisions
3. Consider capacity and demand
4. Review strategies and timelines for future actions

Agenda:

8:30 am Registration and Coffee

9:00 am Welcome, Objectives and Overview – Jim Hartmann, Ruffin Hall and George Alwon

9:10 am Presentation – Denise Foreman and Johnna Rogers

10:00 am Table Discussions: Do Draft Principles Provide the Appropriate Guidance?
- Discuss draft principles at each table and capture proposed changes on yellow sheet then turn into Staff Work Team Member

10:30 am Break

10:45 am Table Discussions: Using Updated Principles, Discuss Principle that is Key for You

11:15 am Rank the Principles:
- Using the ranking sheet on the table, rank all principles from 1 to X.
- 1 is more important to you
- X is least important to you
- All principles are important
- Select the constituency group you identify with for purposes of the ranking

11:25 am Next Steps and Closing Remarks:
- Next Meeting - March 27, 3:00 pm
• Report out and discuss rankings
• Discuss practices for each principle

Room Occupancy and Prepared Food and Beverage Taxes Review

Stakeholders

March 9, 2017

Welcome and Why Are We Here

- Wake County levies county-wide room occupancy and prepared food and beverage taxes
- Enabling legislation empowers City of Raleigh and Wake County to distribute the two tax revenues
- Legislation directs certain distributions and provides flexibility for others
- Every few years, City and County work with partners to review financial models and make decisions regarding revenues and community needs/desires
- In 2016, conducted a review (Phase I) that resulted in 20th Amendment to the governing agreements
 - Made certain structural changes providing a good starting point for a broader Phase II review to focus on longer-term options and strategies
 - Additional structural changes may be reviewed in response to future needs

Phase II Review

- Engage broad group of stakeholders
- Provide education on:
 - History and legislation
 - Performance and trends of revenues
 - Distribution of funds
 - Current status of financial models
- Develop principles to guide future decisions
- Consider capacity and demand
- Review strategies and timelines for future actions

Today's Meeting

Goals:

- Achieve a common understanding of sources and uses of funds
- Use the direction and flexibility in authorizing legislation and stakeholder input to develop principles to guide future decisions on uses of Occupancy/Food and Beverage revenues
- Rank principles by constituency group to understand priorities from varying perspectives

Today's Meeting

Agenda:

1. Review history that got us here
2. Review, discuss and update principles
3. Rank principles
 - After discussion, each individual will rank principles
 - Scores will be aggregated by self-identified constituency group
 - Will result in 11 aggregated scores
 - Operating practices will be developed based on final principles
 - Results will provide insight to future decisions regarding management and use of Occupancy/Food and Beverage Revenue

Presentation Overview

A. Education

1. History and Legislation
2. Performance and Trends of Revenues
3. Distribution of Funds
4. Current Status of County Major Facilities and Convention Center Model

B. Principles

C. Next Steps

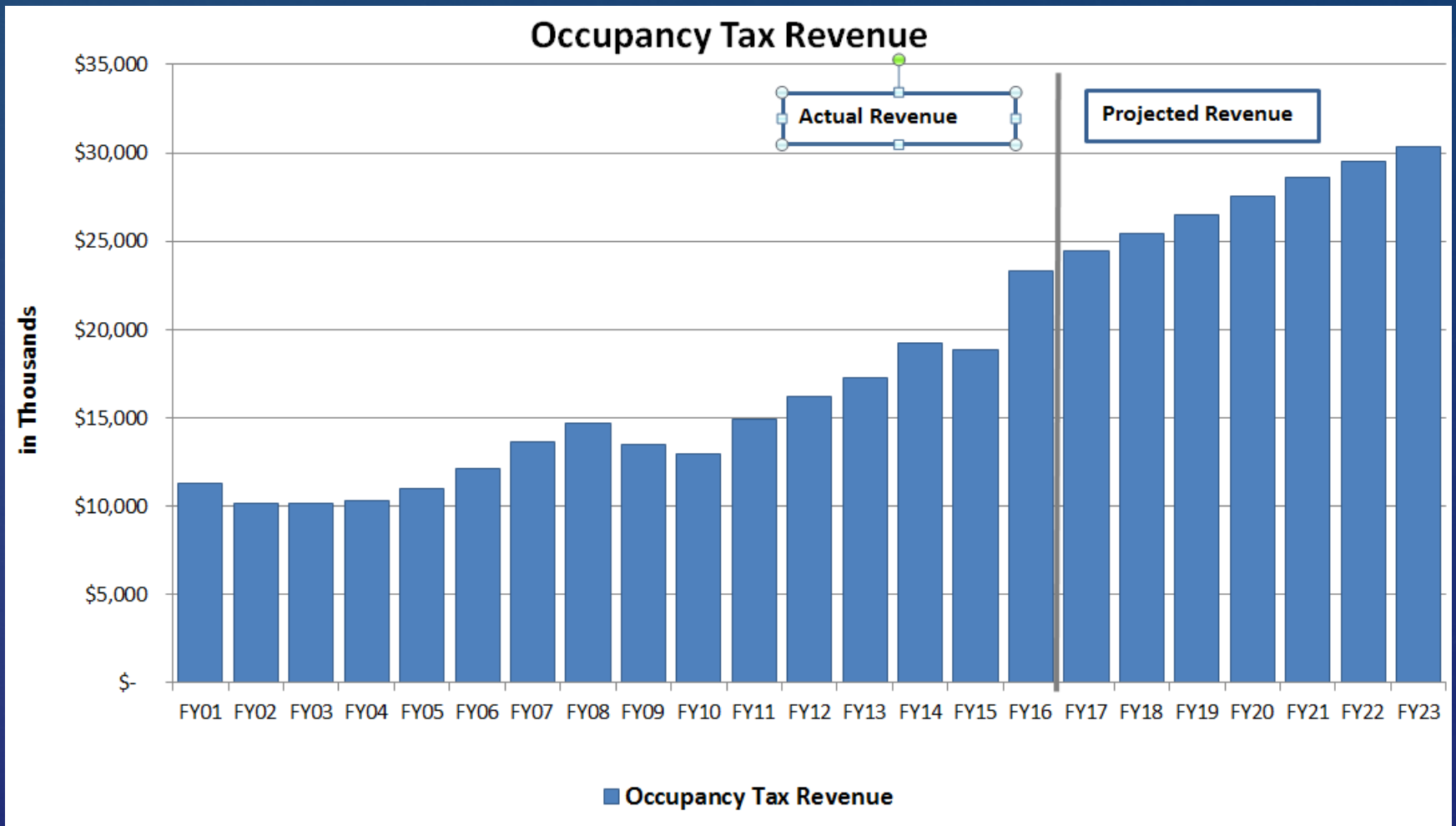
Materials

- Agenda
- Presentation
- Draft Principles
- Financial Models
 - Major Facilities Cash Flow Model
 - Convention Center Complex
- Enabling Legislation
- Summary of Enabling Legislation
- Summary of Interlocal Agreement and Amendments

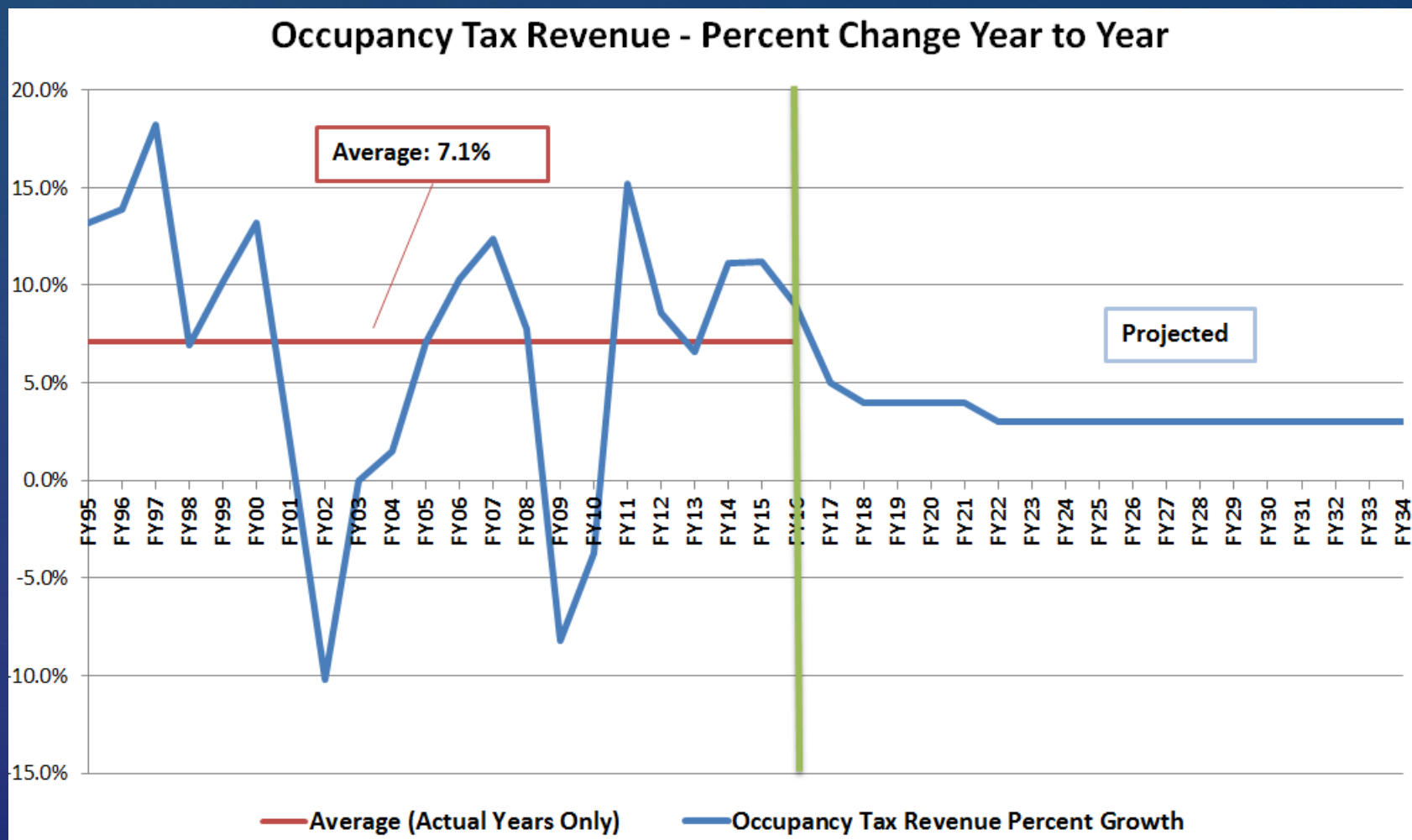
Background

- ❖ Authorizing legislation approved in 1991; amended in 1995
- ❖ Tax levies 6% on occupancy stays; 1% on prepared food and beverage
 - ❖ Revenues in 1995 = \$12.4 million
 - ❖ Revenues in 2016 = \$48.6 million
- ❖ Revenues must be used for projects supporting arts, cultural, sports or convention
- ❖ Original Interlocal Agreement between City of Raleigh and Wake County in 1991; Revised in 1995
 - ❖ There have been 20 Amendments to the Revised Interlocal Agreement

