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|---|--|--------------------------------------|--|---|----|--|--|
| <br><b>ST. CHARLES</b><br><small>SINCE 1834</small>  |  | <b>AGENDA ITEM EXECUTIVE SUMMARY</b> |  |   |    |  |  |
|   |  | Title:                               | Presentation of Budget and Recommendation of Consideration of the Convention and Visitor's Bureau Funding Request of \$526,500 for Fiscal Year 2015/2016 |   |    |  |  |
|   |  | Presenter:                           | Chris Minick, Finance Director   |   |    |  |  |
| <i>Please check appropriate box:</i>  |  |                                      |  |   |    |  |  |
| X   | Government Operations (07/06/2015)               |                                      | Government Services  |   |    |  |  |
|   | Planning & Development                           |                                      | City Council   |   |    |  |  |
|   | Public Hearing                                   |                                      |  |   |    |  |  |
| Estimated Cost:   | \$526,500 (represents 10% reduction in funding). | Budgeted:                            | YES  | X | NO |  |  |
| If NO, please explain how item will be funded:  |  |                                      |  |   |    |  |  |
| <b>Executive Summary:</b>   |  |                                      |  |   |    |  |  |
| <p>Representatives of the Convention and Visitors Bureau (CVB) will make a presentation outlining their activities and Marketing Plan for the CVB's upcoming fiscal year. They will also be requesting the annual allocation of hotel/motel tax revenue from the City.</p> <p>Staff has presented the funding request amount at \$526,500 which incorporates recent direction to reduce civic groups' funding levels by 10%. The funding level for FY 14/15 was \$585,000. CVB Staff has indicated in the funding request letter that they will request Council reconsideration of the 10% funding reduction at the conclusion of the State's budget process.</p> <p>Staff has included the proposed fiscal year 2015 – 2016 service agreement as well as a recent history of hotel/motel tax revenues.</p> <p>Please note that this request was initially scheduled to appear before the GOC on 5/18/15 but was revised to allow for the Committee's discussion of reduction of funding by 10% for civic groups.</p> |  |                                      |  |   |    |  |  |
| <b>Attachments:</b>   |  |                                      |  |   |    |  |  |
| <b>Information from the CVB</b><br><b>Hotel Tax Revenue History</b><br><b>Proposed 15-16 Service Agreement</b>  |  |                                      |  |   |    |  |  |
| <b>Recommendation / Suggested Action (briefly explain):</b>   |  |                                      |  |   |    |  |  |
| Presentation of budget and recommendation of consideration of the Convention and Visitor's Bureau funding request of \$526,500 for Fiscal Year 2015/2016.   |  |                                      |  |   |    |  |  |
| <i>For office use only:</i>   |  | <i>Agenda Item Number: 5c</i>        |  |   |    |  |  |



May 24, 2015

Chris Minick, Finance Director, City of St. Charles  
2 E. Main Street  
St. Charles, Illinois 60174

Dear Chris:

As of this writing, the 2016 State of Illinois Budget has not been passed, and indications point to the reality that it will be late August before it will be passed. It is impossible to determine how and if any allocations will be distributed to either municipalities (LGDF Funds) or to state-certified convention and visitors bureaus (LTCB Funds). Therefore, just as the City of St Charles is taking proactive steps to ensure fiscal solvency during these uncertain times, so is the SCCVB in creating and presenting an initial, bare-bones budget based on a projected loss of \$88,712.47 in state tourism funds (LTCB: \$41,782.97; Marketing Partnership Grants: \$46,929,50).

On Monday, July 6, the SCCVB will address the City of St. Charles' Government Operations Committee to request a local funding commitment of \$526,500, reflecting a 10% reduction from FY 2015's \$585,000. Further, we will ask the committee to reconsider this allocation once the FY 2016 state budget has been passed and state allocations have been confirmed.

Enclosed please find:

- FY 2016 Preliminary Marketing Plan
- FY 2016 Preliminary Summary Budget & FY 08-15 (year-to-date) actual revenue and expenses comparison
- Detailed 2014 Scarecrow Fest Tracking Initiatives Report
- Annual Scarecrow Fest Tracking Results FY 2006-2013
- YTD FY 15 Q1-Q3 vs FY 2008-2014 EOY Group Sales Activities
- SCCVB accomplishments - FY 14 and YTD FY 15
- Return on Investment Snapshot

We look forward to our July 6th presentation, during which time we plan to provide FY 2015 end of year results.

Should you or any St. Charles official have a question or comment you wish to share beforehand, please feel free to contact me.

Very best regards,

Amy Egolf, Executive Director

C/SCCVB Board of Directors



## FY 16 Marketing Plan

Preliminary – specific initiatives awaiting confirmation of FY 2016 funding

### I. BUREAU MISSION STATEMENT...

*To promote Greater St. Charles as a destination for meetings & conventions, motorcoach tours, sporting events and leisure getaways to enhance the economic impact to our community through increased visitor spending and guest room consumption.*

### II. OVERVIEW

Sales and marketing initiatives planned and orchestrated by the Greater St. Charles Convention & Visitors Bureau are designed to promote the “natural charms” of the St. Charles area and awareness of its service area (the City of St. Charles, Villages of Campton Hills and Elburn, and Townships of Campton and St. Charles) as a destination for leisure getaways and meetings, events and sports business and, thereby, enhancing the economic health of the destination.

The tourism driver of the destination is the City of St. Charles which has a tourism reputation first established in the late 1800's and then enhanced by the vision of benefactors who, in the early 1920's, saw the potential of the riverfront community as a destination for urban dwellers of Chicago, just 40 miles to the east. The historic Hotel Baker and Arcada Theater are lasting testaments to this vision as well as physical evidence of financial gifts resulting from the Gates, Norris and Baker Families.

Pheasant Run Resort, entering its 52nd year as St. Charles' primary tourism and convention venue and the Q Center, developed in 1970 by Arthur Andersen as a world-renown corporate training facility and recognized as the Midwest's largest conference center, continue to support the economic

health of the city and the State of Illinois by luring significant amounts of group business to Greater St. Charles.

**Overall Market Trends**

As the Greater St. Charles Convention & Visitors Bureau enters its 32nd year as the local tourism voice, the hospitality industry has rebounded from the economic decline of 2009, and, in 2014, group business joined the transient segments in seeing growth. Group bookings now complement the already very strong transient room demand.

| <b>Trends Comparison</b>   | <b>2012 vs. 2011</b> | <b>2013 vs. 2012</b> | <b>2014 vs. 2013</b> |
|----------------------------|----------------------|----------------------|----------------------|
| Supply                     | + 0.5%               | +1.2%                | + .08                |
| Demand                     | + 3.0%               | +2.0%                | +4.0%                |
| Occupancy                  | + 2.5%               | +1.7%                | +3.4%                |
| Average Daily Rate         | + 4.2%               | +4.2%                | +4.1%                |
| Revenue Per Available Room | + 6.8%               | +5.9%                | +7.6%                |

It is the supply of and demand for hotel rooms that drives the success of the industry, and the fluctuations within the two result in its on-going cycle of highs and lows trends. Nationally, few new hotels are under development, which is anticipated to push occupancy rates to 30-year highs by 2016.

