

FY2023 Hospitality Tax Small Capital Projects Funding

Pre-Submittal Meeting
December 8, 2022



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FY23 Hospitality Tax Small Capital Projects Funding Process

- Hospitality Tax Interlocal Agreements approved Small Capital Project funding in 2016
 - Provides \$2 million to Wake County each year for award to capital projects that supports convention, arts, culture and supports
- 22nd Amendment removed Small Projects funding for FY20 due to revenue losses associated with COVID pandemic
- Approximately \$8 million available from FY19 – FY23
- Anticipate returning to recurring two-year funding cycle

Operating Principles

- Consistent with enabling legislation
- Drive measurable visitation and positive return on investment
- Support existing facilities
- Long-term operating viability
- Project mix that considers location and type of use
- Enhance quality of life and economic development for visitors, newcomers and long-time residents
- Leverage partnerships
- Support long-term vision
- Consider emerging experiences and unmet needs

Evaluation Team

County Staff

- County Manager's Office (Lead)
- Budget and Evaluation
- Facilities, Design and Construction
- Parks, Recreation and Open Space
- Diversity, Equity and Inclusivity

Community Representatives

- Greater Raleigh Convention and Visitors Bureau
- United Arts Council
- Wake County Hospitality Alliance
- Wake County Municipality

Planned Process

Timeline

- November 14, 2022 Process overview at BOC Work Session
- November 17, 2022 RFP Released
- December 8, 2022 Pre-submittal Meeting
- December 20, 2022 Deadline for questions
- January 11, 2023 Addenda with responses to questions will be posted to wakegov.com/finance
- January 26, 2023 Submittals due
- February 15/16, 2023 Presentations/Interviews with Evaluation Team
- February/March 2023 Evaluation team reviews proposals
- March 13, 2023 Recommendations presented at BOC Work Session
- April 2023 BOC Decision

Minimum Criteria

- Project fully located in Wake County
- Consistent with statutory uses of revenues
- Capital in nature (minimum value of \$100,000)
- Maximum County funding of 45% of total project cost
- Request shall not exceed \$3,500,000 per project

Evaluation Criteria

- Project overview and objectives
- Project budget and funding sources
- Project timeline
- Project operating plan
- Project visitor estimates, return on investment and performance targets
- Organizational information

Project Overview and Objectives

- Description of overall project
- Analysis of demand or unmet need
- Plan for project to effectively address need
- Need for County capital investment
- Description of partnerships/collaborations
- Community engagement efforts and impacted populations
- Tracking and measuring success
- Alignment with Operating Principles

Project Budget and Funding Sources

- All sources of funding
- Availability – pending, committed, received
- Timing of receipt of funding
- Must have commitment for at least 50% of funding need
- May not include prior phases of project
- Expenditure plan
- Impact on existing infrastructure

Project Timeline

- Timeline to include:
 - Study and Analysis of Project
 - Site identification
 - Land/Site acquisition
 - Architectural/Engineering Studies
 - Facility Construction
 - Equipment Purchase
 - Other (describe)
- Projects to secure construction contract or building permit within 12 months of approval by BOC
- Projects to be completed within 36 months of BOC approval

Project Operating Plan

- Demonstrate long-term viability/sustainability of project
 - Ten-Year operating budget
 - Include anticipated revenues and expenditures
 - Ongoing maintenance and upkeep
- Plan for management of operations and marketing of facility
- Provide financial statements/audit results

Project Visitor Estimates, Return on Investment and Performance Targets

- Estimated visitor information
 - Day visitors (within County and 75 mile radius)
 - Overnight visitors (outside 75 mile radius)
- Calculate estimated Food and Beverage/Room Occupancy Tax Revenues
- Calculate estimated Return on Investment
- Estimates to be used to establish performance targets in funding agreement

Organizational Information

- Organization's ability to deliver proposed project
 - Years in business
 - Organization size/structure
 - Executive Officers
 - Letters of support or endorsement
 - Pending litigation or regulatory action
- Team leadership, experience, authority
- Similar projects

Contact During Process

- No contact for Wake County employees, evaluation committee members or Board of Commission members prior to release of recommendations
- Proposal Contact:
 - Melissa Englad
 - Melissa.england@wakegov.com
- Questions

Reminders

- If in municipal jurisdiction, provide letter of support or acknowledgement from the Mayor or Town/City Manager
- This is a public process. Proposals will be shared publicly in March as part of Commissioner decision-making
- Greater Raleigh Convention and Visitors Bureau (GRCVB) is helpful resource for developing visitor estimates, but don't wait until the last minute to ask for their help
- Questions due by December 20 by 5:00 pm
- Addenda posted by January 11, 2023
- Proposals due by January 26, 2023 by 3:00 pm



Questions?