Occupancy Tax Revenue



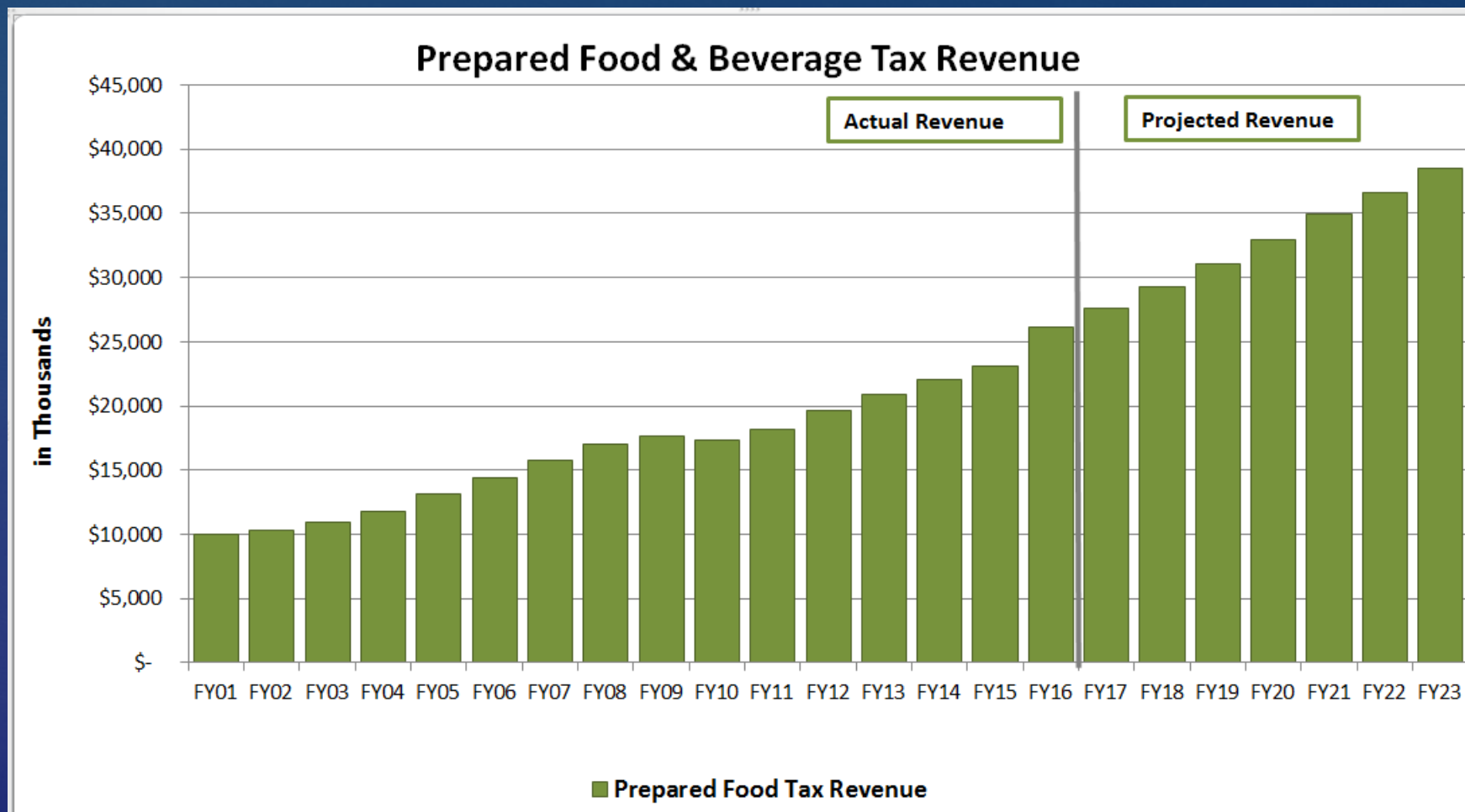
Occupancy Tax Revenue



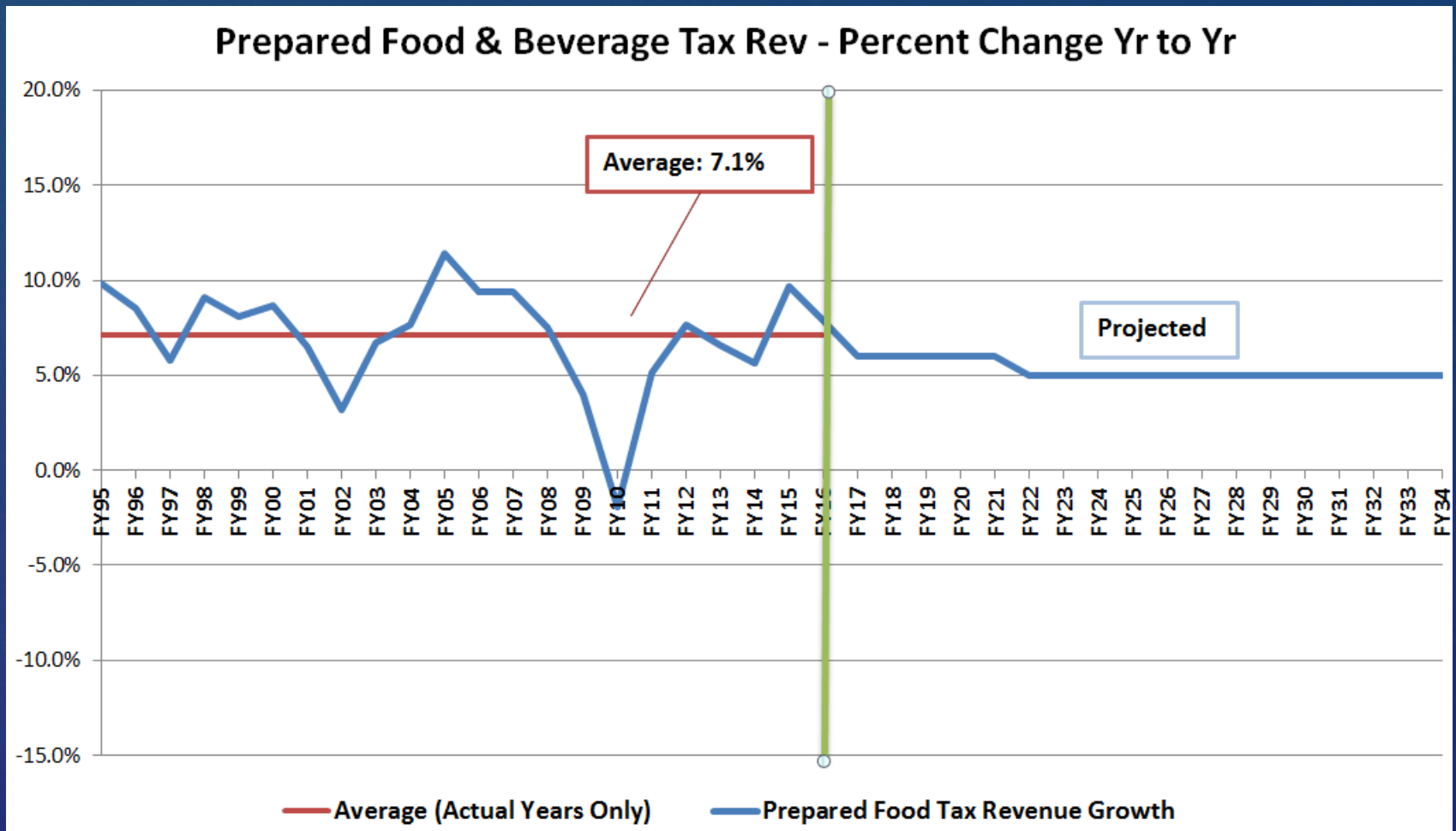
Occupancy Tax Distribution Per Legislation:

- Administrative Fee - *SL1995-458, Sec.10 (a)*
- City of Raleigh - *SL1995-458, Sec.10 (b)(1)*
- Town of Cary - *SL1995-458, Sec.10 (b)(2)*
- Wake County - *SL1995-458, Sec.10 (b)(3)*
- Greater Raleigh Convention and Visitors Bureau (GRCVB) - *SL1995-458, Sec.10 (b)(4)*
- Future Revenue Allocations - *SL1995-458, Sec.12*

Prepared Food Tax Revenue



Prepared Food Tax Revenue



Food and Beverage Tax Distribution Per Legislation:

- Administrative Fee - *SL1995-458, Sec.11*
- City of Raleigh - *SL1995-458, Sec.11(1)*
- Wake County - *SL1995-458, Sec.11(2)*
- Greater Raleigh Convention and Visitors Bureau (GRCVB) - *SL1995-458, Sec.11 (3)*
- Future Revenue Allocations - *SL1995-458, Sec.13*

Total Tax Collection by Jurisdiction (FY2016)

Jurisdiction	Occupancy Tax	Food & Beverage Tax	Total
Apex	\$ 334,006	\$ 924,207	\$ 1,258,213
Cary	\$ 6,107,994	\$ 4,236,409	\$ 10,344,403
Fuquay Varina	\$ 102,914	\$ 740,240	\$ 843,154
Garner	\$ 372,939	\$ 1,221,450	\$ 1,594,389
Holly Springs	\$ 181,900	\$ 518,707	\$ 700,607
Knightdale	\$ 38,823	\$ 592,732	\$ 631,555
Morrisville	\$ 1,601,054	\$ 1,009,890	\$ 2,610,944
Raleigh	\$14,062,487	\$14,278,111	\$ 28,340,598
Rolesville	\$ -	*	*
Wake Forest	\$ 379,263	\$ 1,128,954	\$ 1,508,217
Wendell	*	*	*
Zebulon	\$ -	\$ 323,524	\$ 323,524
Wake County	\$ 33,613	\$ 429,032	\$ 462,645
Total	\$23,214,993	\$25,403,256	\$ 48,618,249

*Not enough establishments to disclose collection numbers.

Projects Funded

Project	Award Year	Jurisdiction	Program
Raleigh Convention Center	1995 and ongoing	Raleigh	Convention
PNC Arena	1995 and ongoing	Raleigh	Sports/Culture
Raleigh Performing Arts Center	1995 and ongoing	Raleigh	Arts/Culture
Five County Stadium	1995 and ongoing	Zebulon	Sports
Exploris/Marbles/IMAX	1995 and ongoing	Raleigh	Arts/Culture
WRAL Soccer Center	1995 and 2001	Raleigh	Sports
Yates Mill Pond Park	2000	Raleigh	Arts/Culture
American Tobacco Trail Park	2000	Wake Co.	Arts/Culture
NC Museum of Natural Sciences	1995	Raleigh	Arts/Culture
NC Museum of Art	2005/2016	Raleigh	Arts/Culture

Projects Funded, Cont'd

Project	Award Year	Jurisdiction	Program
NC Ballet	2005	Raleigh	Arts/Culture
Town of Cary Sports Facilities	2005	Cary	Sports
St. Augustine's College Track	2005	Raleigh	Sports
Wake Competition Center	2014	Morrisville	Sports
NCSU Gregg Museum	2014	Raleigh	Arts/Culture
North Main Athletic Complex	2014	Holly Springs	Sports
Renaissance Performing Arts Center	2016	Wake Forest	Arts/Culture
Church St. Park Cricket Field Lights	2016	Morrisville	Sports
Fleming Loop Athletic Complex	2016	Fuquay Varina	Sports
Capital Athletic Pavilion	2016	Raleigh	Sports

DRAFT PRINCIPLES

Why Develop Principles?

- Two organizations make decisions regarding funding for many interested parties
 - Principles will help articulate values of stakeholders/ community
 - Use principles to guide future decisions in keeping with values of stakeholders/ community

Who Developed Draft Principles?

- Staff representatives from:
 - Centennial Authority
 - City of Raleigh
 - Greater Raleigh Convention & Visitors Bureau
 - Hospitality Alliance
 - Town of Cary
 - Town of Morrisville
 - Wake County
 - *Facilitator: George Alwon*

Draft Principles

- A. Comply with all requirements of the existing enabling legislation
- B. Support and promote the on-going capital expenditure program and expansion of existing investments in major facilities to keep them current, relevant and competitive in market
- C. Prioritize use of funds for projects that drive measurable, regular overnight visitation and positive return on investment (ROI)
- D. Utilize high standards of fiscal accountability in planning and managing the use of tax revenues:
 - Fulfill existing obligations before entering into significant new financial commitments
 - Maintain long-term, conservative financial forecasting

Draft Principles, Cont'd

- E. Ensure project investments are secured by solid long-term plans, both operational and financial, that demonstrate viability and sustainability
- F. Provide a regular funding source for eligible projects that require a smaller scale investment
- G. Create sports, arts and cultural opportunities, through leveraging community investments and partnerships, that benefit residents and enhance tourism offerings
- H. Support a project investment mix that considers location and types of uses (sports, cultural, arts, convention, etc.) in creating a diverse inventory of offerings that address emerging and unmet needs

Draft Principles, Cont'd

- i. Support investments that complement economic development efforts and enhance quality of life experiences for visitors, newcomers and long-time residents
- j. Ensure that investments support the long-term vision of Wake County and its cities and towns

FINANCIAL PLANNING MODELS

Financial Planning Models

- ❖ County serves as fiscal agent
- ❖ Financial models jointly maintained
 - ❖ Major Facilities Cash Flow Model – Wake County
 - ❖ Convention Center Complex Financing Plan - City of Raleigh
- ❖ Consider long-term expenditure commitments within a model sensitivity analysis to minimize project and financing risk with debt repayment the highest priority
- ❖ Maintain fund balance targets that provide adequate margin of error to minimize financing risk should revenue estimates fall short of projections