“Most analysts agree the lodging sector is in the middle innings of a very positive cycle, and some analysts think we’re early in this strong cycle,” says Jay Shah, CEO of Hersha Hospitality Trust. “Supply...is estimated to grow at 1.3 percent in 2015, which is well below the historical long-term supply growth of 2 percent. That’s a great sign, because an oversupply of hotel rooms will bring the cycle to an end.” March/April 2015 reit.com

In 2015, Smith Travel Research predicts, nationally, occupancy to rise 1.1 percent to 65.1 percent, ADR to increase 5.0 percent to \$121.37 and Rev Par to grow 6.2 percent to \$79.06. Demand is expected to increase 2.4 percent, and supply is predicted to increase 1.3 percent in 2015.

By year-end 2015 PKF Hospitality Research projects that demand for lodging accommodations will have increased 25.8 percent since the depth of the recession in 2009, while the supply of hotel rooms will have grown by just 5.6 percent.

“As ever-improving economy, and the favorable relationship between supply and demand, have led to significant growth in both revenues and profits from 2009 to the current year. We expect this trend to continue through 2017,” according to PKF President Mark Woodworth. 11/17/2014 hotelnewsresource.com

### **Illinois Tourism “State of the State”**

While 2014 state tourism impact numbers will not be available until this summer (2015), tourism is driving economic recovery and development in Illinois. Seeing a three percent increase over 2012, Illinois welcomed over 100 million domestic visitors who poured 31.9 billion dollars into the state’s economy in 2013, according to the U.S. Travel Association, Illinois Office of Tourism. This increase helped drive Illinois 2013 hotel-motel tax collections to more than \$235 million, a 7.2% increase over 2012.

January 2015 brought about a change in leadership and direction with the inauguration of Governor Bruce Rauner. Shortly thereafter, Cory Jobe was named Director of the Illinois Office of Tourism. Both individuals bring to the state experience with and understanding of the tourism industry; Governor Rauner having served as Chairman of the Board of the Choose Chicago (the Chicago convention and visitors bureau) for nearly three years prior to resigning in May 2013 to begin his gubernatorial campaign. During his tenure with Choose Chicago, Governor Rauner was lauded for bringing “clear and measurable goals” to the Chicago Bureau.

IOT Director Jobe was Director of Economic Development for the Illinois State Treasurer’s Office from 1997-2006, leader of the People’s Economic Development Corporation from 2006-2010, and most recently, is Deputy Chief of Staff to late Comptroller Judy Baar Topinka, a position he will retain, under current Comptroller Leslie Munger, through the end of the spring 2015 legislative session.

As of this writing, the expectations regarding tourism funding processes are unclear. It is our understanding, through communications released by the Illinois Council of Convention and Visitors Bureau, that all five tourism grant programs are under review. Of those five, the SCCVB traditionally uses two for approximately 23% of its annual budget: the Local Tourism and Convention Bureau Grant Program (19%) and the Marketing Partnership Program (4%). We have provided with Illinois Office of Tourism will all recertification documentation regarding the 2015 LTCB grant program and have been advised to hold off on submitting our MPP application

(traditionally submitted for initial review starting May 1) until further notice. It is important to note, however, that state funding cuts requested by Governor Rauner to balance the remaining 2015 Illinois budget impacted only non-obligated tourism dollars, none of which impacted the SCCVB's FY 2015 anticipated dollars from either grant program. In anticipation of changes in the funding structure, the SCCVB is following the practice of several sister bureaus and reducing anticipated state revenues by 20% for its proposed FY 2016 budget.

As of this writing, Governor Rauner's plans for the state's FY 2016 budget call for reduction of state dollars to Illinois municipalities that, if come to fruition, will result in a loss of approximately \$1.6 million to the City of St. Charles' annual budget.

### **Greater St. Charles – Where are we now and where are we going?**

Funding challenges notwithstanding, the overall position of Greater St. Charles as a destination is more positive today than it was a year ago when, despite the good news nationally, through February 2014, LOCAL hotel tax collections were down 10% compared to year-to-date 2013. Last year, the four contributing factors to that loss were identified as:

- 1) Lack of national growth in group meeting/event business
- 2) Steep competition for group business that did exist
- 3) Plethora of hotel supply located to the east of St. Charles and in closer proximity to O'Hare and Midway Airports
- 4) St. Charles' two major occupancy drivers were INDEPENDENT properties, without the powerhouse of central reservation systems and marketing support of major hotel brands

Through February 2015, local hotel tax collections are up 8.7% compared to 2014 year-to-date, which is attributable to the national increase in group business.

Two additional changes in the last twelve months deserving of note are the September 2014 announcement of management of Q Center by Dolce Hotels & Resorts, providing global sales and marketing support for a more diversified and profitable business model for the 1042 room venue, and the February 2015 acquisition of the Dolce portfolio of 24 upscale hotels in North America and Europe by Wyndham Hotel Group.

A third change, slated to take place sometime within the next year, is the removal of approximately 200 guest rooms from the 473 guest rooms currently offered at Pheasant Run Resort. The rooms' reduction is one component of an overall enhancement plan by the resort's owners, Saint Charles

Resort, LLC, and management company, Hostmark Hospitality Group. This reduction of inventory should result in three positive changes, resulting in increased revenue per available room (rev par) throughout the City of St. Charles:

- 1) Increased rates and occupancy at Pheasant Run Resort
- 2) Increased rates and occupancy at other St. Charles hotels through compression
- 3) More overflow to other hotels for attendees of existing and new group business utilizing the resort's 80,000 square feet of event space, resulting in city-wide events

In addition to the reduction of guest rooms, approximately 20,000 square feet of meeting space, located at the west side of the property, are being removed, leaving the resort with approximately 80,000 square feet of event space.

Approximately 25,000 square feet of expo space is being debited from the overall event venue product due to the offer for sale of the DuPage Expo Center. Currently owned by Oakbrook Hotels, Inc., it is managed by Hilton Garden staff, who have informed us they will not be offering its space for sale after July 1, 2015.

