

**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 5.a

Title:

Seeking a Motion to Approve the FY 2019-20 Service Agreement with the St. Charles Business Alliance in the amount of \$524,700.

Presenter:

Mark Koenen

Meeting: Government Operations Committee

Date: July 15, 2019

Proposed Cost: \$ 524,700

Budgeted Amount: \$ 524,700

Not Budgeted: **Executive Summary** *(if not budgeted please explain):*

The St. Charles Business Alliance (Alliance) is the Illinois Secretary of State approved organization formed as a result of the consolidation of the former Downtown St. Charles Partnership (DSCP) and the Greater St. Charles Visitor & Convention Bureau (CVB). On July 3, Atty. Thomas representing this initiative, advised Jenna Sawicki, Director for the Alliance, of the State having approved their Articles of Merger.

Please recall on May 6, 2019, the Council approved a three month level of funding (May 1 through July 30) for the respective DSCP and CVB. The Agreement now being considered is for funding the Alliance for the balance of FY 2019-20 (August 1 through April 30).

The funding level includes SSA funds in the amount of \$195,000 and hotel/motel tax collections in the amount of \$329,700.

Attachments *(please list):*

- Agreement For Services between the City of St Charles and St. Charles Business Alliance, an Illinois Not-For-Profit Corporation

Recommendation/Suggested Action *(briefly explain):*

Seeking a Motion to Approve the FY 2019-2020 Service Agreement with the St. Charles Business Alliance in the amount of \$524,700.

**AGREEMENT FOR SERVICES BETWEEN THE CITY OF ST. CHARLES AND
THE ST. CHARLES BUSINESS ALLIANCE, AN ILLINOIS NOT-FOR-PROFIT CORPORATION**

WHEREAS, the City of St. Charles, hereinafter referred to as "City," is desirous of promoting and developing tourism and conventions; and,

WHEREAS, the City is also desirous of promoting and preserving and revitalizing business attraction through planning, development and redevelopment activities; and

WHEREAS, Chapter 3.32, "Municipal Hotel Operators' Occupation Tax," of the City of St. Charles, Illinois, Municipal Code (hereinafter referred to as "Hotel Tax Ordinance") provides for such activities in accordance with the limitations of the ordinance; and,

WHEREAS, pursuant to Ordinance No. 1993-M-63 (the "SSA Ordinance"), the City established Special Service Area No. 1B (Downtown Revitalization) ("SSA1B") to fund certain services specified therein relating to economic development and promotional activities in the downtown area; and,

WHEREAS, St. Charles Business Alliance, an Illinois Not-For-Profit Corporation, ("St. Charles Business Alliance") was formed on July 1⁵, 2019 by virtue of Articles of Merger entered into by and between Downtown St. Charles Partnership, an Illinois Not-For-Profit Corporation and St. Charles Convention and Visitors Bureau, an Illinois Not-For-Profit Corporation; and

WHEREAS, the City and St. Charles Business Alliance desire to continue and enhance the services previously provided by each of these organizations.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. City Funding.

A. SSA Tax. In consideration of the foregoing services provided by the St. Charles Business Alliance, the City agrees to pay to the St. Charles Business Alliance \$195,000 from the proceeds of the Special Service Area 1B tax levy (the SSA Tax), payable in equal monthly amounts of \$21,667 during the term of this Agreement beginning August 1, 2019.

B. Municipal Hotel Operator's Occupation Tax. In consideration of the additional services provided, the City agrees to pay St. Charles Business Alliance \$329,700.00, from proceeds of the Municipal Hotel Operator's Occupation Tax, payable in equal monthly amounts of \$36,633 during the term of this Agreement beginning August 1, 2019.

Section 2. Services.