Financial Models – Major Facilities Cash Flow Model

❖ Four Sections:

I. Revenue Section

- ❖ Economic growth assumptions (R1 and R2)
- ❖ Sources of funds (R3, R4, R5, R6 and R7)

 Major Facilities Model Section 1 - Summaries & Assumptions Cash Flow Model										
	2016 Actual	2017 Budget	2017 Amended	2017 Proj	2018 Proj	2019 Proj	2020 Proj	2021 Proj	2022 Proj	2023 Proj
Economic Growth Assumptions										
R1 Occupancy Tax	9.0%	3.00%	5.00%	5.00%	4.00%	4.00%	4.00%	4.00%	(c) 3.00%	3.00%
R2 Prepared Food and Beverage Tax	7.9%	5.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	(c) 5.00%	5.00%
Sources of Funds:										
R3 Occupancy Taxes	23,301	24,345	24,466	24,466	25,445	26,462	27,521	28,622	29,480	30,341
R4 Food and Beverage Taxes (a)	26,083	27,497	27,648	27,648	29,307	31,065	32,929	34,905	36,650	38,401
R5 Interest Revenues (b)	59	-	-	-	-	-	-	-	-	-
R6 NSF Service Charges (b)	(32)	-	-	(12)	-	-	-	-	-	-
Reimbursement from the City of Raleigh (2-for-1)										
R7 PNC Payment (a)	500	-	500	500	500	-	-	-	-	-
Total Sources (c)	49,911	51,842	52,614	52,602	55,252	57,528	60,450	63,527	66,131	68,742

Financial Models –

Major Facilities Cash Flow Model

- Section 1:
 - First dollars out – specific entities get money before funds are distributed to Raleigh and other projects:
 - Wake County Cost of Collection/Administration (1a)
 - Max 3% of gross proceeds for administering/collecting the taxes
 - City of Raleigh “Holdback” (1b)
 - \$680K for visitor-related activities and programs
 - Greater Raleigh Convention & Visitors Bureau (1c)
 - Approximately 22% of total Occupancy taxes & up to \$675,000 Prepared Food and Beverage tax for operational expenses associated with promotion of travel, tourism and conventions

Major Facilities Cash Flow Model

- Section 1: (Cont'd)
 - Town of Cary “Hold Harmless” (1d)
 - 5% of occupancy for public relations, and visitor-related programs and activities
 - Centennial Authority (1e)
 - 7% for operational expenses for PNC Arena
 - PNC Arena Debt Services (1g)
 - Approx. \$5.2 million annually; paid off in FY2020 (Total = \$60 M)
 - PNC Maintenance (1h)
 - \$1.5 M to \$5 M annually through FY2021 (Total = \$22M)
 - Raleigh and Wake County (1i and 1j)
 - \$1 million per organization per year for discretionary projects
 - Raleigh supports Duke Energy Center for Performing Arts
 - Wake supports Marbles, Five County Stadium maintenance and improvements and Green Square

Financial Models – Major Facilities Cash Flow

	2016 Actual	2017 Budget	2017 Amended	2017 Proj	2018 Proj	2019 Proj	2020 Proj
Section 1 - Admin and Holdbacks: Uses of Funds							
1a Administration and Collection							
Occupancy Taxes	699	650	650	650	650	650	
Food and Beverage Taxes	782	750	750	750	750	750	
Subtotal: Administration and Collection	1,481	1,400	1,400	1,400	1,400	1,400	1,400
1b City of Raleigh Holdback	680	680	680	680	680	680	
1c Greater Raleigh Convention & Visitors Bureau	5,898	6,151	6,201	6,198	6,446	6,700	6,700
1d Town of Cary Hold Hamless	1,130	1,181	1,191	1,190	1,240	1,291	1,291
Use of Raleigh & Wake County Funds							
1e Centennial Authority	2,859	3,007	3,033	3,032	3,197	3,370	3,370
1f Five County Stadium (Debt Service)	79	-	-	-	-	-	-
1g PNC (formerly RBC) Debt Service	5,205	5,210	5,210	5,210	5,211	5,209	5,209
1h PNC Maintenance	-	-	1,500	1,500	2,500	2,000	5,000
1i City of Raleigh	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1j Wake County	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Subtotal: Holdbacks	17,851	18,229	19,815	19,811	21,273	21,250	20,969
Holdbacks	19,331	19,629	21,215	21,211	22,673	22,650	21,969

Financial Models – Major Facilities Cash Flow

III. Section 2 - 85% Distribution

- Calculates amount for distribution to City of Raleigh (2a)

	2016 Actual	2017 Budget	2017 Amended	2017 Proj	2018 Proj	2019 Proj	2020 Proj	2021 Proj	2022 Proj
2a Section 2 - 85% Projects: Wake County & City of Raleigh Amounts for Distribution									
<i>To Calculate Payment to New Convention Center</i>									
Occupancy Taxes	23,301	24,345	24,466	24,466	25,445	26,462	27,521	28,622	29,781
Food and Beverage Taxes	26,083	27,497	27,648	27,648	29,307	31,065	32,929	34,905	36,988
Less NSF Service Charges	(32)	-	-	(12)	-	-	-	-	-
Less Uses for Administration	(1,481)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)
Subtotal: Net Proceeds for Distribution	47,872	50,442	50,714	50,702	53,352	56,128	59,050	62,127	64,369
Less Other Holdbacks	(17,851)	(18,229)	(19,815)	(19,811)	(21,273)	(21,250)	(20,409)	(17,063)	(15,444)
Equals Actual Amount for Distribution	30,021	32,213	30,899	30,892	32,079	34,878	38,642	45,064	48,925
Percent Allocated to New Raleigh Convention Center	85%	85%	85%	85%	85%	85%	85%	85%	85%
New Raleigh Convention Center	25,518	27,249	26,264	26,258	27,267	29,646	32,845	38,304	41,586
Subtotal, Payments to Raleigh Convention	25,518	27,249	26,264	26,258	27,267	29,646	32,845	38,304	41,586

Financial Models – Major Facilities Cash Flow Model

IV. Section 3 - 15% Projects Distribution

- Lists and calculates amount for distribution to jointly approved projects

	2016 Actual	2017 Budget	2017 Amended	2017 Proj	2018 Proj	2019 Proj	2020 Proj	2021 Proj
3a Section 3 - 15% Projects: Wake County & City of Raleigh Joint Projects / Other Agreements								
Cary Sports Facilities	1,300	1,700	1,700	1,700	2,600	2,000	-	-
NC Museum of Art	1,000	1,000	1,000	1,000	-	-	-	-
NC Museum of Natural Science (Green Square)	400	400	-	-	-	-	-	-
PNC Center (Facility Improvements)	1,000	1,000						
PNC Center (Advanced Facility Funds)	500							
St. Augustine's College Track	100	100	-	-	-	-	-	-
Wake County (Use of Discretionary Funds; 2-for-1)	-	-	-	-	-	-	-	-
Competitive Projects	-	-	2,000	2,000	2,000	2,000	2,000	2,000
Subtotal, Projects / Other Agreements	4,300	4,200	4,700	4,700	4,600	4,000	2,000	2,000
TOTAL USES	49,149	51,078	52,179	52,169	54,540	56,296	56,654	58,760
Total Uses Over (or Under) Total Sources	762	764	435	434	712	1,232	3,796	4,760

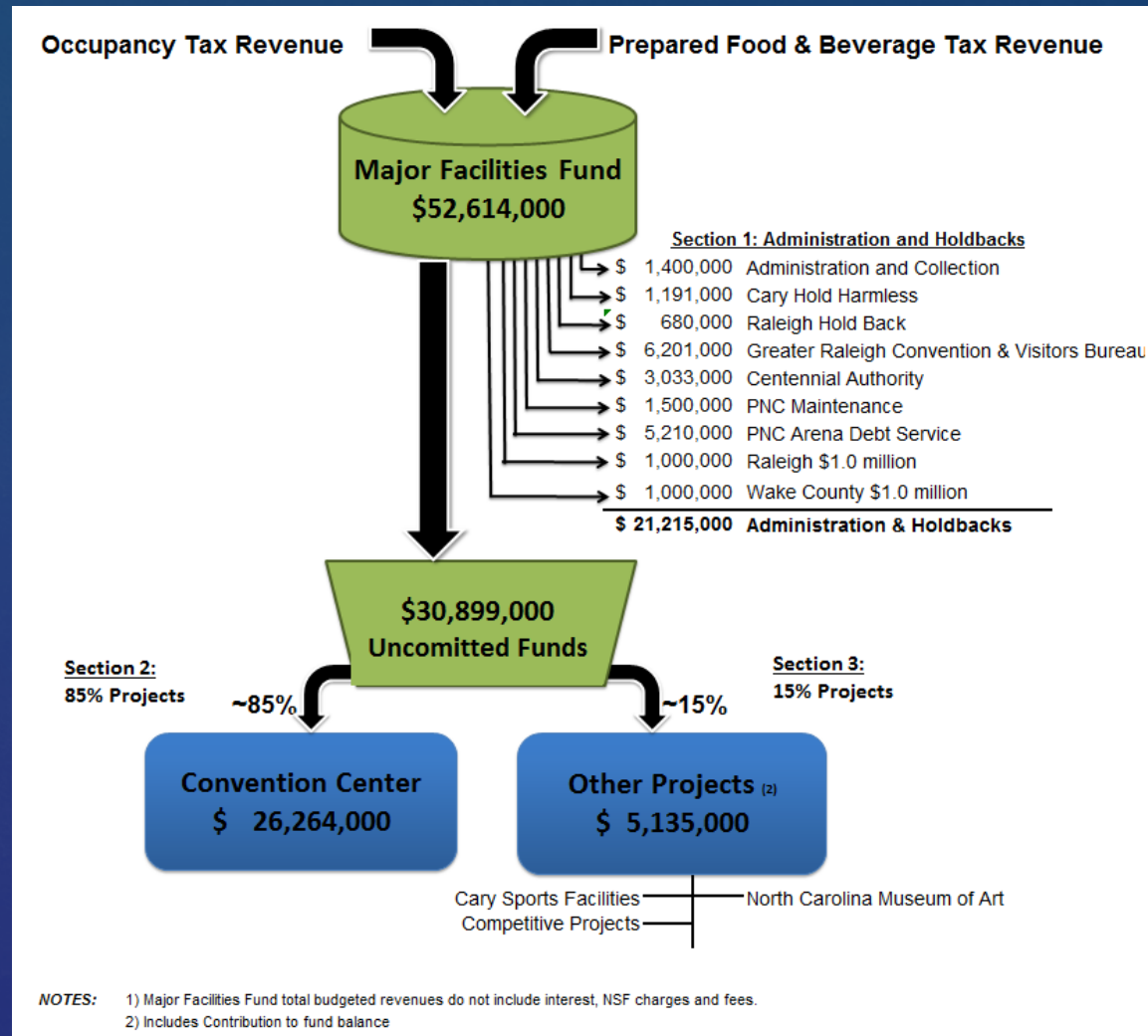
Financial Models – Major Facilities Cash Flow

IV. Fund Balance

- Identifies current and projected fund balance
- Demonstrates Minimum Fund Balance Guideline (3c)

	2016 Actual	2017 Budget	2017 Amended	2017 Proj	2018 Proj	2019 Proj	2020 Proj	2021 Proj	2022 Proj
Fund Balance									
Beginning Fund Balance	1,644	2,406	2,406	2,406	2,840	3,552	4,784	8,580	13,339
Increase In Uncommitted Funds	762	764	435	434	712	1,232	3,796	4,760	5,000
Use of Uncommitted Funds	-	-	-	-	-	-	-	-	-
Adjustments (d)	-	-	-	-	-	-	-	-	-
3b Ending Fund Balance	2,406	3,171	2,841	2,840	3,552	4,784	8,580	13,339	18,339
3c Minimum Fund Balance Guideline	-	2,350	2,300	2,300	2,000	1,000	1,000	1,000	1,000
3d Excess Fund Balance (Capacity)	-	821	541	540	1,552	3,784	7,580	12,339	17,339

