



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 6a

Title:

Follow Up Presentation from One St Charles (Downtown St. Charles Partnership & the Greater St. Charles Convention and Visitors Bureau) for FY 2019-2020.

Presenter:

Mark Koenen/Jenn Sawicki/Chris Woelffer/Tom Donahue

Meeting: Government Operations Committee

Date: April 1, 2019

Proposed Cost: \$699,600

Budgeted Amount: \$TBD

Not Budgeted:

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

This presentation is a follow up to the February 19 Committee meeting. The Committee asked One St Charles to follow up on several items and report back. This information will be reviewed and is also included in the Committee packet. In particular note the following:

- 1- Legal Opinion regarding the SSA from joint counsel John McGuirk, City Attorney, and Robert Britz, representing One St Charles.
- 2- Revised One St Charles budget. The proposed City funding is \$699,600 with sources from the SSA and the hotel-motel tax. The original request for City funding was \$749,600.
- 3- One St Charles metrics.

For your information, the GSCV&C Bureau will not be considered a State certified CVB as of July 1. The result of not being a State certified CVB is no State funding; historically in the magnitude of \$250,000. For your information, the City has funded the DSCP and CVB as shown below:

	<u>FY</u>	<u>CVB</u>	<u>DSCP</u>	<u>Total</u>
-	2018-19:	\$503,382	\$252,000	\$755,382
-	2017-18:	\$526,500	\$234,400	\$760,900
-	2016-17:	\$526,500	\$214,129	\$740,629
-	2015-16:	\$526,500	\$218,500	\$745,000
-	2014-15:	\$585,000	\$250,500	\$835,500

Attachments *(please list):*

Legal Opinion. Metrics.

Recommendation/Suggested Action *(briefly explain):*

Seeking feedback from the Committee for incorporation into the FY 2019-2020 budget draft.

LAW OFFICES

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March 26, 2019

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Via E-Mail: mkoenen@stcharlesil.gov
Mr. Mark Koenen, City Administrator
City of St. Charles
2 E. Main Street
St. Charles, Illinois 60174

Re: SSA 1B
Joint Letter of Opinion

Dear Mark:

During one of our recent City Council Meetings, it was requested that a legal opinion be provided to the City Council relative to whether or not SSA 1B funds could be utilized by an organization other than the St. Charles Downtown Partnership.

The St. Charles Downtown Partnership is presently funded by several sources including a significant portion of the taxes levied on the properties in SSA 1B. The Greater St. Charles Convention and Visitor's Bureau is an independent organization with significant funding received from the City of St. Charles Hotel/Motel Tax. These two entities are considering a merger in order to facilitate the delivery of services to the citizens of St. Charles. Our Law Firm and the Law Firm of Ottosen, Britz, Kelly, Cooper, Gilbert & DiNolfo, Ltd., have been requested to provide a joint legal opinion as to the use of SSA 1B funds in a merged organization. Ottosen, Britz, Kelly, Cooper, Gilbert & DiNolfo, Ltd., has been retained by the St. Charles Downtown Partnership and the Greater St. Charles Convention and Visitor's Bureau to work toward merging the organizations

A "Special Service Area" means a contiguous area within a municipality or county within which special governmental services are provided in addition to those services provided generally throughout the municipality or county. The cost of special service to be paid from revenues collected from taxes levied or imposed upon property within that area. (35 ILCS 200/27-5 See attached). Importantly the costs of the special services provided to the property within the Special Services Area are collected taxes levied upon the property within that area.

In reviewing the Ordinance relative to SSA 1B (see attached) and the relevant Statute (35 ILCS 200/27-5 et seq.) it is the opinion of the City Attorney, John M. McGuirk of Hoscheit, McGuirk, McCracken & Cuscaden, P.C., and the Opinion of Mr. Robert Britz of Ottosen, Britz, Kelly, Cooper, Gilbert & DiNolfo, Ltd. that the funding presently received by the St. Charles Downtown Partnership from the taxed levied and collected with regard to SSA 1B can be utilized

HMMC

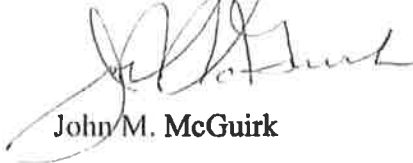
March 26, 2019

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by a merged organization for the purposes set forth in the enabling Ordinance as long as those funds are used for the purposes set forth in the ordinance and in the Special Service Area described in Exhibit A to said Ordinance.

While the SSA funds provided to the merged organization do not have to be segregated into a special checking or other bank account, it is highly recommended that a ledger be kept by the merged organization detailing the expenditures of the SSA 1B funds.

Very truly yours,

A handwritten signature in black ink, appearing to read "John M. McGuirk". The signature is fluid and cursive, with a large initial "J" and "M".

