

**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: IIIA10

Title: Recommendation of Approval of the Greater St. Charles Convention and Visitor's Bureau Funding Request of \$526,500 for Fiscal Year 2017/2018

Presenter: Chris Minick, Finance Director

Meeting: City Council

Date: July 5, 2017

Proposed Cost: \$526,500

Budgeted Amount: \$526,500

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

As discussed at the June 19 Government Operations Committee Meeting, the service agreement has been updated to allow the Greater St. Charles Convention and Visitors Bureau (GSCCVB) to retain an additional \$45,000 of operating cash for FY 2017-18 (only) for the purposes of paying for a brand strength study that was completed in June 2017. As of June 26, the CVB is awaiting invoicing on that study. Sections II, II A, and III have been revised to reflect the direction provided.

Additionally, CVB staff has sent an e-mail related to the current status of the lease and marketing efforts of the CVB's prior office space at 311 N. 2<sup>nd</sup> Street, Suite 100. The lease expires in January, 2019 and the CVB continues to honor its commitments under that lease-the space has not been sublet as of June 26.

Staff has presented the funding request amount at \$526,500 which is consistent with funding from 2016-2017 and incorporates previous direction to reduce civic groups' funding levels by 10%.

*The funding level for FY 16/17 was \$526,500.*

Staff has included the proposed fiscal year 2017 – 2018 service agreement as well as a recent history of hotel/motel tax revenues.

**Attachments** *(please list):*

1. **REVISED FY 2017-18 Service Agreement**
2. **E-mail from Lula Cassidy updating rental and marketing efforts of former CVB office space.**
3. **Results ROI – FY 2017**

**Recommendation/Suggested Action** *(briefly explain):*

**Recommendation of approval of the Greater St. Charles Convention and Visitor's Bureau Funding Request of \$526,500 for Fiscal Year 2017-2018**

**AGREEMENT FOR SERVICES BETWEEN THE CITY OF ST. CHARLES AND  
THE ST. CHARLES CONVENTION AND VISITORS BUREAU**

**WHEREAS**, the City of St. Charles, hereinafter referred to as "City," is desirous of promoting and developing tourism and conventions; 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**, the St. Charles Convention and Visitors Bureau, , (hereinafter referred to as "the Bureau") an Illinois not-for-profit organization certified by the State of Illinois to promote a designated service area including the City of St. Charles and St. Charles and Campton Townships, can provide marketing, sales, and convention servicing as required by the Illinois Bureau of Tourism to promote City.

**NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:**

- I. In consideration of the promises, terms and conditions set forth, the Bureau shall devote its energies to tourism promotion of the Greater St. Charles area including, but not limited to, meetings, conventions, sports events, motorcoach visits and individual leisure visits for the purpose of increasing hotel overnight stays and day trips. Activities to include, but not limited to:
  - A. Analyze the area's major attributes with the purpose of capitalizing on those characteristics;
  - B. Serve as an information source to those inquiring about St. Charles;
  - C. 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;
  - D. 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 Greater St. Charles businesses, City, and other government units when appropriate;
  - E. 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 Greater St. Charles merchants, restaurants, and other hospitality-related venues;

F. Seek grants on all levels to assist in the funding of planned activities;

G. Interface with other local, state and regional tourist and convention bureaus;

H. Continue to assess the results of the Bureau's work and provide annual written reports to the City Council.

II. In consideration of the foregoing services provided by the Bureau, City agrees to pay to the Bureau Five Hundred Twenty Six Thousand Five Hundred dollars and no/100 cents (\$526,500) less the amount of any operating cash balance in excess of \$200,000 on hand at June 30, 2017 for the period beginning May 1, 2017 and ending April 30, 2018, subject to the provisions contained in Section II A below. Equal payments shall be made on a monthly basis, subject to deductions by City for collection costs (including expenses of litigation to defend the imposition or collection of the tax). Any non-tourism, matching funds grants which the Bureau assists City in obtaining shall be treated as a separate matter.

A. For the fiscal year 2017-2018, the Bureau shall be entitled to retain an additional \$45,000 of operating cash (\$245,000 total operating cash balance) at June 30, 2017. Said \$45,000 will be utilized to pay for a brand strength study completed during June 2017, which has not yet been invoiced to the Bureau.