Major Facilities Overview



Financial Models – Convention Center Complex

❖ Existing Convention Center Debt Columns C, D and E

Fiscal Year	85% of Uncommitted Funds/Annual Revenues	Variable Rate Debt Service	Fixed Rate Debt Service	Total Debt Service	Net Annual Revenues after Debt Service
A	B	C	D	E	F
6/30/2005					
6/30/2006	9,883,765	46,353	123,198	169,551	9,714,214
6/30/2007	11,650,370	284,877	227,947	512,823	11,137,547
6/30/2008	13,117,464	1,776,335	113,877	1,890,212	11,227,252
6/30/2009	13,152,924	1,881,765	6,251,617	8,133,382	5,019,542
6/30/2010	12,432,690	1,098,526	9,164,703	10,263,228	2,169,462
6/30/2011	14,144,062	775,649	9,191,770	9,967,419	4,176,643
6/30/2012	15,964,642	553,107	9,269,315	9,822,422	6,142,220
6/30/2013	17,494,977	499,785	9,215,598	9,715,383	7,779,594
6/30/2014	19,464,305	327,219	9,266,531	9,593,750	9,870,555
6/30/2015	22,235,261	316,217	16,530,475	16,846,692	5,388,569
6/30/2016	25,517,817	366,216	16,482,283	16,848,499	8,669,318
6/30/2017	26,264,447	1,871,151	16,604,632	18,475,783	7,788,664
6/30/2018	27,267,026	1,874,342	16,599,081	18,473,423	8,793,603
6/30/2019	29,646,394	1,883,624	16,590,969	18,474,593	11,171,801
6/30/2020	32,235,261	1,868,617	16,607,017	18,475,634	14,369,815

Financial Models – Convention Center Complex

- ❖ Convention Center Operating Subsidy – Column G
- ❖ GRCVB Business Development Fund for Convention Center – Column H
- ❖ Convention Center Capital Maintenance Plan – Column I
- ❖ Performing Arts Center Capital Maintenance Plan – Column J
- ❖ 2-for-1 Withdrawal (eliminated with 20th amendment) – Column K

RCC Operating Subsidy	Business Development Fund	RCC Capital Maintenance Plan	PAC Capital Maintenance Plan	City Discretionary Operating Withdrawal
G	H	I	J	K
2,180,724				
2,246,146				
2,313,531				
2,382,937	350,000			1,000,000
2,454,425	350,000			1,000,000
2,528,000	816,000			1,000,000
2,604,000	500,000	-	-	
2,681,955	450,000	1,251,500	-	1,000,000
2,762,584	450,000	1,980,434	-	-
2,846,000	450,000	2,446,000	-	
2,930,825	450,000	1,152,000	-	-
3,077,366	600,000	2,708,741	500,000	-
3,231,235	600,000	2,708,742	500,000	-
3,392,796	600,000	2,708,742	500,000	
3,562,436	600,000	2,708,742	500,000	
3,740,558	600,000	2,708,742	500,000	

Financial Models – Convention Center Complex Model

- ❖ Transfers to support Major Facilities Model – Column L
- ❖ Other adjustments – Column M
- ❖ Interest Income – Column N
- ❖ Ending Fund Balance – Column O

Transfers to County Major Facilities	Other Model Adjustments	Interest Income @ 3%	Ending Fund Balance	Fiscal Year
L	M	N	O	P
			19,001,204	6/30/2006
		787,888	27,322,582	6/30/2006
		1,648,967	37,862,950	6/30/2007
	(16,400,000)	2,001,946	32,378,617	6/30/2008
		997,652	34,662,874	6/30/2009
		660,754	33,688,664	6/30/2010
		370,127	33,891,435	6/30/2011
5,475,000	2,427,230	214,903	34,096,788	6/30/2011
1,204,355	(14,187)	(81,347)	35,193,038	6/30/2013
1,674,268	16,065	342,036	38,554,408	6/30/2014
2,146,377	8,946	274,669	36,338,216	6/30/2015
500,000	(3,394)	457,911	40,429,225	6/30/2016
500,000		1,212,877	42,044,659	6/30/2017
500,000		1,261,340	44,559,625	6/30/2018
-		1,336,789	49,866,677	6/30/2019
-		1,496,000	58,361,315	6/30/2020
-		1,750,839	72,394,460	6/30/2021

Draft Principles

Principles Ranking Worksheet

	Principles	My Comments	My Ranking
A	Comply with all requirements of the existing enabling legislation		
B	Support and promote the on-going capital expenditure program and expansion of existing investments in major facilities to keep them current, relevant and competitive in market		
C	Prioritize use of funds for projects that drive measurable, regular overnight visitation and positive return on investment (ROI)		
D	Utilize high standards of fiscal accountability in planning and managing the use of tax revenues: - Fulfill existing obligations before entering into significant new financial commitments - Maintain long-term, conservative financial forecasting		
E	Ensure project investments are secured by solid long-term plans, both operational and financial, that demonstrate viability and sustainability		
F	Provide a regular funding source for eligible projects that require a smaller scale investment		
G	Create sports, arts and cultural opportunities, through leveraging community investments and partnerships, that benefit residents and enhance tourism offerings		
H	Support a project investment mix that considers location and types of uses (sports, cultural, arts, convention, etc.) in creating a diverse inventory of offerings that address emerging and unmet needs		
I	Support investments that complement economic development efforts and enhance quality of life experiences for visitors, newcomers and long-time residents		
J	Ensure that investments support the long-term vision of Wake County and its cities and towns		
K			
L			
M			

Indicate with which category you are identifying with for ranking:

☐ City of Raleigh
 ☐ Wake County
 ☐ Town of Cary
 ☐ Other Municipality _____

☐ Centennial Authority
 ☐ GRCVB
 ☐ Raleigh Convention Ctr.

☐ Hospitality (Lodging or Restaurants)
 ☐ Sports
 ☐ Arts
 ☐ Culture

Table Discussion of Principles

1. Select table leader/timekeeper
2. Discuss question:
 - Do these principles provide the appropriate guidance?
3. Develop consensus at table if wordsmithing or additional principle is needed
 - Capture any changes on yellow sheet and turn in

Review Newly Proposed Principles

- Based on feedback from tables, consider newly proposed principles
- Update ranking sheets

Discuss Principles at Table

- Each individual should pick principles they want to talk about
 - What makes this/these principles important to you?
 - Each person gets up to 3 minutes to share at the table

Individual Ranking of Principles

- Using a ranking sheet, each individual should rank the principles
- 1 is most important to you
- X is least important to you
- Select which constituency group you represent
 - If you represent several, select just one for purposes of ranking
- Upon completion, turn in ranking sheet

Next Steps

- Staff will compile results of ranking and updates to principles
- Operating practices will be developed based on final Principles
- Next Meeting - **March 27**
 - Report out and discuss rankings
 - Discuss practices for each principle

Questions?

Draft Wake County Occupancy/Food & Beverage Tax Revenue Use Principles

- A. Comply with all requirements of the existing enabling legislation
- B. Support and promote the on-going capital expenditure program and expansion of existing investments in major facilities to them current, relevant and competitive in market
- C. Prioritize use of funds for projects that drive measurable, regular overnight visitation and positive return on investment (ROI)
- D. Utilize high standards of fiscal accountability in planning and managing the use of tax revenues:
 - o Fulfill existing obligations before entering into significant new financial commitments
 - o Maintain long-term, conservative financial forecasting
- E. Ensure project investments are secured by solid long-term plans, both operational and financial, that demonstrate viability and sustainability
- F. Provide a regular funding source for eligible projects that require a smaller scale investment
- G. Create sports, arts and cultural opportunities, through leveraging community investments and partnerships, that benefit residents and enhance tourism offerings
- H. Support a project investment mix that considers location and types of uses (sports, cultural, arts, convention, etc.) in creating a diverse inventory of offerings that address emerging and unmet needs
- I. Support investments that complement economic development efforts and enhance quality of life experiences for visitors, newcomers and long-time residents
- J. Ensure that investments support the long-term vision of Wake County and its cities and towns

		2016	2017	2017	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		Actual	Budget	Amended	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Economic Growth Assumptions																						
R1	Occupancy Tax	9.0%	3.00%	5.00%	5.00%	4.00%	4.00%	4.00%	4.00%	(c) 3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
R2	Prepared Food and Beverage Tax	7.9%	5.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	(c) 5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Sources of Funds:																						
R3	Occupancy Taxes	23,301	24,345	24,466	24,466	25,445	26,462	27,521	28,622	29,480	30,365	31,276	32,214	33,181	34,176	35,201	36,257	37,345	38,465	39,619	40,808	42,032
R4	Food and Beverage Taxes (a)	26,083	27,497	27,648	27,648	29,307	31,065	32,929	34,905	36,650	38,483	40,407	42,427	44,549	46,776	49,115	51,571	54,149	56,857	59,700	62,685	65,819
R5	Interest Revenues (b)	59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R6	NSF Service Charges _(b) Reimbursement from the City of Raleigh (2-for-1	(32)	-	-	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R7	PNC Payment (a)	500	-	500	500	500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources (c)		49,911	51,842	52,614	52,602	55,252	57,528	60,450	63,527	66,131	68,848	71,683	74,641	77,729	80,952	84,316	87,828	91,494	95,322	99,319	103,492	107,851
Section 1 - Admin and Holdbacks: Uses of Funds																						
1a	Administration and Collection																					
	Occupancy Taxes	699	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650
	Food and Beverage Taxes	782	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750
	Subtotal: Administration and Collection	1,481	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
1b	City of Raleigh Holdback	680	680	680	680	680	680	680	680	680	680	680	680	680	680	680	680	680	680	680	680	680
1c	Greater Raleigh Convention & Visitors Bureau	5,898	6,151	6,201	6,198	6,446	6,700	6,965	7,240	7,455	7,676	7,904	8,138	8,380	8,629	8,885	9,149	9,421	9,701	9,990	10,287	10,593
1d	Town of Cary Hold Harmless	1,130	1,181	1,191	1,190	1,240	1,291	1,344	1,399	1,442	1,486	1,531	1,578	1,627	1,676	1,728	1,780	1,835	1,891	1,948	2,008	2,069
	Use of Raleigh & Wake County Funds																					
1e	Centennial Authority	2,859	3,007	3,033	3,032	3,197	3,370	3,552	3,744	3,908	4,080	4,259	4,447	4,643	4,847	5,061	5,285	5,519	5,763	6,019	6,286	6,565
1f	Five County Stadium (Debt Service)	79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1g	PNC (formerly RBC) Debt Service	5,205	5,210	5,210	5,210	5,211	5,209	868	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1h	PNC Maintenance	-	-	1,500	1,500	2,500	2,000	5,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
1i	City of Raleigh	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1j	Wake County	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Subtotal: Holdbacks	17,851	18,229	19,815	19,811	21,273	21,250	20,409	17,063	15,485	15,922	16,374	16,843	17,329	17,832	18,354	18,894	19,454	20,035	20,637	21,260	21,907
	Holdbacks	19,331	19,629	21,215	21,211	22,673	22,650	21,809	18,463	16,885	17,322	17,774	18,243	18,729	19,232	19,754	20,294	20,854	21,435	22,037	22,660	23,307

(a) Model restated compared to CAFR. Model includes error of \$6,822.17 that should have been included during FY13. Amount needs to be in model for calculations to show correct payments and distributions. This error will show up in PFB revenues for FY13 and FY14.

(b) Interest Revenues and NSF Fees/Charges are not budgeted or projected in out years.

(c) Revenue line includes funding that flows and does not flow through Major Facilities Fund 2500. Both funding levels are included on the Raleigh Convention Center Tab. The uses on next page (see uses on next page with footnote (e)) break out this amount by what flows through Fund 2500 and what is posted to CIP Fund 4500.