**Competition for Group Business Continues**

The challenges of competition for group business and the plethora of hotel supply east of St. Charles within closer proximity to the two airports remain, as evidenced by the 52 pieces of business lost year-to-date in FY 2015:

**Lost Business Room Night Comparisons by Major Market Segments:**

|     | <u>M&amp;C</u> | <u>Sports</u> | <u>T&amp;T</u> | <u>Totals</u> | <u>-/+</u>   |
|-----|----------------|---------------|----------------|---------------|--------------|
| '07 | 6,461          | 33            | 124            | 6,618         | + 1,956      |
| '08 | 10,056         | 0             | 157            | 10,213        | + 3,595      |
| '09 | 7,600          | 1,005         | 161            | 8,766         | - 1,447      |
| '10 | 2,481          | 2,235         | 132            | 4,848         | - 3,918      |
| '11 | 2,705          | 0             | 15             | 2,720         | - 2,720      |
| '12 | 20,166         | 1,599         | 65             | 21,830        | +19,110      |
| '13 | 15,516         | 3,912         | 0              | 19,428        | -2,403       |
| '14 | 9,647          | 336           | 0              | 9,983         | -9,445       |
| '15 | <b>16,484</b>  | <b>1,827</b>  | <b>25</b>      | <b>18,336</b> | <b>8,353</b> |

Of those 52 leads, 46 were for meetings, four for sports events and two were motorcoach trips. 29 pieces of business, reflecting a total of 11,525 room nights, were lost to competitors:

13 to competing properties in the Chicago area

4 to competing cities in Illinois but outside the Chicago area

12 to competitors outside Illinois

The two Smith Travel Research data charts below further illustrate the competitive trends within the Chicago area:

| <b>SMITH TRAVEL RESEARCH - Chicagoland (Suburban) Hotel<br/>YTD Trends 2012- 2014</b> |            |            |            |
|---|------------|------------|------------|
| <b>OCCUPANCY</b>  | 2012       | 2013       | 2014       |
| This Year   | 62.2       | 63.1       | 65.6       |
| Last Year   | 60.2       | 62.2       | 63.1       |
| % Change  | 3.4        | 1.3        | 4.0        |
| <b>ADR</b>  |            |            |            |
| This Year   | 87.51      | 90.09      | 93.95      |
| Last Year   | 83.05      | 87.51      | 90.09      |
| % Change  | 5.4        | 2.9        | 4.3        |
| <b>REVPAR</b>   |            |            |            |
| This Year   | 54.47      | 56.81      | 61.62      |
| Last Year   | 50.00      | 54.47      | 56.81      |
| % Change  | 8.9        | 4.3        | 8.5        |
| <b>SUPPLY</b>   |            |            |            |
| This Year   | 23,858,717 | 23,830,193 | 23,879,961 |
| Last Year   | 23,861,252 | 23,858,717 | 23,830,193 |
| % Change  | 0.0        | -0.1       | 0.2        |
| <b>DEMAND</b>   |            |            |            |
| This Year   | 14,850,919 | 15,025,779 | 15,661,402 |
| Last Year   | 14,365,025 | 14,850,919 | 15,025,779 |
| % Change  | 3.4        | 1.2        | 4.2        |

**Trends by Region YTD Feb 2015 vs 2014**

|                                | Occupancy   |             | ADR          |              | Rev Par      |              | % Change from 2014 |            |             | Properties   | Rooms            |
|--------------------------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------------|------------|-------------|--------------|------------------|
|                                | 2015        | 2014        | 2015         | 2014         | 2015         | 2014         | OCC                | ADR        | RevPar      | census/smpl  | census/smp       |
| Geographic Regions             |             |             |              |              |              |              |                    |            |             |              |                  |
| Chicagoland (suburbs only)     | 52.0        | 51.1        | 89.75        | 86.07        | 46.66        | 44.00        | 1.7                | 4.3        | 6.0         | 542/400      | 65530/5774       |
| Chicago, IL (city and suburbs) | 53.1        | 51.0        | 108.39       | 101.80       | 57.51        | 51.87        | 4.1                | 6.5        | 10.9        | 728/530      | 109714/972:      |
| Chicago CBD (city only)        | 53.9        | 49.3        | 140.15       | 130.78       | 75.58        | 64.54        | 9.3                | 7.2        | 17.1        | 106/95       | 37137/3486       |
| Chicago North                  | 51.6        | 49.7        | 99.83        | 95.63        | 51.49        | 47.49        | 3.9                | 4.4        | 8.4         | 34/25        | 5130/4620        |
| Chicago Northwest              | 49.2        | 47.9        | 81.05        | 78.41        | 39.88        | 37.53        | 2.8                | 3.4        | 6.3         | 108/95       | 12988/1229       |
| Chicago Airport                | 62.1        | 63.5        | 103.07       | 97.75        | 64.03        | 62.07        | -2.2               | 5.4        | 3.2         | 53/41        | 11411/1078       |
| Chicago DuPage County          | 49.7        | 48.6        | 91.61        | 89.28        | 45.57        | 43.38        | 2.4                | 2.6        | 5.1         | 102/89       | 15183/1419       |
| DeKalb County, IL              | 50.9        | 50.1        | 95.60        | 91.53        | 48.69        | 45.90        | 1.6                | 4.4        | 6.1         | 85/59        | 8617/7225        |
| Chicago Southland              | 53.3        | 53.3        | 74.49        | 71.42        | 39.72        | 38.04        | 0.1                | 4.3        | 4.4         | 73/40        | 5552/3915        |
| Heritage Corridor              | 49.8        | 48.3        | 78.42        | 75.75        | 39.06        | 36.59        | 3.1                | 3.5        | 6.8         | 78/53        | 5743/4203        |
| <b>Fox River Valley*</b>       | <b>43.8</b> | <b>41.3</b> | <b>86.22</b> | <b>81.81</b> | <b>37.79</b> | <b>33.81</b> | <b>6.1</b>         | <b>5.4</b> | <b>11.8</b> | <b>39/31</b> | <b>4623/4225</b> |
| McHenry County                 | 37.5        | 37.0        | 80.95        | 77.49        | 30.33        | 28.64        | 1.4                | 4.5        | 5.9         | 15/11        | 1001/852         |

Report includes data from 9 St. Charles hotels: no data included from 3 properties, with a total number of 211 rooms. Of the 4623 rooms' census, St. Charles' 2392 rooms represent 52% of Fox River Valley 4623 total.

These challenges will be further impacted by **new hotel product in surrounding Chicagoland suburbs:**

- **Naperville – 168 rooms, 13,000 square foot ballroom** – Embassy Suites, Diehl Road and I-88, projected to open 4<sup>th</sup> (calendar) quarter 2015
- **Downtown Naperville – 160 rooms, meeting space up to 60 people** – Hotel Indigo, ground not yet broken
- **Oak Brook – 84 rooms, 3700 square feet meeting space** – the former Drake, opened temporarily in March 2015, closed again to complete an Oak Brook Village code
- **Schaumburg – 532 rooms** – Fairfield, TownPlace Suites, Hampton Inn & Suites, Radisson (all currently under construction) and, beginning construction this fall, Home2 Suites by Hilton. Plus, in October 2014, plans were announced for a three year, \$11.6 million renovation of the Renaissance Schaumburg Convention Center and Hotel.