Ottosen, Britz, Kelly, Cooper, Gilbert & DiNolfo, Ltd

A handwritten signature in black ink, appearing to read "Robert J. Britz". The signature is fluid and cursive, with a large initial "R" and "B".

Attachments

KeyCite Yellow Flag - Negative Treatment
Proposed Legislation

West's Smith-Hurd Illinois Compiled Statutes Annotated
Chapter 35. Revenue (Refs & Annos)
Property Taxes
Act 200. Property Tax Code (Refs & Annos)
Title 9. Other Provisions
Article 27. Special Service Area Tax Law

35 ILCS 200/27-5

200/27-5. Short title; definitions

Effective: January 20, 2017

Currentness

§ 27-5. Short title; definitions. This Article may be cited as the Special Service Area Tax Law.

When used in this Article:

“Services contract” means an agreement between a service provider agency and a municipality or county for the purpose of providing special services in and for a special service area.

“Service provider agency” means an entity that enters into a services contract with a municipality or county for the purpose of providing special services in and for a special service area.

“Special Service Area” means a contiguous area within a municipality or county in which special governmental services are provided in addition to those services provided generally throughout the municipality or county, the cost of the special services to be paid from revenues collected from taxes levied or imposed upon property within that area. Territory shall be considered contiguous for purposes of this Article even though certain completely surrounded portions of the territory are excluded from the special service area. A county may create a special service area within a municipality or municipalities when the municipality or municipalities consent to the creation of the special service area. A municipality may create a special service area within a municipality and the unincorporated area of a county or within another municipality when the county or other municipality consents to the creation of the special service area.

“Special service area commission” means a local board established by the corporate authorities of a municipality or county for the purpose of managing a particular special service area.

“Special Services” means all forms of services pertaining to the government and affairs of the municipality or county, including but not limited to weather modification and improvements permissible under Article 9 of the Illinois Municipal Code,¹ and contracts for the supply of water as described in Section 11-124-1 of the Illinois Municipal Code² which may be

entered into by the municipality or by the county on behalf of a county service area.

Credits

P.A. 88-455, Art. 27, § 27-5, eff. Jan. 1, 1994. Amended by P.A. 99-930, § 5, eff. Jan. 20, 2017.

Notes of Decisions (20)

Footnotes

¹ 65 ILCS 5/9-1-1 et seq.

² 65 ILCS 5/11-124-1.

35 I.L.C.S. 200/27-5, IL ST CH 35 § 200/27-5

Current through P.A. 100-1181 of the 2018 Reg. Sess., and P.A. 101-1 of the 2019 Reg. Sess.

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ONE ST CHARLES

Mission: To Drive Economic growth
to make the St Charles Community a
destination where people, businesses
and tourism thrive

New Combined Board

Board:

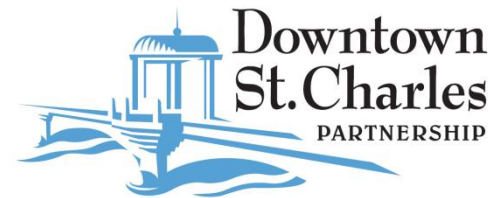
Chris Woelffer
Tom Donahue
Holly Cabel
Joseph Klein
Sue Henry
Ron Onesti
France Langan
Rowena Salas
Darius Grigaliunas
Paul Lencioni
John Hughes
Steve Martin
Jill Card
Kim Lamansky
Amber Grove Mckee
Mario Grado

Partners:

Historic Rep
Chamber Rep
City Council Rep
City Rep
D303 Rep
Park District Rep

Legal Timeline

New Organization



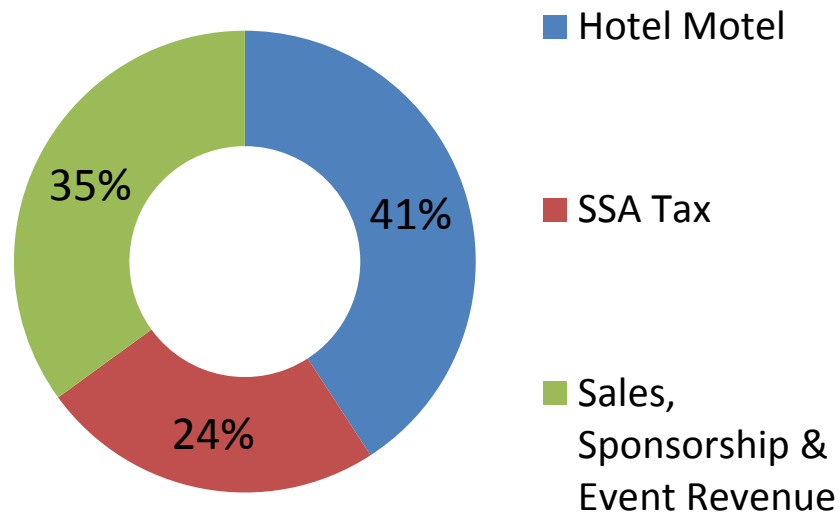
Annual Investment:

SSA & Hotel Motel Tax Funding

- \$260,000 from SSA
- \$439,600 from Hotel Motel Total: **\$699,600**
- Total Operating Budget FY 19-20:1,015,600

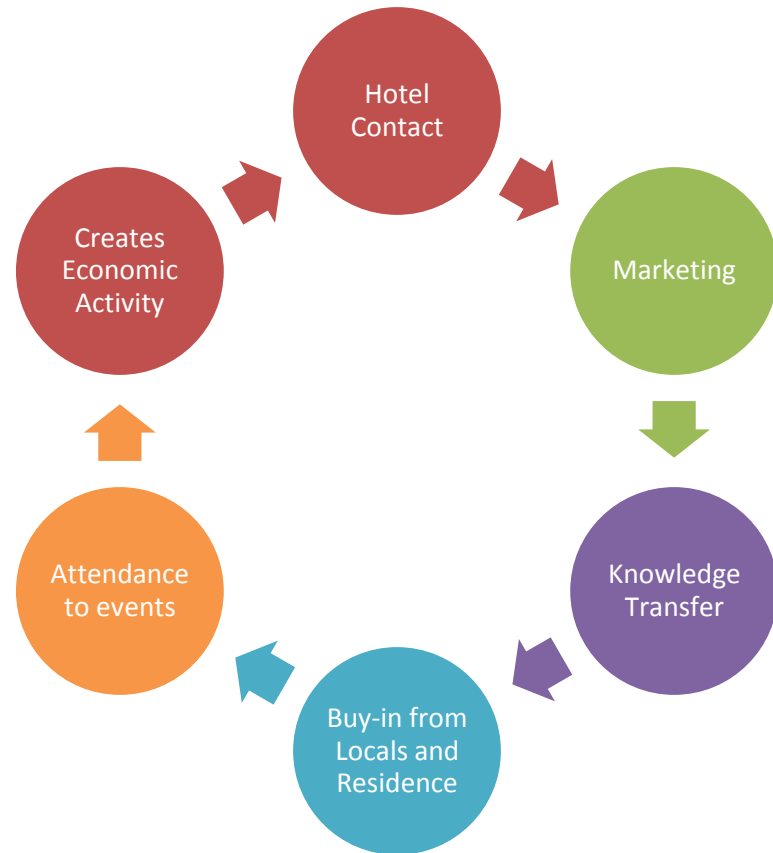
2019/20 Operating Budget

Total = \$1,015,600 (29% cutback)



Metrics

1. Sponsorship
2. Marketing
3. Attendee Participation
4. Feedback from Businesses
5. Tax Revenue Growth
6. Volunteer Engagement
7. Hotel Engagement
8. Sales Success



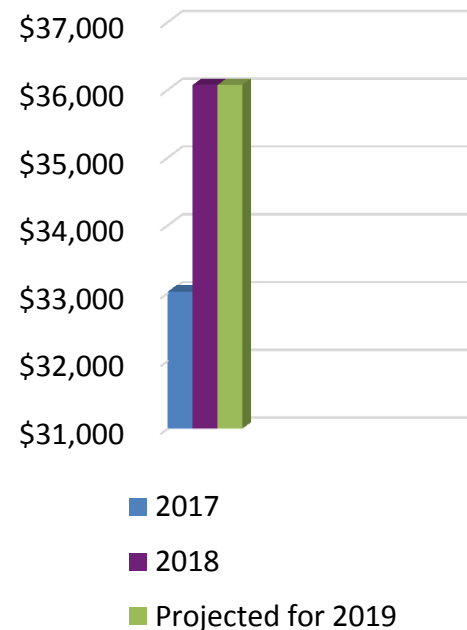
Sponsorship

1. Sponsorships

- Hold Consistent
- Show progress dollars over previous year
- Average size of sponsorship growth

Fine Art Show Example:

Sponsorship Dollars



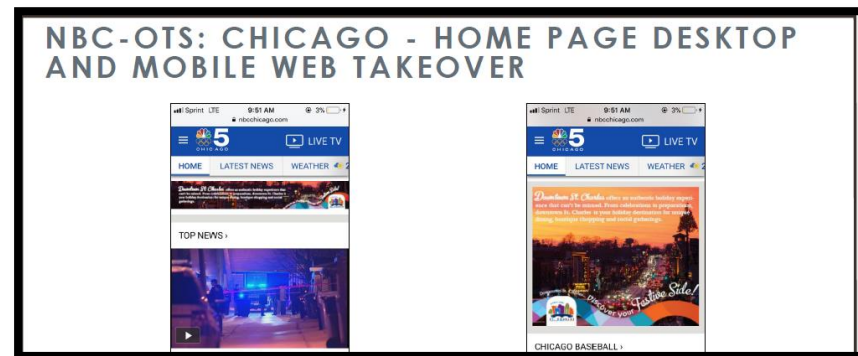
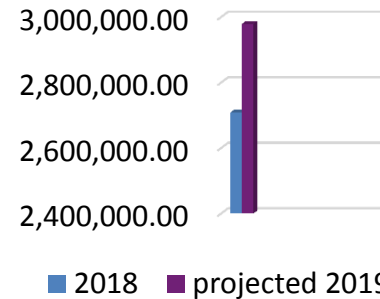
Marketing

2. Marketing

- Increase social media presence by 10%
- Show increased progress of impressions and participation
- Continue consistent branding in all programming
- Target demographic through research

Fine Art Show Example:

Advertising Impressions



Attendee Participation

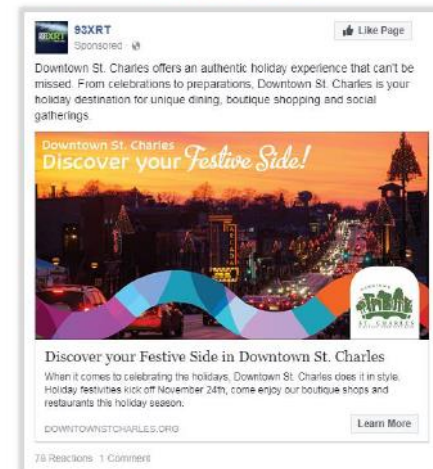
3. Projected Attendee Participation

- Number of hits to event landing page to increase by 20%
- Number of newsletter subscribers to increase by 10%
- 24 podcast for the year subscribers to increase by 15%.
- Increased number of shares
- Landing page conversion rate to increase year over year

Example:

- Over 11,000 people visited the Holiday Homecoming Event webpage from October 14 through November 25th.
- Over 2,000 downloads for the “What’s up downtown” podcast

Facebook



Facebook

93XRT Sponsored

Like Page

Downtown St. Charles offers an authentic holiday experience that can't be missed. From celebrations to preparations, Downtown St. Charles is your holiday destination for unique dining, boutique shopping and social gatherings.

Downtown St. Charles
Discover your Festive Side!

Discover your Festive Side in Downtown St. Charles
When it comes to celebrating the holidays, Downtown St. Charles does it in style. Holiday festivities kick off November 24th, come enjoy our boutique shops and restaurants this holiday season.

DOWNTOWNSTCHARLES.ORG [Learn More](#)

75 Reactions 1 Comment

Impressions	Clicks	CTR
117,421	198	0.17%

Feedback from Businesses

4. 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

Example:

- “Our Jazz Weekend night with Frank Catalano was a hit and he brought in a lot of customers, which made up for the amount he charged for his performance.” – The Finery

- “So far, this mailer has been more successful.” – Chic Boutique

- “This mailer was awesome and very cost effective! We were excited to take part in this opportunity and hope that it will continue to be offered in the future. Thank you for putting this together!” – Kimmer’s

Tax revenue increase

5. Tax Revenue Growth

Use this year as a guide moving forward

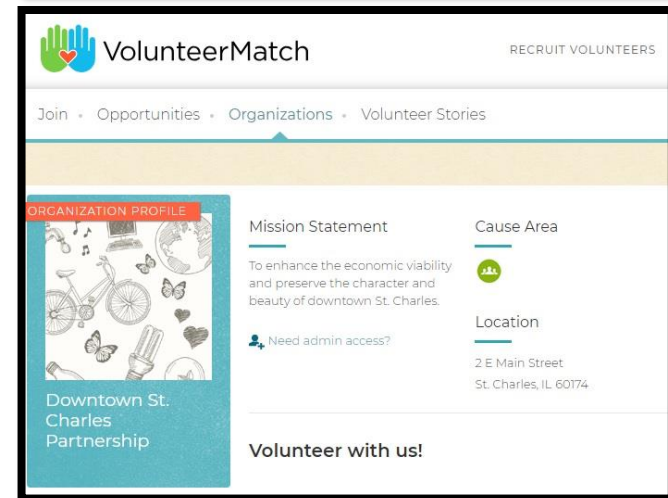
- Retail
- Hotel Motel
- Liquor Tax
- Group's spend in local businesses



Volunteer Engagement

6. 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

7. 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

8. 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, resign existing



ONE ST CHARLES

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ONE ST CHARLES

Questions?