	2016 Actual	2017 Budget	2017 Amended	2017 Proj	2018 Proj	2019 Proj	2020 Proj	2021 Proj	2022 Proj	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj	2033 Proj	2034 Proj
2a Section 2 - 85% Projects: Wake County & City of Raleigh Amounts for Distribution																					
To Calculate Payment to New Convention Center																					
Occupancy Taxes	23,301	24,345	24,466	24,466	25,445	26,462	27,521	28,622	29,480	30,365	31,276	32,214	33,181	34,176	35,201	36,257	37,345	38,465	39,619	40,808	42,032
Food and Beverage Taxes	26,083	27,497	27,648	27,648	29,307	31,065	32,929	34,905	36,650	38,483	40,407	42,427	44,549	46,776	49,115	51,571	54,149	56,857	59,700	62,685	65,819
Less NSF Service Charges	(32)	-	-	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Uses for Administration	(1,481)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)
Subtotal: Net Proceeds for Distribution	47,872	50,442	50,714	50,702	53,352	56,128	59,050	62,127	64,731	67,448	70,283	73,241	76,329	79,552	82,916	86,428	90,094	93,922	97,919	102,092	106,451
Less Other Holdbacks	(17,851)	(18,229)	(19,815)	(19,811)	(21,273)	(21,250)	(20,409)	(17,063)	(15,485)	(15,922)	(16,374)	(16,843)	(17,329)	(17,832)	(18,354)	(18,894)	(19,454)	(20,035)	(20,637)	(21,260)	(21,907)
Equals Actual Amount for Distribution	30,021	32,213	30,899	30,892	32,079	34,878	38,642	45,064	49,246	51,526	53,909	56,398	59,000	61,720	64,562	67,534	70,640	73,887	77,282	80,832	84,544
Percent Allocated to New Raleigh Convention Center	85%	85%	85%	85%	85%	85%	85%	85%	85%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
New Raleigh Convention Center	25,518	27,249	26,264	26,258	27,267	29,646	32,845	38,304	41,859	43,797	45,822	47,939	50,150	52,462	54,878	57,404	60,044	62,804	65,690	68,707	71,862
Subtotal, Payments to Raleigh Convention	25,518	27,249	26,264	26,258	27,267	29,646	32,845	38,304	41,859	43,797	45,822	47,939	50,150	52,462	54,878	57,404	60,044	62,804	65,690	68,707	71,862
3a Section 3 - 15% Projects: Wake County & City of Raleigh Joint Projects / Other Agreements																					
Cary Sports Facilities	1,300	1,700	1,700	1,700	2,600	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NC Musuem of Art	1,000	1,000	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NC Museum of Natural Science (Green Square)	400	400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PNC Center (Facility Improvements)	1,000	1,000							-	-	-	-	-	-	-	-	-	-	-	-	-
PNC Center (Advanced Facility Funds)	500								-	-	-	-	-	-	-	-	-	-	-	-	-
St. Augustine's College Track	100	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wake County (Use of Discretionary Funds; 2-for-1 Competitive Projects)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Subtotal, Projects / Other Agreements	4,300	4,200	4,700	4,700	4,600	4,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL USES	49,149	51,078	52,179	52,169	54,540	56,296	56,654	58,767	60,744	63,119	65,597	68,182	70,879	73,694	76,632	79,698	82,898	86,239	89,727	93,368	97,169
Total Uses Over (or Under) Total Sources	762	764	435	434	712	1,232	3,796	4,760	5,387	5,729	6,086	6,460	6,850	7,258	7,684	8,130	8,596	9,083	9,592	10,125	10,682
Fund Balance																					
Beginning Fund Balance	1,644	2,406	2,406	2,406	2,840	3,552	4,784	8,580	13,339	18,726	24,455	30,542	37,001	43,851	51,109	58,794	66,924	75,520	84,603	94,195	104,320
Increase In Uncommitted Funds	762	764	435	434	712	1,232	3,796	4,760	5,387	5,729	6,086	6,460	6,850	7,258	7,684	8,130	8,596	9,083	9,592	10,125	10,682
Use of Uncommitted Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments (d)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3b Ending Fund Balance	2,406	3,171	2,841	2,840	3,552	4,784	8,580	13,339	18,726	24,455	30,542	37,001	43,851	51,109	58,794	66,924	75,520	84,603	94,195	104,320	115,001
3c Minimum Fund Balance Guideline	-	2,350	2,300	2,300	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
3d Excess Fund Balance (Capacity)	-	821	541	540	1,552	3,784	7,580	12,339	17,726	23,455	29,542	36,001	42,851	50,109	57,794	65,924	74,520	83,603	93,195	103,320	114,001

(d) FY13 and FY14 actuals have been restated due to errors in footnote (a). The model is calculating what should have been disbursed. These differences between the Model and CAFR will exist for FY13 and FY14 only.
(e) Amount to fulfill 2-for-1 payments to County based on 18th Amendment and ties to Raleigh Convention Center model. This amount is not accounted for in fund 2500. It is posted directly to fund 4500. It is included in this model for illustrative purposes only.

City of Raleigh, North Carolina
City of Raleigh Convention Center Complex Financing Plan
Projected Financing Plan (as of June, 2016)

Fiscal Year	85% of Uncommitted Funds/Annual Revenues	Variable Rate Debt Service	Fixed Rate Debt Service	Total Debt Service	Net Annual Revenues after Debt Service	RCC Operating Subsidy	Business Development Fund	RCC Capital Maintenance Plan	PAC Capital Maintenance Plan	City Discretionary Operating Withdrawals	Transfers to County Major Facilities	Other Model Adjustments	Interest Income @ 3%	Ending Fund Balance	Fiscal Year
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
6/30/2005														19,001,204	6/30/2005
6/30/2006	9,883,765	46,353	123,198	169,551	9,714,214	2,180,724							787,888	27,322,582	6/30/2006
6/30/2007	11,650,370	284,877	227,947	512,823	11,137,547	2,246,146							1,648,967	37,862,950	6/30/2007
6/30/2008	13,117,464	1,776,335	113,877	1,890,212	11,227,252	2,313,531						(16,400,000)	2,001,946	32,378,617	6/30/2008
6/30/2009	13,152,924	1,881,765	6,251,617	8,133,382	5,019,542	2,382,937	350,000			1,000,000			997,652	34,662,874	6/30/2009
6/30/2010	12,432,690	1,098,526	9,164,703	10,263,228	2,169,462	2,454,425	350,000			1,000,000			660,754	33,688,664	6/30/2010
6/30/2011	14,144,062	775,649	9,191,770	9,967,419	4,176,643	2,528,000	816,000			1,000,000			370,127	33,891,435	6/30/2011
6/30/2012	15,964,642	553,107	9,269,315	9,822,422	6,142,220	2,604,000	500,000	-	-	-	5,475,000	2,427,230	214,903	34,096,788	6/30/2012
6/30/2013	17,494,977	499,785	9,215,598	9,715,383	7,779,594	2,681,955	450,000	1,251,500	-	1,000,000	1,204,355	(14,187)	(81,347)	35,193,038	6/30/2013
6/30/2014	19,464,305	327,219	9,266,531	9,593,750	9,870,555	2,762,584	450,000	1,980,434	-	-	1,674,268	16,065	342,036	38,554,408	6/30/2014
6/30/2015	22,235,261	316,217	16,530,475	16,846,692	5,388,569	2,846,000	450,000	2,446,000	-	-	2,146,377	8,946	274,669	36,338,216	6/30/2015
6/30/2016	25,517,817	366,216	16,482,283	16,848,499	8,669,318	2,930,825	450,000	1,152,000	-	-	500,000	(3,394)	457,911	40,429,225	6/30/2016
6/30/2017	26,264,447	1,871,151	16,604,632	18,475,783	7,788,664	3,077,366	600,000	2,708,741	500,000	-	500,000		1,212,877	42,044,659	6/30/2017
6/30/2018	27,267,026	1,874,342	16,599,081	18,473,423	8,793,603	3,231,235	600,000	2,708,742	500,000	-	500,000		1,261,340	44,559,625	6/30/2018
6/30/2019	29,646,394	1,883,624	16,590,969	18,474,593	11,171,801	3,392,796	600,000	2,708,742	500,000		-		1,336,789	49,866,677	6/30/2019
6/30/2020	32,845,449	1,868,617	16,607,017	18,475,634	14,369,815	3,562,436	600,000	2,708,742	500,000		-		1,496,000	58,361,315	6/30/2020
6/30/2021	38,304,371	1,871,151	16,601,614	18,472,765	19,831,606	3,740,558	600,000	2,708,742	500,000		-		1,750,839	72,394,460	6/30/2021
6/30/2022	41,859,132	1,874,342	16,598,024	18,472,366	23,386,766	3,927,586	600,000	2,947,579	500,000		-		2,171,834	89,977,895	6/30/2022
6/30/2023	43,797,128	1,874,342	16,601,141	18,475,483	25,321,645	4,123,965	600,000	2,947,579	500,000		-		2,699,337	109,827,333	6/30/2023
6/30/2024	45,822,236	1,887,131	16,587,846	18,474,977	27,347,260	4,330,163	600,000	2,947,579	500,000		-		3,294,820	132,091,670	6/30/2024
6/30/2025	47,938,519	1,866,509	16,604,222	18,470,731	29,467,788	4,546,672	600,000	2,947,579	500,000		-		3,962,750	156,927,957	6/30/2025
6/30/2026	50,150,231	1,869,701	16,604,855	18,474,556	31,675,676	4,774,005	600,000	2,947,579	500,000		-		4,707,839	184,489,887	6/30/2026
6/30/2027	52,461,834	1,874,342	16,598,986	18,473,328	33,988,506	5,012,705	600,000	2,947,579	500,000		-		5,534,697	214,952,805	6/30/2027
6/30/2028	54,878,001	1,877,874	16,594,905	18,472,779	36,405,222	5,263,341	600,000	2,947,579	500,000		-		6,448,584	248,495,691	6/30/2028
6/30/2029	57,403,629	1,871,151	16,603,916	18,475,067	38,928,562	5,526,508		2,947,579	500,000		-		7,454,871	285,905,036	6/30/2029
6/30/2030	60,043,851	1,883,624	16,594,020	18,477,644	41,566,207	5,802,833		2,947,579	500,000		-		8,577,151	326,797,982	6/30/2030
6/30/2031	62,804,047	14,969,701	5,905,616	20,875,317	41,928,730	6,092,975		2,947,579	500,000		-		9,803,939	368,990,098	6/30/2031
6/30/2032	65,689,854	14,952,395	5,907,626	20,860,021	44,829,832	6,397,623		2,947,579	500,000		-		11,069,703	415,044,430	6/30/2032
6/30/2033	68,707,180	14,939,464	5,906,265	20,845,729	47,861,451	6,717,505		2,947,579	500,000		-		12,451,333	465,192,130	6/30/2033
6/30/2034	71,862,218	14,919,067	5,905,428	20,824,495	51,037,723	7,053,380		2,947,579	500,000		-		13,955,764	519,684,658	6/30/2034
Total	\$ 1,052,803,822	\$ 93,954,577	\$ 341,853,475	\$ 435,808,052	\$ 616,995,771	\$ 114,504,778	\$ 11,016,000	\$ 58,692,171	\$ 9,000,000	\$ 4,000,000	\$ 12,000,000	\$ (13,965,340)	\$ 106,865,973		

Column C - for FY16-FY34 calculated \$190M (4.88%) ~4.36% fixed swap rate + .42 bps liquidity + .10 remarketing.

Column G - RCC Operating support \$2.2M initially adjusted 3% annually to FY16. For May 2016 review, 5% annual adjustment FY17 & forward after removal of "2 for 1".

Column H - 5/31/12 Joint Meeting - City and County Boards approved funding of \$450k/yr for FY13-FY22 per request of GRCVB, Amendment #19 extended funding to FY25. For May 2016 review, increased to \$600,000 in FY17 & extended to FY28.

Column I - Reduced Capital Plan by 5% in all years. FY12 capital maintenance of \$1,838,103 and \$764,247 of \$2,015,747 FY13 capital maintenance funded by \$2,602,350 of excess RCC Construction Fund balance.

Column J - For May 2016 review, reflects Capital maintenance funding for Duke Energy Performing Arts Center. FY17 capital funds for a Heery plan update.

Column K - FY12, FY14 & FY15 the \$1M discretionary withdrawal was not taken. "2 for 1" removed FY16 & forward.

Column L - FY13 Reflects a return of \$5.475M back to the County Major Facilities Model. Reflects transfers back to Wake County in accordance with treatment of fund balance excesses (ILA 18th Amendment, Section 8) for Wake 2-for-1 agreement and PNC funding advance.

Column L - FY15 Excess Fund Balance send back (\$2,146,377 for FY14 results) distributes \$325,732 to Wake County for balance of FY13 "2 for 1" and \$1,820,645 to Wake for PNC capital accelerations (\$26M thirteenth amendment).

Column M - FY08 Additional Capital Expenditures of \$16,400,000 per amendments 11 & 12. Moved \$2.4M from Debt Service Fund back to Financing Fund - related to a true-up of actual debt service paid versus budgeted debt service transfers.

Column O - Fund balance shown in column O is subject to conditions of the 18th Amendment.

Sec. 5. Chapter 594 of the 1991 Session Laws reads as rewritten:

"AN ACT TO AUTHORIZE WAKE COUNTY TO LEVY A ROOM OCCUPANCY TAX AND A PREPARED FOOD AND BEVERAGE TAX.