III. In addition to the operating cash balance identified in Section II above, the Bureau shall be entitled to retain an additional reserve of \$30,000 for the purposes of mitigating poor financial performance of the Scarecrow Festival held in October of each year. Said reserve shall not count in the computation of the reserve identified in Section II above.

IV. The Bureau will not enter into any relationship, contractual or otherwise, which will subject City to any liability. The Bureau, an independent contractor, receives funding from City to provide consulting and planning services with respect to tourism development and has no authority to bind City in any matter. The Bureau further agrees to indemnify and hold harmless City from any and all liability, losses or damages, including reasonable attorneys' fees, arising from the execution or implementation of this agreement, including any action against City with respect to the collection of the special tax provided for by the Hotel Tax Ordinance.

- V. The Bureau shall maintain records of all of its activities for a period of at least seven years, which records shall upon request be subject to inspection and copying by City or its designated agent at City's sole expense at any reasonable time or times during the operation of this agreement and for a period of three years thereafter.
- VI. This agreement shall terminate on April 30, 2018, and the consideration therefore may be renewed by a written instrument executed by both parties.
- VII. The Bureau shall provide City with a monthly financial report including a profit and loss statement, along with an annual balance sheet. The current profit and loss statement shall be provided to City within thirty (30) days after the end of the month for which the statement is prepared. The Bureau shall comply with the terms and conditions of City's Policy Regarding Funding for External Agencies, as it exists on May 1, 2017.
- VIII. The Bureau agrees that it will continue to identify, recruit, and appoint new and/or additional members to its Board of Directors to represent the hotel and restaurant industry of the City of St. Charles. The Bureau also agrees to maintain its by-laws so as to restrict the duration and number of terms of office members of the Board of Directors may serve.
- IX. Upon termination of this agreement, any funds paid to the Bureau and not used or otherwise subject to pending contract requirements of the Bureau shall be returned to the City.
- X. 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.
- XI. The foregoing is the entire agreement made by and between the parties hereto and has been examined by each of the said parties.
- XII. Any amendment to this agreement shall be effective only if evidenced by a written instrument executed by the parties hereto.

**IN WITNESS WHEREOF**, the undersigned have hereto set their hands and seals this \_\_\_\_\_ day of July, 2017.

**ST. CHARLES CONVENTION AND VISITORS BUREAU**

**CITY OF ST. CHARLES**

By \_\_\_\_\_  
President

\_\_\_\_\_  
Mayor

## Minick, Chris

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**From:** Minick, Chris  
**Sent:** Monday, June 26, 2017 8:02 AM  
**To:** Koenen, Mark  
**Subject:** FW: Greater St. Charles CVB/Office Lease/Follow up Alderman's request

Mark- FYI, will print this e-mail and include in the packet. Thanks.

CM

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**From:** Koenen, Mark  
**Sent:** Thursday, June 22, 2017 4:41 PM  
**To:** Lula Cassidy  
**Cc:** Minick, Chris  
**Subject:** RE: Greater St. Charles CVB/Office Lease/Follow up Alderman's request

Thank you, Lula. This is ideal for the information Ald Stellato inquired.

mark

**Mark Koenen** | City Administrator  
2 E. Main Street, St. Charles, IL 60174-1984  
phone: 630.377.4422 | fax: 630.377.6034 | [www.stcharlesil.gov](http://www.stcharlesil.gov)  
[mkoenen@stcharlesil.gov](mailto:mkoenen@stcharlesil.gov)

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CITY OF ST CHARLES, ILLINOIS

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**From:** Lula Cassidy [<mailto:lula@visitstcharles.com>]  
**Sent:** Thursday, June 22, 2017 4:06 PM  
**To:** Koenen, Mark  
**Subject:** Greater St. Charles CVB/Office Lease/Follow up Alderman's request

Good Afternoon Mark,  
I hope your week is going well. In responding to Alderman Dan Stellato's request regarding the bureau's office lease. Please see the information I have put together below. If I can provide additional information, please let me know.  
Thank you Mark! Have an amazing weekend!