- A. SSA 1B Services. St. Charles Business Alliance shall provide the services as are requested by the City and authorized by the Ordinance which establishes SSA1B (Ordinance 1993-M-63). Such services shall be provided within the boundaries of SSA 1B, as such boundaries may be modified from time to time. St. Charles Business Alliance shall make no expenditures from receipts of the SSA Tax unless such expenditure is in compliance with the terms of the “municipal services” set forth in Ordinance 1993-M-63 (The SSA Ordinance).
- B. Additional Services. St. Charles Business Alliance shall also provide the services incorporated herein and as follows:
1. Analyze the St Charles area's major attributes with the purpose of capitalizing on those characteristics for the promotion of economic activity and hotel stays in St Charles;
 2. Create and execute an annual marketing plan to include its mission statement, situation analysis, defined goals and objectives for all target markets, past results of promotional initiatives based on tracking of leads generated, booked business, overnight leisure stays, convention servicing endeavors, advertising responses, future advertising placements, and anticipated return on investment;
 3. Continue to provide convention services to meeting, event, and sports planners who have chosen St. Charles as a destination and to communicate specific needs to St. Charles businesses, City, and other government units when appropriate;
 4. Maintain and enhance existing relationships with St. Charles hotels. Continue to meet with the hotel community on a quarterly basis. Serve as a resource to St. Charles merchants, restaurants, and other hospitality-related venues;
 5. Seek sponsorships on all levels to assist in the funding of planned special events;
 6. To the best of their ability, interface with other local, state and regional tourist and convention bureaus;
 7. Continue to assess the results of the St. Charles Business Alliance work and provide annual written reports to the City Council.
- C. Continue to assess the results of the St. Charles Business Alliance work and provide annual written reports to the City Council during the first quarter of calendar year 2020. This report will review the goals/metrics provided in Exhibit A, attached hereto and incorporated hereto.

Section 3. Indemnification. To the fullest extent permitted by law, the St. Charles Business Alliance hereby agrees to defend, indemnify and hold harmless the City against all loss, damages, claims, suits, liabilities, judgments, costs and expenses which may in anyway accrue against the City, its officials, agents and employees, arising in whole or in part or in consequence of the performance of this Agreement by the St. Charles Business Alliance, its officials, agents and employees, except that arising out of the sole legal cause of the City, its officials, agents or employees, and the St. Charles Business Alliance shall, at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefor or incurred in connection therewith, and, if any judgment shall be rendered against the City, its officials, agents and employees, in any such action, the St. Charles Business Alliance shall, at its own expense, satisfy and discharge the same.

Section 4. Mutual Cooperation. The Parties shall utilize their best efforts to share and communicate relevant information in a timely and effective/efficient manner, and work together to accomplish their common and mutual goals. The Parties shall do all things necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in furthering the objectives of this Agreement.

Section 5 Recordkeeping. The St Charles Business Alliance shall maintain records of all of its activities performed under this Agreement for a period of at least seven years, which records shall upon request be subject to inspection and copying by the City or its designated agent at the City's sole expense at any reasonable time or times during the operation of this Agreement and for a period of six years thereafter. St. Charles Business Alliance will maintain a separate accounting of the receipt and the use of the SSA tax receipts described herein. This Section shall survive termination of this Agreement.

Section 6. Monthly Financial Report. St. Charles Business Alliance shall provide City with a monthly financial report including a profit and loss statement, and a balance sheet. The current profit and loss statement, along with a summary of activities undertaken regarding St. Charles Business Alliance services hereunder, shall be provided to the City within thirty (30) days after the end of the month for which the statement is prepared. A separate accounting of the receipt and expenditure of SSA Tax funds will be maintained and filed with the monthly financial statement referenced herein.

Section 7. Compliance with City’s Policy. In addition to the requirements set forth in this Agreement, St. Charles Business Alliance shall comply with the provisions of the City’s Policy Regarding Funding for External Agencies, as such policy is in effect from time to time.

Section 8. Relationship of the Parties. Nothing contained in this Agreement nor any act of the City or St. Charles Business Alliance shall be deemed or construed by any of the Parties, to create any relationship of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the City or St. Charles Business Alliance. St. Charles Business Alliance shall not enter into any relationship, contractual or otherwise, which will subject the City to any liability and shall have no authority to bind the City in any matter.

Section 9. No Third Party Rights. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the Parties hereto and their respective permitted successors and assigns, nor is anything in this Agreement intended to incur or discharge the obligation or liability of any third person to any Party, nor shall any Provision give any third person any right of subrogation or action over or against any Party to this Agreement.