"Section 1. Intent. —This act authorizes Wake County to levy a room occupancy tax and a prepared food and beverage tax.

"Sec. 2. Definitions. —The definitions in G.S. 105-164.3 apply to this act to the extent they are not inconsistent with the provisions of this act. The following definitions also apply in this act:

- (1) Centennial Authority. — The Centennial Authority created by the General Assembly under Part 4 of Article 20 of Chapter 160A of the General Statutes.
- (1a) Financing. — Debt service, lease payments, or any other obligations or means of supporting capital costs, together with any related reserve requirements.
- (2) Net proceeds. — The gross proceeds of the taxes levied pursuant to this act less any refunds and the cost to the county of administering and collecting the taxes as provided in Sections 10 and 11 of this act.
- (3) Prepared food and beverage. — Any food or beverage to which a retailer has added value or has altered its state (other than by cooling alone) by preparing, combining, dividing, heating, or serving, in order to make the food or beverage available for immediate human consumption.
- (3a) Regional facility. — Defined in G.S. 160A-480.2.
- (4) Retailer. — A caterer or a retailer as defined in G.S. 105-164.3 as in effect on the effective date of this act.
- (5) Taxable establishment. — A hotel, motel, inn, tourist camp, or similar place that is subject to a room occupancy tax levied pursuant to this act and a retailer that sells prepared food or beverages and is subject to the prepared food and beverage tax levied pursuant to this act.
- (6) Undesignated proceeds. — Net proceeds distributed to the City of Raleigh and to Wake County and designated for use pursuant to Sections 10(b)(1)b., 10(b)(3), 11(1)b., 11(2), 12(1)a., 12(2)c. and d., 12(3)c. and d., and 13 of this act.

"Sec. 3. Sales and Use Tax Statutes. —The provisions of Article 5 and Article 9 of Chapter 105 of the General Statutes apply to this act to the extent they are not inconsistent with the provisions of this act.

"Sec. 4. Occupancy Tax. —The Wake County Board of Commissioners may, by resolution, levy a room occupancy tax of up to six percent (6%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the county that is subject to the State sales tax imposed under G.S. 105-164.4(a)(3). This tax does not apply to accommodations furnished by nonprofit charitable, educational, benevolent, or religious organizations when furnished in furtherance of their nonprofit purpose or to accommodations furnished to the same person for at least 90 consecutive days. Before levying the tax authorized in this section, the board of commissioners must hold a public hearing on the tax. Notice of the public hearing shall be advertised at least 10 days, but not more than 25 days, before the scheduled date of the hearing. The revision of this act by AN ACT TO PROVIDE FOR THE CREATION OF FACILITY AUTHORITIES AND TO ESTABLISH THE CENTENNIAL AUTHORITY does not affect the previous levying of the tax under this section, and no new hearings or resolutions are required.

Before a tax may be enacted pursuant to this section, Wake County and the City of Raleigh must enter into an interlocal agreement pursuant to Article 20 of Chapter 160A of the General

Statutes. The agreement shall contain, at the minimum, the type and general location of all capital projects to be funded in any way by the proceeds of the tax levied under this section. The agreement shall also contain a preliminary schedule for the completion of any projects to be so funded. If the city and the county are unable to approve and execute the required agreement within three years after the effective date of this act, this section is repealed.

"Sec. 5. Prepared Food and Beverage Tax. The Wake County Board of Commissioners may, by resolution, levy a prepared food and beverage tax of up to one percent (1%) of the sales price of prepared food and beverages sold at retail for consumption on or off the premises by any retailer within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(1). Before levying the tax authorized in this section, the board of commissioners must hold a public hearing on the tax. Notice of the public hearing shall be advertised at least 10 days, but not more than 25 days, before the scheduled date of the hearing. The revision of this act by AN ACT TO PROVIDE FOR THE CREATION OF FACILITY AUTHORITIES AND TO ESTABLISH THE CENTENNIAL AUTHORITY does not affect the previous levying of the tax under this section, and no new hearings or resolutions are required.

Before a tax may be enacted pursuant to this section, Wake County and the City of Raleigh must enter into an interlocal agreement pursuant to Article 20 of Chapter 160A of the General Statutes. The agreement shall contain, at the minimum, the type and general location of all capital projects to be funded in any way by the proceeds of the tax levied under this section. The agreement shall also contain a preliminary schedule for the completion of any projects to be so funded. If the city and the county are unable to approve and execute the required agreement within three years after the effective date of this act, this section is repealed.

"Sec. 6. ~~Exemptions.~~ Exemptions and Refunds. – (a) Exemptions. – The prepared food and beverage tax does not apply to the following sales of prepared food and beverages:

- (1) Prepared food and beverages served to residents in boarding houses and sold together on a periodic basis with rental of any sleeping room or lodging.
- (2) Retail sales exempt from taxation under G.S. 105-614.13 on the effective date of this act.
- (3) Retail sales through or by means of vending machines.
- (4) Prepared food and beverages served by any taxable establishment subject to the occupancy tax levied pursuant to this act if the charge for the prepared food or beverages is included in a single, nonitemized sales price together with the charge for rental of a room, lodging, or accommodation furnished by the taxable establishment.
- (5) Prepared food and beverages furnished without charge by an employer to any employee.
- (6) Retail sales by grocers or by grocery sections of supermarkets or other diversified retail establishments other than sales of prepared food and beverages in the delicatessen or similar department of the grocer or grocery section.

(b) Refunds. – The county shall refund to a nonprofit or governmental entity the prepared food and beverage tax paid by the entity on eligible purchases of prepared food and beverages. A nonprofit or governmental entity's purchase of prepared food and beverages is eligible for a refund under this subsection if the entity is entitled to a refund under G.S. 105-164.14(b) or (c) of local sales and use tax paid on the purchase. The time limitations, application requirements, penalties, and restrictions provided in G.S. 105-164.14(b) and (d) apply to refunds to nonprofit entities; the time limitations, application requirements, penalties, and restrictions provided in

G.S. 105-164.14(c) and (d) apply to refunds to governmental entities. When an entity applies for a refund of the prepared food and beverage tax paid by it on purchases, it shall attach to its application a copy of the application submitted to the Department of Revenue under G.S. 105-164.14 for a refund of the sales and use tax on the same purchases. An applicant for a refund under this subsection shall provide any information required by the county to substantiate the claim.

"Sec. 7. Date of Levy. — A tax levied under this act shall become effective on the date specified in the resolution or ordinance levying the tax. The levy of the prepared food and beverage tax may not become effective before January 1, 1993.

"Sec. 8. Collection. — Every operator of a taxable establishment shall, on and after the effective date of the levy of a tax under this act, collect the tax. The tax shall be stated and charged separately from the rental charge or sales price, shall be shown separately on the taxable establishment's sales records, and shall be paid by the purchaser to the taxable establishment as trustee for and on account of the county. The tax shall be added to the rental charge or sales price and shall be passed on to and collected from the purchaser instead of being borne by the taxable establishment.

For the convenience of each retailer and to facilitate the administration of this act, the county shall determine the amount to be added to the sales price of all sales subject to the prepared food and beverage tax. The amounts shall be set forth in a bracket system and distributed to each retailer responsible for collecting the prepared food and beverage tax. The use of the bracket system does not relieve the retailer from the duty and liability of collecting and remitting to the local administrative authority an amount equal to the prepared food and beverage tax levied by the county.

"Sec. 9. Administration. — The county shall administer and collect the taxes levied pursuant to this act. Wake County may contract with the City of Raleigh to perform these functions.

The taxes levied pursuant to this act are due and payable to the county in monthly installments on or before the fifteenth day of the month following the month in which the tax accrues. Every taxable establishment liable for the tax shall, on or before the fifteenth day of each month, prepare and render a return to the county. The county shall design, print, and furnish on request to all taxable establishments the necessary forms for filing returns and instructions to ensure the full collection of the tax.

Returns filed with the county pursuant to this act are not public records ~~as defined by G.S. 132-1~~ and may not be disclosed except ~~as required by law.~~ in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

"Sec. 10. Distribution and Use of Proceeds of Occupancy Tax. — (a) Initial Deductions. — It is anticipated for allocation purposes that the annual net proceeds realized from the levy of the tax authorized by Section 4 of this act will be at least three million eight hundred fifteen thousand dollars (\$3,815,000). The county shall distribute the first three million eight hundred fifteen thousand dollars (\$3,815,000) of the net proceeds of the tax levied under Section 4 of this act as provided in this section; the county shall distribute any proceeds in excess of this amount as provided in Section 12 of this act. The county may deduct from the gross proceeds of the taxes collected pursuant to Section 4 of this act an amount not to exceed three percent (3%) of the gross proceeds to pay for the direct cost of administering and collecting the taxes. ~~For the first two years the tax levied under Section 4 of this act is in effect, before making the distributions provided in subsection (b), the county shall deduct from the net proceeds of the tax the sum of one hundred thousand dollars (\$100,000) in each fiscal year and shall remit this sum to Wake Technical Community College. After the first two years the tax levied under Section 4~~

~~of this act is in effect, before~~ Before making the distributions provided in subsection (b), the Board of Commissioners of Wake County may, in its discretion, deduct from the net proceeds of the tax the sum of one hundred thousand dollars (\$100,000) in each fiscal year and remit this sum to Wake Technical Community College. Wake Technical Community College must use funds remitted to it under this subsection only to support its ongoing program of training individuals in hotel and motel management and in food service. Funds received by Wake Technical Community College under this subsection that have not been expended for this purpose at the end of each fiscal year shall revert to Wake County for distribution in the following fiscal year pursuant to this section and Section 12 of this act.

(b) Monthly Distributions; Use. — The county shall make the distributions provided in this subsection by the twentieth day of the month following the month in which the tax is collected.

- (1) Distribution to Raleigh. After deducting the amounts provided in subsection (a), the county shall transfer to the City of Raleigh an amount equal to forty-five and twenty-five one hundredths percent (45.25%) of the remaining net proceeds of each monthly collection. The net proceeds received by Raleigh shall be applied in accordance with the following priorities.
 - a. The city may use the first six hundred eighty thousand dollars (\$680,000) of the net proceeds of the taxes levied under this act to fund the acquisition, construction, financing, debt servicing, maintenance, or operation of convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums; to provide off-street parking facilities for use in conjunction with such facilities; and to fund visitor-related programs and activities, including cultural programs, events or festivals, and convention and visitor programs and activities of the Greater Raleigh Convention and Visitor Bureau.
 - b. The city shall use any additional net tax proceeds received only for (i) the acquisition, construction, renovation, financing, debt service, maintenance, and operation of expansions and additions to the Raleigh Civic Center Complex or similar facilities, and (ii) the construction of sports, cultural, and arts facilities, including a coliseum to be built in conjunction with North Carolina State University at Raleigh, a performing arts theater, a visual arts program, and a children's museum. Any funds not spent in a fiscal year may be held in one or more reserve accounts by the city for future use in the range of activities allowed by this subsection. The city may make expenditures pursuant to this subdivision b. only after the city and county have agreed on the amount and purpose of the expenditure. The county's approval of an expenditure must be evidenced by a resolution adopted by the board of commissioners.
- (2) Distribution to Cary. After deducting the amount provided in subsection (a), the county shall transfer to the Town of Cary an amount equal to five percent (5%) of the remaining net proceeds of the tax levied under Section 4 of this act. The Town of Cary shall expend these proceeds for public relations and promotional activities for the town and for visitor-related programs and activities, including cultural programs, events, festivals, and other visitor-related programs.

- (3) Distribution to Wake County. After deducting the amount provided in subsection (a), the county shall retain an amount equal to thirty-four and seventy-five one hundredths percent (34.75%) of the remaining net proceeds of the tax levied under Section 4 of this act. Wake County may expend these proceeds only for the Raleigh Civic Center Complex or similar facilities or for construction of sports, cultural, and arts facilities, including a coliseum to be built in conjunction with North Carolina State University at Raleigh, a performing arts theater, a visual arts program, and a children's museum. Any funds not spent in a fiscal year may be held in reserve accounts by the county for future use in the range of activities allowed by this subsection. The county may make expenditures pursuant to this subdivision only after the city and county have agreed on the amount and purpose of the expenditure. The city's approval of an expenditure must be evidenced by a resolution adopted by the city council.
- (4) Distribution to Greater Raleigh Convention and Visitor Bureau. After deducting the amounts provided in subsection (a), the county shall remit fifteen percent (15%) of the remaining net proceeds to the Greater Raleigh Convention and Visitor Bureau. The Greater Raleigh Convention and Visitor Bureau may expend these funds pursuant to the provisions of Section 15 of this act.

