

 <p>CITY OF ST. CHARLES ILLINOIS • 1834</p>	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: IIIA3
	Title:	Motion to Approve a Service Agreement with the St. Charles Business Alliance in the Amount of \$798,600 for Fiscal Year 2024-2025.	
	Presenter:	Derek Conley, Economic Development Director	
Meeting: City Council		Date: May 20, 2024	
Proposed Cost: \$ 798,600		Budgeted Amount: \$798,600	Not Budgeted: <input type="checkbox"/>
TIF District: None			
Background:			
<p>Attached is the proposed Service Agreement with the St. Charles Business Alliance (SCBA) for the fiscal year 2024-2025. The agreement is in the amount of \$798,600 and comprises funding from two sources: \$272,000 of anticipated proceeds from SSA 1B and \$526,600 from the City’s Hotel tax revenues in the General Fund.</p> <p>The funding requested represents an increase of \$100,000 from FY 2023-2024. In the Government Operations meeting on February 5th, the committee discussed the proposed increase and unanimously recommended approval. The requested increase is to offset rising costs and inflation over the past five years, which are crucial to continuing to provide marketing, business development, and events to the downtown area and the City.</p> <p>The 2024-2025 year represents the sixth year of the SCBA’s existence. The SCBA was formed in 2019 as a result of the consolidation of the former Downtown St. Charles Partnership (DSCP) and the Greater St. Charles Visitor & Convention Bureau (CVB).</p> <p>Other than the funding increases, the service agreement is the same as the FY 2024-2025 agreement.</p>			
Attachments (please list): Service Agreement 2024-2025			
Recommendation/Suggested Action (briefly explain):			
Motion to Approve a Service Agreement with the St. Charles Business Alliance in the Amount of \$798,600 for Fiscal Year 2024-2025.			

City of St. Charles, Illinois
Resolution No. _____

**A Resolution Authorizing the Mayor and City Clerk of the City of St. Charles to
Execute a Service Agreement with the St. Charles Business Alliance in the
Amount of \$798,600 for Fiscal Year 2024-2025**

**Presented & Passed by the
City Council on May 20, 2024**

BE IT RESOLVED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, that the Mayor and City Clerk be and the same are hereby authorized to execute that certain Agreement, in substantially the form attached hereto and incorporated herein as Exhibit “A”, by and on behalf of the City of St. Charles.

Presented to the City Council of the City of St. Charles, Illinois this 20th day of May, 2024.

Passed by the City Council of the City of St. Charles, Illinois this 20th day of May, 2024.

Approved by the Mayor of the City of St. Charles, Illinois this 20th day of May, 2024.

Lora A. Vitek, Mayor

ATTEST: _____

City Clerk

COUNCIL VOTE:

Ayes: _____

Nays: _____

Abstain: _____

Absent: _____

**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 1st, 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 \$272,000 from the proceeds of the Special Service Area 1B tax levy (the SSA Tax), payable in equal monthly amounts of \$22,666.66 during the term of this Agreement beginning May 1, 2024.

B. Municipal Hotel Operator's Occupation Tax. In consideration of the additional services provided, the City agrees to pay St. Charles Business Alliance \$526,600.00, from the City's Hotel Tax revenue, payable in equal monthly amounts of \$43,883.33 during the term of this Agreement beginning May 1, 2024.

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

expenditures are 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, tourism and hotel stays in St Charles;
2. Create and execute an annual marketing & events plan with defined goals and objectives. Create and execute marketing efforts to promote economic activity, hotel stays, and tourism. Plan will include year over year analytics and results of efforts to be reported annually. Including anecdotal feedback from the community and St. Charles businesses;
3. Continue to provide communication and leads to the St. Charles hospitality community which would include, but is not limited to: hotels, convention centers, sports, banquet venues, training centers and restaurants. Research target markets to plan effective marketing to meeting planners and potential business' or organizations that would benefit from the hospitality offerings in St. Charles;
4. Maintain and enhance existing relationships with St Charles hotels. Continue to meet with the hospitality community on a quarterly basis to understand their needs and challenges. Serve as a resource to the St Charles hospitality community to help them address their needs and meet their challenges;
5. Serve as a resource to St Charles Businesses, retail and restaurants and serve as a liaison between the business community and the City when appropriate;
6. Plan, executive, and seek sponsorship on all levels to assist in the funding of planned special events and Alliance programs that benefit the St. Charles business community;
7. To the best of their ability, interface with local, state and regional tourist and convention bureaus;
8. Continue to assess the results of the St. Charles Business Alliance work, events and programs and provide annual written reports to the City Council during the first quarter of each calendar year. 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 the 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, 2025.

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 _____, 2024.

CITY OF ST. CHARLES

By: _____
City Administrator

ATTEST:

City Clerk

ST. CHARLES BUSINESS ALLIANCE,
A Not-for-Profit Corp.

By: _____
Its: _____

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 year over year
 - Number of newsletter subscribers to increase
 - Increased number of shares
 - Landing page conversion rate to increase year over year
- **Feedback from Businesses**
 - Increased number of businesses visited for retention
 - Increased Business participation
 - Continue to survey after events and programming
- **Tax Revenue Growth**
- **Volunteer Engagement**
 - Increase number of volunteers for committees and events
 - Increase number of volunteer hours with tracking
 - Volunteer retention
- **Hotel Engagement**
 - Build stronger relationships with hotels
 - Market local businesses to hotel guests
 - Send RFP's to qualified hotels
 - Identify & track group's local purchases
 - Send event and marketing information to hotels
- **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