*Lula*

**In the Spirit of Tourism & Visitor Enhancement,**

Lula S. Cassidy | Executive Director | Greater St. Charles Convention and Visitors Bureau  
2 E. Main Street | St. Charles, IL 60174 | Office: 630-377-6161 | Cell: 630-715-8356 |  
Toll Free 800-777-4373 | [www.visitstcharles.com](http://www.visitstcharles.com)

Update as of 6/22/2017:

The GSCCVB moved to the City of St. Charles Municipal building in December, 2016.

The bureau presently honors its lease with its former landlord, local businessman Terry Grove.

The bureaus lease will expire in January, 2019. The bureau presently pays \$4,624.00 per month for the office space while a commercial realtor markets for a new tenant.

The office space formerly housed by the bureau at 311 N. 2<sup>nd</sup> Street, Suite 100 St. Charles, IL is listed for sublease for the remaining term of the bureaus lease or an additional option is available for a new extended lease to be signed by a new potential tenant. This will release the bureau of its financial responsibilities.

The commercial realtor that was chosen is :  
Neil Johnson, SVN Landmark Commercial Real Estate, LLC

I have copied and pasted Mr. Johnson's last update for review:

*"The volume of search interest has stayed pretty consistent. The property has shown up on over 4,200 searches, and actually pulled up for viewing 93 times, which is well above average. This tells us that the marketing is working and tenants and brokers actively in the market for office space are seeing the listing. However, this activity has still not translated into any actual inquiries or showings."*

# Results, ROI - FY 2017



The following data summarizes the service year for the Greater St. Charles Convention and Visitors Bureau.

## Website Dashboard

<b>VisitStCharles.com</b>	<b>FY 17</b>
Visitors	559,274
Page views	675,664
Hits	5,488,729
<b>ScarecrowFest.com</b>	<b>FY 17</b>
Visitors	196,721
Page views	302,529
Hits	2,360,359



## Monthly Website

VisitStCharles.com	Web Sessions	Unique Visitors
July	53,933	20,449
August	68,214	20,337
September	69,024	22,343
October	65,740	19,035
November	55,243	15,210
December	50,617	14,806
January	29,092	13,826
February	27,820	18,130
March	34,915	23,501
April	37,724	17,026
May	35,012	22,411
June	31,940	20,032
<b>TOTAL</b>	<b>559,274</b>	<b>227,106</b>

ScarecrowFest.com	Web Sessions	Unique Visitors
July	5,901	3,338
August	10,575	6,383
September	30,718	18,669
October	74,042	37,654
November	10,561	3,952
December	9,017	2,632
January	9,385	3,137
February	7,834	4,497
March	8,937	5,531
April	10,254	3,404
May	10,187	6,021
June	9,310	5,568
<b>TOTAL</b>	<b>196,721</b>	<b>100,786</b>



# Results, ROI - FY 2017



## Telephone, Inquiry and Advertising Reader

800# Calls	FY 17	Email/Website	FY 17	Reader Response	FY 17
July	85	July	32	July	339
August	107	August	34	August	87
September	127	September	39	September	127
October	155	October	8	October	384
November	64	November	4	November	187
December	94	December	8	December	46
January	43	January	8	January	166
February	46	February	22	February	106
March	56	March	31	March	111
April	70	April	9	April	49
May	65	May	21	May	86
June		June	11	June	309
TOTAL	912	TOTAL	227	TOTAL	1997

## Leisure Email Campaigns

Month	Emails Sent	Emails Opened	Open Rate
Year	FY 17	FY 17	FY 17
July	28,221	3,461	12.26%
August	22,999	2,195	9.54%
September	22,672	2,404	10.60%
October	22,549	1,672	7.42
November	22,466	2,086	9.29%
December	22,369	1,621	7.25%
January	24,082	2,189	9.09%
February	47,377	3,036	6.41%
March	23,780	1,920	8.07%
April	Na	Na	Na
May	23,994	2,698	11.9%
June	Na	Na	Na
TOTALS	217,209	23,282	9.183% avg

## Hotel Information

FY	Fox Valley Region Occupancy Rate	Fox Valley Region Average Daily Rate
2016	58.7%	\$92.13
2017	61.9%	\$96.92

FY	Hotel Tax Collected
2016	\$2,079,542.51
2017	\$1,915,756.28

## Scarecrow Fest

### Estimated Economic Impact of **Non-Fox Valley Attendees** at Scarecrow Fest

	FY 2017	% Change
	\$5,597,280	-7%

2017 Scarecrow intercept surveys showed 52% of 138,000 attendees OUTSIDE the Fox Valley. Illinois Office of Tourism estimated spending is \$78 for festival attendees.