In the event that the amount distributed to the Greater Raleigh Convention and Visitor Bureau under this act is less than one million dollars (\$1,000,000) in a fiscal year, the city and the county shall each pay to the Greater Raleigh Convention and Visitor Bureau a sum, derived from its expected portion of the proceeds of the taxes authorized in this act, equal to one-half of the difference between one million dollars (\$1,000,000) and the amount received by the Bureau, so that the total revenue received by the Bureau equals at least one million dollars (\$1,000,000) in each fiscal year.

"Sec. 11. Distribution of Prepared Food and Beverage Tax. — It is anticipated for allocation purposes that the annual net proceeds realized from the levy of the tax authorized by Section 5 of this act will be at least four million five hundred thousand dollars (\$4,500,000). The county shall distribute the first four million five hundred thousand dollars (\$4,500,000) of the net proceeds of the taxes levied under Section 5 of this act as provided in this section; the county shall distribute any proceeds in excess of this amount as provided in Section 13 of this act.

The county may deduct from the gross proceeds of the taxes collected pursuant to Section 5 of this act an amount not to exceed three percent (3%) of the gross proceeds to pay for the direct cost of administering and collecting the taxes. The county shall make the distributions provided in this section by the twentieth day of the month following the month in which the tax is collected.

- (1) Distribution to Raleigh. After deducting the amount provided above, the county shall transfer to the City of Raleigh an amount equal to forty-seven and seventy-five one hundredths percent (47.75%) of the net proceeds of each monthly collection. The net proceeds received by Raleigh shall be applied in accordance with the following priorities.
 - a. The city may use the first six hundred eighty thousand dollars (\$680,000) of the net proceeds of the taxes levied under this act to fund the acquisition, construction, financing, debt servicing, renovation,

maintenance, or operation of convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums; to provide off-street parking facilities for use in conjunction with such facilities; and to fund visitor-related programs and activities, including cultural programs, events or festivals, and convention and visitor programs and activities of the Convention and Visitor Bureau.

- b. The city shall use any additional net tax proceeds received only for (i) the acquisition, construction, renovation, financing, debt service, maintenance, and operation of expansions and additions to the Raleigh Civic Center Complex, and (ii) the construction of sports, cultural, and arts facilities, including a coliseum to be built in conjunction with North Carolina State University at Raleigh, a performing arts theater, a visual arts program, and a children's museum. Any funds not spent in a fiscal year may be held in one or more reserve accounts by the city for future use in the range of activities allowed by this subsection. The city may make expenditures pursuant to this section only after the city and county have agreed on the amount and purpose of the expenditure. The county's approval of an expenditure must be evidenced by a resolution adopted by the board of commissioners.
- (2) Distribution to Wake County. The county shall retain an amount equal to thirty-seven and twenty-five one hundredths percent (37.25%) of the net proceeds of the tax levied under Section 5 of this act. Wake County may expend these proceeds only for the planning, acquisition, renovation, or construction of the Raleigh Civic Center Complex or similar facilities or for construction of sports, cultural, and arts facilities, including a coliseum to be built in conjunction with North Carolina State University at Raleigh, a performing arts theater, a visual arts program, and a children's museum. Any funds not spent in a fiscal year may be held in reserve accounts by the county for future use in the range of activities allowed by this subsection. The county may make expenditures pursuant to this subdivision only after the city and county have agreed on the amount and purpose of the expenditure. The city's approval of an expenditure must be evidenced by a resolution adopted by the city council.
- (3) Distribution to Greater Raleigh Convention and Visitor Bureau. The county shall remit fifteen percent (15%) of the net proceeds of the tax levied under Section 5 of this act to the Greater Raleigh Convention and Visitor Bureau. The Greater Raleigh Convention and Visitor Bureau may expend these funds pursuant to the provisions of Section 15 of this act.

"Sec. 12. Future Revenue Allocations of the Occupancy Tax. — In the event that the annual net proceeds of the tax levied under Section 4 of this act exceed three million eight hundred fifteen thousand dollars (\$3,815,000) in a fiscal year, the additional proceeds will be distributed as follows:

- (1) Any net proceeds in excess of three million eight hundred fifteen thousand dollars (\$3,815,000) but less than four million one dollars (\$4,000,001) shall be allocated on the following basis:
 - a. Ninety-five percent (95%) to the City of Raleigh for the purposes set out in Section 10 herein.

- b. Five percent (5%) to the Town of Cary for the purposes set out in Section 10 of this act.
- (2) Any net proceeds above four million dollars (\$4,000,000) and up to four million five hundred thousand dollars (\$4,500,000) shall be distributed monthly on the following basis:
 - a. Twenty-five percent (25%) to the Raleigh Regional Convention and Visitor Bureau.
 - b. Five percent (5%) to the Town of Cary, at least one-half of which shall be used only for capital projects authorized under Section 10 or 11 of this act and the remainder of which shall be used for the purposes authorized in Section 10(b)(2) of this act.
 - c. Forty-seven and five-tenths percent (47.5%) to the City of Raleigh to be used for the purposes set out in Section 10 of this act.
 - d. Twenty-two and five-tenths percent (22.5%) to Wake County for any use related to any of the purposes for which any local government is authorized by this act to expend tax proceeds.
- (3) Any net proceeds above four million five hundred thousand dollars (\$4,500,000) shall be distributed monthly on the following basis:
 - a. Twenty-five percent (25%) to the Raleigh Regional Convention and Visitor Bureau.
 - b. Five percent (5%) to the Town of Cary, at least one-half of which shall be used only for capital projects authorized under Section 10 or 11 of this act and the remainder of which shall be used for the purposes authorized in Section 10(b)(2) of this act.
 - c. Thirty-five percent (35%) to the City of Raleigh for any lawful purpose authorized by this act.
 - d. Thirty-five percent (35%) to Wake County for any lawful purpose authorized by this act.

"Sec. 13. Future Revenue Allocations of the Prepared Food and Beverage Tax. — In the event that the annual net proceeds of the tax levied under Section 5 of this act exceed four million five hundred thousand dollars (\$4,500,000) in a tax year, the additional proceeds will be allocated according to the following schedule:

- (1) Any additional net proceeds up to six million five hundred thousand dollars (\$6,500,000) shall be divided between the City of Raleigh and Wake County. The city shall receive seventy-five percent (75%) of the additional net proceeds for use in activities allowed under Section 10 of this act while the county will receive twenty-five percent (25%) of the net proceeds for use in any lawful activity authorized by this act.
- (2) Any net proceeds in excess of six million five hundred thousand dollars (\$6,500,000) shall be divided between the City of Raleigh and Wake County. The city shall receive sixty percent (60%) of the additional net proceeds for use in any lawful purpose authorized by this act while the county shall receive the remaining forty percent (40%) of the additional net proceeds for use in any lawful purpose authorized by this act.

~~"Sec. 14. Restrictions on Certain Capital Projects. This section expires the earlier of (i) three years after the effective date of the first tax levied under this act or (ii) three and one-half years after the date this act is ratified. Notwithstanding any other provision of this act, the~~

~~proceeds of the taxes levied under this act may not be expended for the cost of any capital project other than (i) a coliseum to be built in conjunction with North Carolina State University at Raleigh, (ii) a civic center complex, (iii) a visual or performing arts center, or (iv) a children's museum, and off-street parking associated with these four projects. As used in this section, the term "cost" includes the cost of construction of a capital facility; planning, engineering, as well as architectural and consulting services, and any other expenses and charges relating to a new capital project.~~ Transfers to Centennial Authority. – (a) Construction of Regional Facility. – On or before June 30, 1996, the City of Raleigh and Wake County shall jointly transfer eleven million dollars (\$11,000,000) from undesignated proceeds to the Centennial Authority, and on or before June 30, 1997, the City of Raleigh and Wake County shall jointly transfer an additional eleven million dollars (\$11,000,000) from undesignated proceeds to the Centennial Authority. The proportions of this sum to be drawn from undesignated proceeds distributed to the City of Raleigh and from undesignated proceeds distributed to Wake County shall be determined by the city and the county by interlocal agreement entered into pursuant to Article 20 of Chapter 160A of the General Statutes. If the city and the county are unable to agree on the relative proportions to be drawn from net proceeds distributed to each of them, each shall transfer from undesignated proceeds distributed to it its proportional share based on the total undesignated proceeds distributed to it during the preceding 36-month period. The Centennial Authority shall use the funds distributed to it pursuant to this subsection only to fund all or part of the acquisition, construction, financing, and debt servicing of a regional facility to be located in the general vicinity of the Carter-Finley Stadium.

(b) Operation, Renovation, Maintenance, and Repair of Regional Facility. – During July of 1995, and each July thereafter, the City of Raleigh and Wake County shall each transfer to the Centennial Authority seven percent (7%) of the total undesignated proceeds distributed to it during the preceding fiscal year. The Centennial Authority shall use the funds transferred to it pursuant to this subsection only for enhancement of operating revenues of a regional facility and for planning, design, renovations, maintenance, and repairs to a regional facility.

"Sec. 15. Greater Raleigh Convention and Visitor Bureau.

- (1) When the board of county commissioners adopts a resolution levying the tax, the City of Raleigh shall take immediate action to adopt an ordinance establishing the Greater Raleigh Convention and Visitor Bureau. The Bureau shall be governed by a Board of Directors consisting of 12 members. This Bureau shall be the continuation of the existing Raleigh Convention and Visitor Bureau established pursuant to Chapter 850 of the Session Laws of 1985. At least three of the county's appointees shall reside in Raleigh and at least one of the county's appointees shall reside in Cary. The appointments shall be made as follows:
 - a. Five owners or operators of hotels, motels, or other taxable establishments, three of whom shall be elected by the Raleigh City Council and two of whom shall be elected by the Board of Commissioners of Wake County from a list of at least 10 nominees furnished by the Raleigh Hotel and Motel Association. The list of nominees shall include the names of at least three restaurant owners or operators.
 - b. Two representatives of tourist or convention related businesses, one appointed by the Raleigh City Council and one by the Wake County Board of Commissioners.

- c. One member nominated by the Greater Raleigh Chamber of Commerce and appointed by the Wake County Board of Commissioners.
- d. Four at-large members, two appointed by the City of Raleigh and two appointed by Wake County.

Members shall serve according to the ordinances and regulations of the city concerning service on city boards and commissions, except that members appointed by Wake County shall serve according to the ordinances and regulations of Wake County concerning service on county boards and commissions.

- (2) Powers and Duties of Bureau. The Greater Raleigh Convention and Visitor Bureau may contract with any person, firm, or agency to advise and assist it in the promotion of travel, tourism, and conventions. The Bureau shall prepare an annual budget based on anticipated revenues and shall submit the budget to the Raleigh City Manager and Wake County Manager for processing and approval through the regular budget procedures of the city and the county. The Bureau shall make quarterly reports to the Raleigh City Council and the Wake County Board of Commissioners detailing its revenues, expenditures, and activities. The city or the county may audit the Bureau's financial records upon reasonable notice to the Bureau. At the end of each fiscal year, any funds of the Bureau not expended, or obligated or reserved as approved by the Raleigh City Council and the Wake County Board of Commissioners, shall be remitted equally to the City of Raleigh and Wake County for use in accordance with Section 10 of this act.

"Sec. 16. Penalties. —A person, firm, corporation, or association who fails or refuses to file a return and pay the tax due under this Part shall pay a penalty of ten dollars (\$10.00) for each day's omission up to a maximum of two thousand dollars (\$2,000) for each return. In case of failure or refusal to file the return or pay the tax for a period of 30 days after the time required for filing the return or paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due, with an additional tax of five percent (5%) for each additional month or fraction thereof until the tax is paid. The Wake County Board of Commissioners may, for good cause shown, compromise or forgive the additional tax penalties imposed by this section. act is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The Wake County Board of Commissioners has the same authority to waive the penalties for a tax levied under this act that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

"Sec. 17. Authority to Contract. —Wake County and each municipality located in Wake County may contract with any person, agency, association, or nonprofit corporation to undertake or carry out the activities and programs for which the proceeds may be expended. All contracts entered into pursuant to this subsection section shall require an annual financial audit of any funds expended and a performance audit of contractual obligations.