Section 10. Amendment. This Agreement may be amended by mutual consent. Any such amendment shall be effective only if evidenced by a written instrument executed by the Parties.

Section 11. Notices. All notices hereunder shall be in writing and must be served either personally or by registered or certified mail to:

- A. The City at:
City of St. Charles
2 East Main Street
St. Charles, IL 60174
Attention: City Administrator

- B. St. Charles Business Alliance at:
2 E. Main Street
St. Charles, IL 60174
Attn: Executive Director

- C. To such other person or place which either Party hereto, by its prior written notice, shall designate for notice to it from the other Party hereto.

Section 12. Integration. This Agreement together with all Exhibits and attachments thereto, constitute the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

Section 13. Assignment. Neither of the Parties may assign its rights and privileges or its duties and obligations under this Agreement without the written consent of the other Party. This Agreement shall inure to the benefit of each Party and their respective successors and assigns.

Section 14. Governing Law. This Agreement and the application of the terms contained herein shall be governed by the laws of the State of Illinois.

Section 15. Remedies for Default. In addition to all other remedies that may be available under law, in the event of a default by either Party under this Agreement, the other Party may elect to terminate the Agreement by Serving ten-day written notice upon the other Party.

Section 16. Non-Waiver. Any failure or delay by any Party in instituting or prosecuting any actions or proceedings or in otherwise exercising its rights hereunder shall not operate as a waiver of any such rights or to deprive it of or limit such rights in any way. No waiver in fact made by a Party with respect to any specific default by the other Party shall be considered or treated as a waiver of the rights of the waiving Party with respect to any other defaults by the defaulting Party or with respect to the particular default except to the extent specifically waived in writing.

Section 17. Headings. The headings contained in this Agreement are for convenience of reference only and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

Section 18. Invalidity. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid under applicable law, but if any provision of this Agreement shall be held to be invalid or prohibited hereunder, such provision shall be ineffective to the extent of the prohibition or

invalidation, but shall not invalidate the remainder of such provision or the remaining provisions of this Agreement.

Section 19. Term of Agreement. Unless sooner terminated by agreement of the Parties or otherwise pursuant to the provisions of this Agreement, this Agreement shall be effective upon the execution by both Parties thereto and shall continue in effect through April 30, 2020.

Section 20. Counterparts. This Agreement may be executed in multiple, identical counterparts and all said counterparts shall, taken together, constitute this integrated Agreement.

IN WITNESS WHEREOF, the undersigned have hereto set their hands and seals _____ day of _____, 2019.

CITY OF ST. CHARLES

By: _____

City Administrator

ATTEST:

City Clerk

St. Charles Business Alliance , A Not-for-Profit Corp.

By: Anna Dawidzi
Executive Director

ATTEST:

Exhibit "A"

Goals/Metrics

- **General brand development and growth**
- **Sponsorships**
 - Hold Consistent
- **Marketing**
 - Increase social media presence
 - Show increased progress of impressions and participation
 - Continue consistent branding in all programming
 - Target demographic through research
- **Projected Attendee Participation**
 - Number of hits to event landing page to increase by 20%
 - Number of newsletter subscribers to increase by 10%
 - Increased number of shares
 - Landing page conversion rate to increase year over year
- **Feedback from Businesses**
 - Increased number of businesses visited for retention by 15%. Currently average 168 per year
 - Increased Business participation by 10%
 - Increased Percentage of businesses that report satisfaction with our programs on scale of Great to Poor
 - Continue to survey after events and programming
- **Tax Revenue Growth**
- **Volunteer Engagement**
 - Increase number of volunteers for committees and events, increasing 2 more committees
 - Increase number of volunteer hours with tracking
 - Volunteer retention
- **Hotel Engagement**
 - Build stronger relationships with hotels
 - Train hotel staffs to fully utilize software system to leverage booking engines
 - Market local businesses to hotel guests
 - Identify & track group's local purchases
- **Sales Success**
 - Market the destination to raise awareness of St. Charles
 - Attend sales conferences to develop relationships/leads
 - Increase sales calls/activities
 - Increase qualified group leads
 - Increase % of groups returning
 - Measure # of contracts signed
 - Partner with hotels to book new business, renew existing