- **Arlington Heights – 160 rooms, 6000 square feet** – Four Points by Sheraton (adjacent to Arlington Park Racecourse), Fall 2015

Proposed Product:

- **North Aurora** – proposed but not yet approved Marriott, **no specs available**, across from the Auto Mall on I-88

**Existing and Proposed Attraction Changes**

While there is evidence of change/renovation at the former Charlestowne Mall on the city's east side, the originally planned fall 2015 re-launch of "**The Quad St. Charles**" has been delayed. According to an April 15, 2015 article in the Kane County Chronicle, the target opening is 2016. While no specific announcements have been made regarding progress in tenant signing, Daniel Krause of The Krausz Companies reported at the April 14<sup>th</sup> St. Charles Planning and Development Committee meeting that there is high interest in the out lot spaces on the mall property by prospective clients who appear to be restaurants. The re-launch of the St. Charles retail center follows a \$30 million renovation of Oakbrook Center in 2013, \$18 million renovation of Lombard's Yorktown Center in 2014 and recently announced renovations at Schaumburg's Woodfield Mall (\$13.8), Bloomingdale's Stratford Square (\$30 million) and East Dundee's Spring Hill Mall (\$37 million).

The **Downtown St. Charles Partnership** launched a new brand, "*Discover Your City Side*", in March.

###

The **Active River Project** is a collaboration of the City of St. Charles, St Charles Park District, Kane County Forest Preserve and River Corridor Foundation formed April 2014 to research and investigate river activities that might be feasible and economical for the stretch of the Fox River beginning at the Red Gate Bridge, to the north and continuing south to Division Street. Identified projects include but are not limited to:

- Innovative methods of leveraging the river as an asset for the benefit of the entire community, while enhancing the overall quality of the river water and it's environment
- Championship whitewater courses for kayaks, canoes and rafts
- Competitive rowing courses

- Enhanced, and sometimes elevated, pedestrian and cycle trails along the river right of way that provide interconnectivity to existing or planned trail networks while minimizing interaction with vehicular traffic
- Floating botanical gardens as a tourist destination and river cleansing tool
- River based attractions such as laser light shows, fountains, or unique features such as Water Fire in Providence, RI
- Interactive water focused playgrounds
- Improved fishing opportunities
- Integrated public art, landscaping and pedestrian viewing features

According to Task Force Chairman John Rabchuk, the immediate next step is to engage the community at large as well as all of the river stakeholders in a discussion of what they would like to see on and along the river at forums scheduled to begin in May with a goal of defining 6-12 feasible projects, as well as the cost and possible funding sources, by the end of August 2015.

###

Since taking over the management of the **Arcada Theatre** in 2005, Onesti Entertainment has developed the historic and iconic downtown venue into a primary tourist attraction. In 2014, the Main Street landmark hosted more than 147 concerts and special events, bringing thousands of visitors to Greater St. Charles. Built in 1926, the theater would benefit from renovations that cannot be made until an agreement with the building's out-of-state owner can be reached.

###

Members of the **arts community throughout the Fox Valley**, primarily in Aurora, Batavia, Geneva and St Charles, have been coming together for almost a year to collaborate on ways to work together to brand the area as an arts destination. In the first year, the group has developed a logo and mission statement, acquired a domain name (**foxriverarts.com**) and determined the initial components of a website (interactive map, directory with contact information and events calendar). The group is using social media to cross promote events within the arts community.

###

The **St. Charles History Museum** is under leadership of a new Executive Director who is working toward enhancements of the existing attraction to be more interactive for its visitors. Branded as the Heritage Museum for some years, the Board of Directors have agreed to embrace the former name of **History Museum** and has approved a new logo for the attraction. Plans include standing

exhibits designed to tell the stories of St. Charles' heritage in chronological order with rotating exhibits to spotlight individual nuances. St. Charles' ties to the Civil War will be touted in the museum as well as in Langum Park, where Jones Law Office has been moved to begin a visual representation of **Camp Kane**, home of the 8<sup>th</sup> and 17<sup>th</sup> Calvary Regiments.

###

The **St. Charles Arts Council** is planning a campaign to develop a **downtown center for arts and education**, with a possible site the Clancy Law Building. Blessed with many arts-based businesses in many artistic disciplines and with arts programming from civic entities such as the Park District and the Library, the SCAC's founders believe the city has a number of underserved artistic disciplines and unmet demand for a central working and gathering space from many arts-based groups, schools, businesses, and individuals.

This center would:

- be devoted solely to the arts
- be open nights and weekends, with constantly changing shows and exhibitions
- be available for all artistic disciplines
- provide an intimate performance space
- be an information hub about all of the arts programming in the area

Depending upon the size and configuration of the property, space could be devoted to:

- working studios
- galleries
- performance space
- rehearsal space
- teaching space
- meeting space
- and/or
- office space

And support individuals, schools, and/or businesses in:

- The Arts (including Visual Art/Craft, Music, Dance, Graphic Arts, Culinary Arts, Theater, Architecture, Video/Film and more)
- Arts Education
- Not-for-Profit Businesses/Organizations
- Incubator projects – especially those related to the STEAM (Science, Technology, Engineering, Arts, Math) disciplines – possibly including technology that crosses arts and business borders such as 3D printing

###

In April 2015, voters within the boundaries of the **St. Charles Park District** defeated a **\$28 million referendum** proposed by the Park District Board that, had it passed, would have resulted in the construction of a new indoor recreation center housing, among other things, **four indoor basketball courts with spectator seating**, conversion of one or more fields to synthetic turf and construction of **additional restrooms at the East Side Complex** and acquisition of additional land.

###

### **III. BUREAU GOALS, YTD FY 15 RESULTS & FY 16 OBJECTIVES**

#### **GOALS:**

**The Bureau's ultimate goal is to increase overnight hotel stays within the Greater St. Charles service area.** While, due to questions regarding funding, specific sales and marketing initiatives cannot be confirmed for Fiscal Year 2016, July 1, 2015 through June 30, 2016, the initiatives will focus on three specific areas: *group sales* for meetings and conventions, sports, and motorcoach, *leisure marketing*, and *enhanced awareness within the Greater St. Charles area* regarding the importance of tourism to both the local and state economies.