## Groups, Conferences and Conventions – FY 2017

GROUP NAME	DATES	PEAK	NIGHTS	TRN	ATTENDANCE
Motor Cycle Convention	8/17/16 - 8/21/16	150	5	450	1200
Political Convention	9/17/16 - 9/18/16	1	2	1	200
Community Meeting	10/5/16 - 10/9/16	6	5	23	10
Family Meeting	10/14/16 - 10/15/16	90	2	120	300
Travel Convention	1/20/17 - 1/22/17	25	3	50	300
Religious Convention	2/3/17 - 2/5/17	27	3	54	55
Religious Convention	2/10/17 - 2/12/17	44	3	88	88
Animal Convention	2/24/17 - 2/27/17	50	4	70	1000
Industry Convention	2/25/17 - 3/3/17	252	7	886	252
Health Information Convention	4/7/17 - 4/8/17	40	2	40	175
Industry Convention	4/21/17 - 4/23/17	30	3	100	30
Industry Convention	5/1/17 - 5/5/17	625	5	2525	625
Religious Convention	5/5/17 - 5/7/17	148	3	300	148
IMHA Spring Conference 2017	5/16/17 - 5/18/17	20	3	35	20
Industry Convention	5/24/17 - 5/25/17	270	2	540	270
Exhibition Expo	5/26/17 - 5/28/17	15	3	15	100
Sports Tournament	5/26/17 - 5/29/17	200	4	600	1200
Legal Industry Convention	6/1/17 - 6/2/17	30	2	38	30
Family Meeting	6/2/17 - 6/4/17	10	3	15	100
Industry Convention	6/5/17 - 6/6/17	20	2	40	20
Health Industry Expo	6/12/2017 - 6/16/17	180	4	563	180
Health Industry Expo	6/16/2017 - 6/20/2017	1000	5	55	1,000
Religious Convention	6/28/17 - 6/30/17	500	3	1000	2500
<b>TOTAL</b>		<b>3,733</b>	<b>78</b>	<b>7,608</b>	<b>9,803</b>

## Digital Marketing 2017 Yearly SEM Report

17, 442 Total Clicks

Month	Clicks	Impressions	CTR
June 2016	931	41,633	2.24%
July 2016	1,776	48,297	3.68%
August 2016	1,528	42,680	3.58%
September 2016	1,223	44,522	2.75%
October 2016	1,346	48,273	2.79%
November 2016	1,344	50,270	2.67%
December 2016	1,109	38,557	2.88%
January 2017	1,266	45,568	2.78%
February 2017	1,378	49,436	2.79%
March 2017	1,722	64,229	2.68%
April 2017	1,422	55,375	2.57%
May 2017	2,397	58,360	4.11%

Acquisition			Behavior		
Sessions ? ↓	% New Sessions ?	New Users ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?
16,492 % of Total: 16.16% (102,067)	90.94% Avg for View: 83.01% (9.55%)	14,998 % of Total: 17.70% (84,728)	61.18% Avg for View: 46.75% (30.88%)	2.08 Avg for View: 2.88 (-27.69%)	00:00:59 Avg for View: 00:01:43 (-42.69%)



## Digital Marketing by Stakeholder/Tourism Partner

2,397 clicks last month

Ad Group	Clicks	Impressions	CTR
Events	1,246	24,022	5.19%
Dining	433	16,122	2.69%
Family Fun	423	10,486	4.03%
Visit	147	2,405	6.11%
Attractions	73	3,060	2.39%
Shopping	67	1,847	3.63%
Accommodations	8	418	1.91%