"Sec. 18. Effect on existing taxes. —The levy of a tax pursuant to this act repeals the authority of the county or a unit of local government in Wake County to enact an occupancy tax under any other local act.

"Sec. 19. Repeal. —The taxes levied pursuant to this authority may be repealed by the county by enacting an ordinance of repeal. No such repeal shall be effective until at least 180 days after the passage of the repeal ordinance. Repeal of a tax levied under this act does not affect a liability for a tax that was attached before the effective date of the repeal, nor does it

affect a right to a refund of a tax that accrued before the effective date of the repeal.
"Sec. 20. This act is effective upon ratification."

Summary of Enabling Legislation for Wake County Room Occupancy and Food and Beverage Tax

Occupancy Tax:

- Administrative fee
- Distribution to City of Raleigh
 - o Use limited to:
 - Acquisition, construction, financing, debt servicing, maintenance or operation of convention centers, civic centers, performing arts centers, coliseums, auditoriums and museums; to provide off-street parking for use in conjunction with such facilities and to fund visitor-related program and activities.
 - acquisition, construction, renovation, financing, debt service, maintenance and operation of expansions and additions to the Raleigh Civic Center Complex or similar facilities and
 - construction of sports, cultural and arts facilities, including a coliseum, a performing arts theater, a visual arts program and a children's museum.
- Distribution to Cary
 - o Use limited to public relations and promotional activities for the town and visitor-related programs and activities, including cultural programs, events, festivals and other visitor-related programs
- Distribution to Wake County
 - o Use limited to:
 - For the Raleigh Civic Center Complex or similar facilities and
 - Construction of sports, cultural and arts facilities, including a coliseum, a performing arts theater, a visual arts program and a children's museum.
- Distribution to GRCVB

Food and Beverage Tax:

- Administrative fee
- Distribution to City of Raleigh
 - o Use limited to:
 - Acquisition, construction, financing, debt servicing, maintenance or operation of convention centers, civic centers, performing arts centers, coliseums, auditoriums and museums; to provide off-street parking for use in conjunction with such facilities and to fund visitor-related program and activities.
 - acquisition, construction, renovation, financing, debt service, maintenance and operation of expansions and additions to the Raleigh Civic Center Complex or similar facilities and
 - Construction of sports, cultural and arts facilities, including a coliseum, a performing arts theater, a visual arts program and a children's museum.
- Distribution to Wake County
 - o Use limited to:

- For the Raleigh Civic Center Complex or similar facilities and
 - Construction of sports, cultural and arts facilities, including a coliseum, a performing arts theater, a visual arts program and a children's museum.
- Distribution to GRCVB
- Future allocations Occupancy:
 - o GRCVB 25%
 - o Town of Cary 5%
 - o City of Raleigh 47.5%/35%
 - o Wake County 22.5%/35%
- Future allocations Food & Beverage:
 - o City of Raleigh 75%/60%
 - o Wake County 25%/40%
- Distribution to Centennial Authority
 - o For operation, renovation, maintenance and repair of regional facility

**SUMMARY OF INTERLOCAL AGREEMENTS BETWEEN WAKE COUNTY AND THE
CITY OF RALEIGH REGARDING IMPLEMENTATION OF COUNTYWIDE
OCCUPANCY AND PREPARED FOOD AND BEVERAGE TAX**

Date	Agreement Reference	Key Provisions
11/19/1991	Interlocal Agreement	1. County to initiate process to levy 6% occupancy tax and 1% prepared food and beverage tax. 2. Proceeds will be distributed in accordance with the Enabling State Legislation (Chapter 594 of the 1991 Session Laws) and this Interlocal Agreement. 3. All proceeds generated from said taxes shall be expended only for projects approved by this Agreement. Projects to be funded: A. Purchase of land for and construction of a Children's Museum in Raleigh B. Renovations to the existing Raleigh Civic Center C. Purchase of land for a new Convention Center in Raleigh D. Reserve fund for construction of new Convention Center in Raleigh E. Purchase of land for a Performing Arts Center in Raleigh F. Construction of a sports facility near RDU G. Additions to Five County Stadium H. Construction of a multi-purpose building known as Centennial Center in conjunction with NSCU I. Creation of a Future Projects Reserve Fund 4. County shall distribute proceeds in accordance with this Agreement
9/01/1992	Amendment to Interlocal Agreement	1. If undesignated proceeds are greater than estimated, the first \$250,000 will be distributed to the City for use at its discretion and the next \$250,000 will be distributed to the County for use at its discretion. 2. City will obtain financing for constructing the Convention Center and funds from the Reserve Fund will be used to assist with the debt service.
9/05/1995	Revised Interlocal Agreement	1. Projects revised to: A. Purchase of land for and construction of a Children's Museum in Raleigh B. Renovations to the existing Raleigh Civic Center C. Purchase of land for a Performing Arts Center in

Date	Agreement Reference	Key Provisions
		Raleigh D. Additions to Five County Stadium E. Exhibits for the North Carolina State Museum of Natural Sciences F. Construction of a sports facility comprised of soccer and baseball fields and related structures G. Creation of a Future Projects Reserve Fund 2. Maintains the following provision from the agreement dated 9/1/1992: If undesignated proceeds are greater than estimated, the first \$250,000 will be distributed to the City for use at its discretion and the next \$250,000 will be distributed to the County for use at its discretion.
12/3/1996	Amendment to the Revised Interlocal Agreement	1. Authorized disbursement of funds for the Performing Arts Center to the City of Raleigh. 2. Deleted contingency provisions related to development of Five County Stadium.
5/1/1997	Second Amendment	1. Amount of funding for Children's Museum increased by \$4.5 million. 2. Amount of funding for Performing Arts Center increased by \$10 million contingent upon raising \$5 million in private investment. 3. Authorize use of revenues to fund debt service on \$48 million of debt for construction of the Regional facility to be constructed adjacent to Carter-Finley Stadium. 4. Beginning in Fiscal Year 2001, distribute annually \$1 million to each of the City and County for their sole use and discretion for funding any of the purposes enumerated in the Enabling Acts.
9/09/1998	Third Amendment	Fund debt service required to retire \$10 million in net construction funds for Five County Stadium
9/07/1999	Fourth Amendment	Increased amount of funding for exhibits for the Natural Sciences Museum to \$4 million (from \$2 million)
7/20/2000	Fifth Amendment	1. Added funds of \$1 million for Yates Mill Park 2. Added funds of \$1 million for the American Tobacco Trail 3. Increased funds for Performing Arts Center to \$14.1 million (from \$12.1 million)

Date	Agreement Reference	Key Provisions
7/18/2000	Sixth Amendment	Added funds for IMAX theatre totaling \$11.945 million. Project to be constructed next to the Children's Museum.
1/29/2001	Seventh Amendment	Authorized distribution of \$5 million for the Soccer Center
1/20/2004	Eighth Amendment	1. Established funding for the Raleigh Convention Center. Project Cost shall not exceed \$200 million. 2. Dedicated 85% of uncommitted revenues and defined financing plan for the Convention Center. 3. Authorized City to utilize up to \$1,000,000 additional per year for convention center operating expenses, and, if utilized, County receives two dollars for every one dollar utilized by the City. 4. Established a review of the funding on or before each five year anniversary of the agreement by the City Manager and County Manager.
11/22/2004	Ninth Amendment	Increased not to exceed project cost on the Convention Center to \$212 million.
9/19/2005	Tenth Amendment	1. Provided funding for the following projects from the 15% revenue not allocated to the Convention Center: a. North Carolina Museum of Art b. Cary Aquatics Facility c. North Carolina Museum of Natural Sciences d. North Carolina Ballet e. St. Augustine's College Track Project f. Falls Whitewater Park 2. Included language to further support the North Carolina Museum of Natural Science's Green Square Project: "Agree to assist NC Museum of Natural Sciences in its effort to secure \$4,000,000" . . . including consideration of TIF.
2/02/2006	Eleventh Amendment	Increased not to exceed project cost on the Convention Center to \$235,538,800.
12/18/2006	Twelfth Amendment	Increased not to exceed project cost on the Convention Center to \$241,938,800.
4/23/2007	Thirteenth Amendment	1. Established a Business Development Fund to support the new Convention Center (approved through 2015.) 2. Accelerated initial payment for the North Carolina Museum

Date	Agreement Reference	Key Provisions
		of Art Improvements. 3. Provided \$26 million for capital improvements to RBC Center (through 2022); required matching funds by NSCU. 4. City and County agree to review and revisit the RBC Center Capital Improvement Funding when the City and County review the Convention center funding model.
11/20/2007	Fourteenth Amendment	Revised payment schedule of matching funds by NSCU established in the Thirteenth Amendment.
9/30/2008	Fifteenth Amendment	Revised funding schedule between Town of Cary for Cary Aquatics Facility and North Carolina Museum of Natural Sciences.
5/04/2009	Sixteenth Amendment	Reallocated funding previously identified for the Cary Aquatics Center to WakeMed Soccer Park, USA Baseball Complex and Cary Tennis Park.
9/21/2010	Seventeenth Amendment	1. Extend Business Development Funds for additional \$150,000 in FY2011 and FY2010, \$150,000 for FY2016 through FY2018 and \$316,000 in FY2011 for NHL All-Star Game Events. 2. Conduct public, inclusive review of Convention Center Financing Model by March 31, 2011.
5/31/2012	Eighteenth Amendment	1. Revises Convention Center Financing Plan 2. Funds Capital Maintenance Plan for the Raleigh Convention Center 3. Provided for “two-for-one” transfer to Wake County 4. Extends the GRCVB Business Development Fund to FY2022 5. Commits to review of Convention Center Financing Plan, the Convention Center Facilities Plan and the PNHC Arena CIP by January 1, 2015
2/11/2015	Nineteenth Amendment	1. Extends GRCVB Business Development Fund to FY2025 at \$450,000 per year. 2. Defers review of Convention Center Financing Plan, the Convention Center Facilities Plan and PNC Arena Capital Improvements Plan until January 2017.
11/1/2016	Twentieth Amendment	1. Established more realistic revenue assumptions 2. Fixed administration fee to Wake County at \$1.4 million 3. PNC Maintenance moved to Section 1 and not extended beyond 2021 because of expiration of Payment in Lieu of Taxation

Date	Agreement Reference	Key Provisions
		4. Established \$2 Million annual allocation to Wake County for competitive process for “small project” funding 5. Established minimum fund balance guidelines for Major Facilities Model 6. Increased annual operating subsidy for Raleigh Convention Center from 3% to 5% 7. Extended GRCVB Business Development Fund to FY2028 at \$600,000/year 8. Allocated \$500,000 annually for capital maintenance of Raleigh Performing Arts Center (first year to fund assessment) 9. Rescinded “2-for-1” provision in Convention Center Complex Model as established in the 8th Amendment to the ILA 10. Authorized Raleigh to draw \$1 million from fund balance when determined necessary to support Convention Center operations 11. Conduct Phase 2 of review by June 30, 2017 12. Conduct next review by January 1, 2020

Principles Ranking Worksheet

	Principles	My Comments	My Ranking
A	Comply with all requirements of the existing enabling legislation		
B	Support and promote the on-going capital expenditure program and expansion of existing investments in major facilities to keep them current, relevant and competitive in market		
C	Prioritize use of funds for projects that drive measurable, regular overnight visitation and positive return on investment (ROI)		
D	Utilize high standards of fiscal accountability in planning and managing the use of tax revenues: - Fulfill existing obligations before entering into significant new financial commitments - Maintain long-term, conservative financial forecasting		
E	Ensure project investments are secured by solid long-term plans, both operational and financial, that demonstrate viability and sustainability		
F	Provide a regular funding source for eligible projects that require a smaller scale investment		
G	Create sports, arts and cultural opportunities, through leveraging community investments and partnerships, that benefit residents and enhance tourism offerings		
H	Support a project investment mix that considers location and types of uses (sports, cultural, arts, convention, etc.) in creating a diverse inventory of offerings that address emerging and unmet needs		
I	Support investments that complement economic development efforts and enhance quality of life experiences for visitors, newcomers and long-time residents		
J	Ensure that investments support the long-term vision of Wake County and its cities and towns		
K			
L			
M			

Indicate with which category you are identifying with for ranking:

___ City of Raleigh ___ Wake County ___ Town of Cary ___ Other Municipality _____

___ Centennial Authority ___ GRCVB ___ Raleigh Convention Ctr

___ Hospitality (Lodging or Restaurants) ___ Sports ___ Arts ___ Culture