#### **A. GROUP BUSINESS SALES & MARKETING**

St. Charles' two major group room night generators are Pheasant Run Resort (primarily association, sports and SMERFE (Social, Military, Religious, Fraternal, Ethnic) business, with some corporate business) and the Q Center (primarily corporate, with some association and SMERFE business). The Hilton Garden Inn and adjoining Advanced Center for Training is a significant player in the local market, crossing all market niches. Hotel Baker, while a traditionally transient hotel, also books small groups; including VIP events of note, such as the multi-day meetings of NFL coaches and players in 2011, a star-studded fundraising event hosted by Jenny McCarthy in August 2013, and the 2014 Labor Day Weekend wedding celebration of Jenny McCarthy and Donnie Wahlberg, all of which have brought national and international attention to the Hotel Baker and the City of St. Charles. Group business is vital to St. Charles' remaining local properties, which also provide overflow inventory required to capture large, multi-property and city-wide events.

The SCCVB Sales Department's goal is to maximize revenues for the St. Charles hotel community by prospecting for new pieces of group businesses and providing services to retain existing group business in the meeting and convention, sports, and motorcoach markets.

**Leads generation & tracking:** The SCCVB observes a policy of documenting as "won/definite" leads representing **new** pieces of business. Pieces of business booked within the prior 12 months for which the Bureau provided significant services for a second time are documented as convention service leads. The only exceptions to this policy are in the rare cases that:

1. A particular piece of business has booked at one St. Charles property and, for the repeat business the following year, asks for Bureau support in finding a different St. Charles venue.
2. An SCCVB person can provide sufficient documentation to illustrate that significant time and effort were put into identifying and providing sales support to a client for a new piece of business who, in turn, contacts a St Charles hotel directly to close the piece of business.

The SCCVB also tracks the estimated direct spending potential of day meetings and motor coach day trips, as the impact of group day trippers to Greater St. Charles restaurants, shops and attractions is significant to the local economy.

**FY 15 YTD (Q1-Q3) GROUP SALES RESULTS:**

At the conclusion of FY 15's third quarter, the number of leads generated by the SCCVB was up 88% (105 total leads) compared to FY 14 (56). Generated room nights (28,622) were up 63% compared to FY 14 (17,588).

The number of leads turned definite in FY 15 (27) was up 17% (23) but FY 15 definite room nights were down 45% (2903) over the first three quarters of FY 14 (5252).

The following are YTD room night comparisons based on the leads generated, won, pending and lost tracked 1<sup>st</sup>-3<sup>rd</sup> quarters since FY 08:

**Generated Lead Room Night Comparisons thru 3<sup>rd</sup> Quarter by Major Market Segments:**

Definitions: M&C (Meetings & Conventions) T&T (Tour & Travel – Motor Coach)

-/+ #'s provided are in comparison to each previous year

|     | <u>M&amp;C</u> | <u>Sports</u> | <u>T&amp;T</u> | <u>YTD 3<sup>rd</sup> Quarter Totals</u> | <u>-/+</u> |
|-----|----------------|---------------|----------------|--|------------|
| '08 | 18,886         | 4,410         | 1,773          | 25,029                                   | +10,766    |
| '09 | 9,985          | 1,090         | 179            | 11,254                                   | -13,775    |
| '10 | 5,126          | 3,685         | 249            | 9,060                                    | -2,194     |
| '11 | 14,423         | 110           | 257            | 14,790                                   | +5,730     |
| '12 | 13,771         | 2,720         | 50             | 16,541                                   | +1,751     |
| '13 | 10,374         | 467           | 40             | 10,881                                   | -5,660     |
| '14 | <b>14,503</b>  | <b>3,592</b>  | <b>198</b>     | <b>18,293</b>                            | +7,412     |
| '15 | <b>21,210</b>  | <b>7,362</b>  | <b>50</b>      | <b>28,622</b>                            | +10,329    |

**Definite/Won Lead Room Night Comparisons by Major Market Segments:**

|     | <u>M&amp;C</u> | <u>Sports</u> | <u>T&amp;T</u> | <u>YTD 3<sup>rd</sup> Quarter Totals</u> | <u>-/+</u> |
|-----|----------------|---------------|----------------|--|------------|
| '08 | 414            | 0             | 830            | 1,244                                    | -3,171     |
| '09 | 348            | 0             | 122            | 470                                      | -774       |
| '10 | 660            | 1,040         | 537            | 2,237                                    | +1,767     |
| '11 | 128            | 48            | 174            | 380                                      | -1,387     |
| '12 | 825            | 50            | 20             | 895                                      | +515       |
| '13 | 432            | 290           | 30             | 752                                      | -143       |
| '14 | 1,038          | 4,095         | 147            | 5,280                                    | +4,528     |
| '15 | <b>660</b>     | <b>2,218</b>  | <b>25</b>      | <b>2,903</b>                             | -2,377     |

**Pending Leads Room Night Comparisons by Major Market Segments:**

|     | <u>M&amp;C</u> | <u>Sports</u> | <u>T&amp;T</u> | <u>Totals</u> | <u>-/+</u> |
|-----|----------------|---------------|----------------|---------------|------------|
| '08 | 15,024         | 4,150         | 520            | 19,694        | +10,958    |
| '09 | 4,767          | 0             | 54             | 4,821         | -6,137     |
| '10 | 495            | 0             | 24             | 519           | -4,302     |
| '11 | 11,961         | 110           | 91             | 12,162        | +11,643    |
| '12 | 6,205          | 2,015         | 15             | 8,235         | -3,408     |
| '13 | 4,981          | 0             | 150            | 5,131         | -3,104     |
| '14 | 11,890         | 1,745         | 54             | 13,689        | +8,558     |
| '15 | <b>13,186</b>  | <b>2,047</b>  | <b>54</b>      | <b>15,233</b> | +1,544     |

**Top Three Sources for FY 15 YTD Generated Leads:**

1. Tradeshow
2. Internet
3. Referrals: Clients, peer CVBs, St. Charles hotels

**SCCVB Lead Conversion Rate:**

The SCCVB Sales Department currently holds an **overall conversion rate of 50%** for turning generated leads into won business (636 historical total lead generation, 317 total historical definite leads).

**Convention Services & MMX Housing Service:**

Through third quarter in FY 15, the SCCVB provided services to 22 groups reflecting 4,809 room nights and 8,165 attendees vs. FY 14's Q 1-3 servicing of 46 groups reflecting 8,491 room nights and 25,269 attendees.

It is in this area that the SCCVB distinguishes itself to clients and to our partner hotels: our bureau provides services to ALL group clients who request them, not merely the clients who distribute leads through our bureau's services. This practice helps secure new and retain existing business.

Utilization of the Bureau's in-house housing bureau software has increased significantly this year due to its use for three **2015 Premier Girls Fast Pitch Tournaments:**

\*Showcase 2015: July 8-11

1191 Rooms being managed via MMX housing service

- 708 rooms in three St Charles hotels
- 483 rooms in five out of area hotels (DuPage, Elgin, Meet Chicago NW)

\*Midwest Regional Championship: July 20-25

2106 Rooms being managed via MMX housing service

- 935 rooms in four St. Charles hotels
- 1171 rooms in nine out of area hotels (DuPage, Elgin, Meet Chicago NW)

\*SCCVB has reached out to Aurora Area, DuPage, Elgin Area, Meet Chicago NW CVBs and Hoffman Estates Office of Tourism to secure overflow rooms for these tournaments

Ringor 2015: Oct 9-10

659 Rooms being managed via MMX housing service

- 254 in four St. Charles hotels
- 405 in nine out of area hotels (Elgin)\* Additional overflow hotels in other areas may be required closer to tournament date

The SCCVB has suggested to Pheasant Run Resort the use of MMX housing service for city-wide events resulting from significant meeting/expo space bookings by PRR requiring overflow hotel rooms at St. Charles and, if needed, area hotels.

**Total Client Contacts by SCCVB Sales Managers:**

|                   |              |
|-------------------|--------------|
| <b>FY 08:</b>     | <b>9,082</b> |
| <b>FY 09:</b>     | <b>4,132</b> |
| <b>FY 10:</b>     | <b>2,621</b> |
| <b>FY 11:</b>     | <b>2,544</b> |
| <b>FY 12:</b>     | <b>1,600</b> |
| <b>FY 13:</b>     | <b>5,346</b> |
| <b>FY 14:</b>     | <b>4,827</b> |
| <b>FY 15 YTD:</b> | <b>5,251</b> |

227 QUALIFIED accounts were added to the SCCVB sales database in FY 15, with a total number of 4,362 viable accounts currently in the SCCVB sales database. By end of FY 2015, the SCCVB sales managers will have surpassed the number of group planner contacts made in any year since the Bureau's inception.

**B. LEISURE VISITOR INITIATIVES**

*While the traditional target audience for year-round leisure visitors is primarily women ages 35-54 years of age, with household incomes of \$75,000 – 100,000, the Bureau's increased social media and digital initiatives are designed to attract younger, upscale visitors as well – from the City of Chicago as well as communities more than 50 miles away and no more than three hours' drive from St. Charles.*

**Evaluators:**

- Number of phone call and email inquiries
- Number of reader responses to print advertising
- Number of unique visits to visitstcharles.com, scarecrowfest.com, and stcharlescharm.com
- Number of “bounce back” cards returned from SCCVB Visitor Guide
- Number of individuals added to leisure dedicated St. Charles database
- Number of individuals who “opt-in” to dedicated email distribution list
- Number of Social Media & Digital Initiatives results
- Number of Jack Rabbit Book Direct results

**FY 15 Advertising Placements with Circulations:**

|  |           |
|--|-----------|
| Madden Media Newspapers Travel Insert: Fall/Winter   | 500,000   |
| Chicago Magazine: January                            | 150,000   |
| AAA IL/IN/WI: January/February                       | 916,366   |
| Chicago Magazine Banner Ad: February                 | 8,800     |
| AAA IL/IN: March/April                               | 552,275   |
| West Suburban Living: Spring                         | 25,000    |
| Madden Media Newspapers Travel Insert: Spring/Summer | 825,000   |
| Illinois Travel Guide – Yearlong                     | 350,000   |
| Preservation Magazine: Summer                        | 158,000   |
| July/August AAA Living IL/WI                         | 916,355   |
| TOTAL CIRCULATION:                                   | 4,491,807 |

**FY 15 YTD (Q1-Q3) LEISURE RESULTS**

**Leisure Inquiries (phone calls, email requests, web visits):**

- YTD FY 2015 vs. FY 2014 finds that phone calls are up by 2%
- Email inquiries are up down by 38%
- Unique web visits up by 12%: FY 15's 477,067 vs. FY 14's 420,631

**Print Advertising Reader Response:** 9,031 requests for information is a 14% decrease compared to YTD FY 14. However, this is a viable mechanism to generate trackable responses as well as to encourage visitors to access our websites.

**Additions to SCCVB Inquiry Leisure Database:** 9,424 contact names and addresses were added in the first three quarters of FY 14.

Top four sources for inquiries were:

- Madden Preprint Newspaper Inserts
- AAA Magazine
- Midwest Living Magazine
- SCCVB Visitors Guide

Top four cities of inquiry origination:

- Chicago
- St. Louis
- Milwaukee
- Indianapolis

Top four states of inquiry origination:

- Illinois
- Michigan
- Wisconsin
- Missouri

**YTD FY 15 Leisure Inquiries Achievements:**

Applying 64% conversion (SCCVB conversion as concluded in 2011 Temple University Tourism Conversion Study) of YTD FY 14 leisure inquiries:

- 64% of 9,424 inquiries = 6,031 travel parties
- \$328 spending per party with 6,031 parties = \$1,978,168 potential direct spending
- 47% will visit again within three years = 2835 travel parties

**YTD FY Jack Rabbit Book Direct Results (7/1/14 to 3/31/15):** Websites booking widgets connected directly to each of our hotels' systems resulting in "real time" referrals and reservations. Visitors can sort their search by name and price, categories and amenities and preview property locations on a local area map.

2070 total referrals broken down as follows:

- 159 - Best Western
- 343 - Country Inn & Suites
- 128 - Courtyard by Marriott
- 164 - Fairfield Inn & Suites
- 83 - Geneva Motel Inn
- 250 - Hampton Inn & Suites
- 128 - Hilton Garden Inn
- 186 - Hotel Baker
- 262 - Pheasant Run Resort
- 202 - Quality Inn & Suites
- 125 - Super 8

**Conversion Study:** It was the intent of the SCCVB to complete a conversion study in FY 16, which would have marked five years (industry's standard length of time between studies) since the last one was completed 2011. Upon expectation of funds reduction in FY 16, the SCCVB moved forward with having a new study completed with FY 2015 dollars. Currently in process, the evaluators currently used to estimate ROI will be replaced by new evaluators upon receipt of that study's results.

#### **Scarecrow Fest 2014 Results:**

The 29<sup>th</sup> annual Scarecrow Fest, held on the traditional Columbus Day Weekend in October 2014, drew an estimated attendance of 120,000, up 10,000 from 2013 estimated attendance of 110,000. The increase in attendance is attributed to three days of beautiful weather.

On site attendee surveys continue to provide the Bureau with solid statistics regarding the festival's impact on the local economy. Results from 723 completed surveys indicated:

- Average party of 3.1 people
- Attendees identified from 22 states, 131 Illinois communities
- 53% of those surveyed were from OUTSIDE the Fox Valley
- 30% were first timers to the festival
- 100 overnight guest rooms – down 47% from 2013

#### **Estimated visitor spending was \$4,786,539 – a 15% increase over that of Scarecrow Fest 2013**

(Spending estimates are based on non-Fox Valley attendees. 53% of 2014's 120,000 total attendees were from outside the Fox Valley; 50% of 2013's total attendees were from outside the Fox Valley.)

#### **Social Media Results:**

TWO Facebook Pages:

- St Charles, IL: FY 15 YTD - 5,920 followers vs. FY 14 – 5,392; FY 13 – 4,769; FY 12 - 4,327; FY 11 - 3,505; FY 10 - 2,245
- Scarecrow Fest: FY 15 YTD - 4568 followers vs. FY 14 – 3421; FY 13 - 2,371; FY 12 - 1,845; FY 11 - 1,110; FY 10 – 588

TWO Twitter Account:

- @StCharlesIL: FY 15 YTD: 3,231; FY 14: 2,556; FY 13: 1,964
- @STCScarecrow: FY 15 YTD: 377; FY 14: 222; FY 13: 151

### **FY 16 OBJECTIVES - GROUP SALES:**

The SCCVB group sales team consists of two full time and one part time professional, with markets assigned as follows: one full time manager focuses on association, military, education, religious and ethnic markets, and one full time manager focuses on the sports market. The full time managers share the hobbies and collectibles market. The SCCVB part time manager focuses on motor coach and social markets, provides research support to the full time managers, and oversees InfoTrak, the group sales database and tracking system.

Techniques for getting one's "foot in the door" are far different than in the past. Planners are answering neither prospecting phone calls nor broad stroke emails. The days of cold calls and "just stopping in to say hi" are gone.

Planners are seeking online booking channels and building relationships with third party organizations such as HelmsBriscoe, Conference Direct, and American Express Meetings and Events to enhance their own efficiencies and ensure their potential pieces of business are being circulated to as large an audience as possible. Relatively new to the industry, third party organizations appeared on the hospitality horizon approximately eleven years ago and were not warmly embraced by hotels, due to the fact that rooms sold through third parties are commissioned on rates that cannot be adjusted to compensate for same. In recent years, the volume of third party business has grown to the point that hotels are now forced to recognize and work with them, which, ultimately, is raising costs and reducing profits.

At the outset, third party organizations bypassed the complimentary services available through convention and visitors bureaus, but that trend, too, has shifted, as those professionals (most of whom sell on a commission-only basis) have come to recognize that the destination knowledge provided by CVB's leads to increased bookings.

\*STRATEGIES – Please note that these may be amended once FY 16 funding has been confirmed.

#### **Group Business Evaluators:**

- Number of leads & potential room nights generated
- Number of leads & potential room nights turned definite

- Number of groups receiving convention services
- Number of successful client contacts
- Number of qualified contacts added to SCCVB sales database

**Market Trends Education:**

The Bureau will continue to participate in monthly HSMAI (Hospitality Sales and Marketing Association International) webinars, featuring input from nationally-recognized hospitality professionals and inviting our hotel partners to join us.

**Group sales (Meetings, Sports, Tour & Travel) activities completed by ALL SCCVB sales managers:**

- **Convention services** will continue to be a significant part of the SCCVB program of work.

Complimentary services include, but are not limited to:

- Customized itineraries
  - Lead Creation/Distribution
  - Marketing Support – including social media
  - Proposal coordination
  - Site Inspections
  - Off site programs
  - Visitors guides & welcome bags
  - Housing Bureau Capabilities (fees may apply)
  - Referral to peer cvb’s, when appropriate
- **Illinois Council of Convention & Visitors Bureaus:** The SCCVB will continue its membership in the Illinois Council of Convention & Visitors Bureaus and the SCCVB sales managers will participate in **Meet in Illinois, Sports Illinois and Tour Illinois** niche sales committees, if offered in FY 16. These three committees serve as cooperative initiatives to sell Illinois as a destination for each of the three major group markets.
  - **Professional memberships:** The SCCVB will maintain memberships in organizations designed to enhance networking opportunities for the purpose of increasing sales in each of the three major markets:
    - American Bus Association
    - Destination Marketing Association International.
    - Hospitality Sales & Marketing International

- Illinois Society of Association Executives
  - Meeting Planners International
  - National Association of Sports Commissions
  - Religious Conference Management Association
- **Quarterly Hotel Meetings:** The SCCVB will continue to meet on a quarterly basis with the **St. Charles hotel community** in order to invite and encourage input regarding the Bureau's sales and marketing activities.
  - **Sales Activity Reporting:** Customized sales database allows SCCVB to maintain information and report same to local stakeholders as well as the Illinois Office of Tourism, on a quarterly and annual basis, explicit data regarding generated and definite leads, sales contacts made and groups serviced.

***Meetings Sales: Target Audience - Convention & Meeting Planners***

- **Direct Sales Initiatives** – These will continue to be the primary activity waged by the SCCVB to prospect for new business and provide services required to maintain existing business.
- **Direct mail/premailer – “Glad we connected” self-mailer** – Allows sales manager to customize a personal note to each client with whom he/she's connected via direct sales initiatives, personal appointments, and on the tradeshow floor.
- **HelmsBriscoe Value Partnership** – a leading global third party agency that provides planners with meeting procurement and site selection, this financial partnership will enable SCCVB to:
  - Attend the annual, invitation only HB Destination Annual Business Conference Partner Seminar and participate in face-to-face appointments
  - Attend an in-market presentation by HB leadership to partner hotels
  - Include HB associates in familiarization trips
  - Receive assistance creating targeted planner lists for familiarization trips
  - Opportunity for HB associates to participate in SCCVB events & hotel committee meetings
  - Ability to make in-person presentations to multiple HB regional offices and teams
  - Invitation to participate on Partner Panels during regional team meetings

- **Tradeshow participation**
  - Connect (association & specialty groups) Aug. 2015
  - RCMA Emerge (religious) Jan. 2016
  - ISAE Winter Conference
  - Helms Briscoe ABC (3rd party) April 2016
  - Collaborate Marketplace June 2016
- **Springfield Sales Trips** – Additionally, SCCVB will travel approximately eight times to Springfield to attend Illinois Society of Association Executives events, coupled with individual client appointments. Up to two Greater St. Charles hotel sales representatives will be invited to attend each of these sales trips.
- If additional FY 16 funds become available, ISAE Summer Session and Connect Marketplace will be added to our tradeshow calendar.

***Sports Sales: Target Audience – Events Rights Holders and Sporting Event Producers***

The group sports market is vital to bringing incremental overnight stays to destinations boasting signature venues such as those located in Greater St. Charles. Our Bureau is fortunate to have a positive relationship with the St. Charles Park District, which is open to working with us to bring sports events to the area.

**Techniques for selling and marketing a destination for sports events** differ from the meetings and tour and travel (motor coach) market due to four specific reasons:

1. Appropriate venues are dependent upon the needs of the sport featured in each event.
2. Hotel rooms are the LAST concern of a sports rights holder
3. Sports event planners are likely to ask for financial concessions. In regard to the latter, the SCCVB will consider offering financial incentives – or – seeking municipal support for same – for events that will impact multiple properties with rooms’ consumption.
4. The lead process is several years long and includes the need for strong local partnerships.

**Tradeshow participation in FY 2016:**

- NASC (National Association of Sports Commissions) Conf. April 2015
- If additional FY 16 funds become available, Sports Huddle and Sports Connect 2016 will be added to our tradeshow calendar.

*Tour & Travel (Motor coach) Sales: Target Audience – Bank, Alumnae, Affinity, Student & Scarecrow-specific Overnight and Day Trips*

**Tradeshow participation:**

- Heartland Chicago February 2016
- If additional FY 16 funds become available, ABA in January 2016 will be added to our tradeshow calendar.

**FY 16 OBJECTIVES – LEISURE MARKETING:**

Please note: this plan currently does not include specifics regarding general leisure initiatives, due to the fact that the Illinois Office of Tourism has not announced any cooperative advertising programs which enable CVB partners to make purchases at reduced pricing levels. Historically, IOT has negotiated significantly discounted “buys” and released details regarding those opportunities by this time to facilitate local-level planning for the next fiscal year.

**Greater St. Charles Year of the Scarecrow October 12, 2014-October 11, 2015:**

In celebration of Scarecrow Fest’s 30<sup>th</sup> anniversary, the SCCVB is in the midst of a marketing campaign entitled "Year of the Scarecrow," a year-long celebration of the Scarecrow in St. Charles, which has included print placements, social media exposures, and outreach to community partners to encourage executive of their own scarecrow-centric events. The culmination of this event will be the conclusion of the 2015 Scarecrow Fest, October 9-11, 2015.

**Fox Valley Leisure Marketing Co-operative:**

This years-long partnership among the tourism promotion agencies of record in the Fox Valley (Aurora Area, Elgin Area & Greater St. Charles CVBs and Geneva Chamber of Commerce) has enabled the four entities to purchase significant buys (Madden newspaper inserts and a full page ad in the Illinois Travel Guide), financed by a matching grant from the Illinois Office of Tourism and directing prospective visitors to each destination’s website.

In January 2015, the McHenry County CVB asked the group to consider allowing its Bureau to join the cooperative group, citing the facts that the Fox River Valley runs the entire length of our county’s eastern side from the south in Algonquin to the Chain O Lakes in Spring Grove, McHenry County communities that lie along the river are Algonquin, Cary, Fox River Grove, McHenry and

Johnsburg and the county has 1000 hotel rooms. Aurora Area, Geneva and Greater St. Charles supported the request as being a positive addition to the regional partnership.

The Fox Valley cooperative met several times in Spring 2015 to discuss creative direction for future endeavors. Additionally, Geneva, St. Charles and McHenry County met with Senator Karen McConnaughay during Tourism Lobby Day, during which time the Senator expressed support for the group's mission of regional marketing while maintaining individual identities for each destination served.

State funding dollars, historically, have come from IOT's Marketing Partnership Grant Program, the future of which is currently under review. The group has agreed that, even if state dollars are no longer available, the regional partnership for some leisure marketing projects should be maintained, even if the size of the placements/circulation is cut by 50% due to funds reduction. The group, currently consisting of the Aurora Area CVB, Geneva Chamber of Commerce, Greater St. Charles CVB and McHenry County CVB, are working collaboratively on creative design, using existing FY 2015 dollars, which will be used for FY 2016 projects. The group has agreed upon a shared "Foodies on the Fox River" theme, with a tagline of "There's Room at Our Tables" that will be supported by a visual of a table set outdoors. All four partners have significant restaurant products applicable for the theme which also is marketable 12 months a year. The Elgin Area CVB has chosen not to participate in deference to focusing their financial resources to the promotion of biking/bike paths.

#### **Scarecrow Fest 2015 – 30<sup>th</sup> Anniversary!**

This annual tradition has received another nationally-recognition, one of the nation's top fifteen small town festivals. Plans for the 30<sup>th</sup> year celebration include an enhanced Scarecrow Display and Contest – complete with new categories, prize monies and a "Judge's Choice Award," vote upon by the SCCVB Board of Directors and resulting in Greater St. Charles getaway for four PLUS the addition of a "Soda Pop Tour" which will be held on the city's east side as an additional incentive for the 100,000 attendees to enjoy both the east and west sides of downtown St. Charles.

#### **Traditional, annual marketing tools:**

**Greater St. Charles Visitors Guide**

**Digital Monitors – 1<sup>st</sup> Street self-serve visitor centers**

**Visitstcharles.com – new site to be unveiled in 2016!**

**Search Engine Marketing** - the SCCVB will work with a Google search provider on a paid Search Engine Optimization campaign to optimize a series of search terms (e.g. *Live Music, Unique Weddings, Kid-friendly Getaways, Antique Shopping, Weekend Festivals, Art & Cultural Events, etc.*)

**Social Media Initiatives: Facebook, Instagram, Twitter, YouTube**

#### IV. RETURN ON INVESTMENT (ROI) CALCULATIONS/RESULTS

As a not-for-profit organization dependent upon public funds (local and state hotel tax revenues) for its existence, the SCCVB is committed to targeting every budget dollar wisely and tracking effectiveness of expenditures as transparently and as thoroughly as is possible. As a destination sales and marketing organization whose activities impact hundred of tourism-related businesses and events within its service area, ascribing a true return-on-investment is next to impossible. The SCCVB tracks annual return-on-investment based on three parameters:

- **Estimated revenue resulting from definite group room nights**
  - \$262 per room night for M&C
  - \$450 per room night for amateur sports/\$512 for professional sports i.e. PGA
  - \$366 per room night for motorcoach
  - Multipliers also used by Elgin and Aurora Area CVB's
- **Conversion from reader response, phone calls, email inquiries**
  - 64%, based on 2011 Temple University Tourism Conversion Study\*
  - Recommend conversion study be completed every five years (New study currently in process)
- **Scarecrow Fest estimated visitor spending** - Based on intercept surveys and hotel-confirmed overnights, NOT including Fox Valley attendees:
  - \$129 per room night for overnight stays\*
  - \$75 per day visitor\*

\*FY 2010-2014 ROI Multipliers supplied by D.K. Shifflet and Illinois Office of Tourism

\*\*FY 2015 ROI, when available, will be based on leisure multipliers provided Fall of 2014 by Illinois Office of Tourism: \$111 per overnight stay, \$78 per day visitor

Not included in ROI calculations is estimated revenue from marketing exposures, conversion of websites unique visits, nor repeat business/convention servicing activities.

**FISCAL YEAR 2014 Return on Investment**

\$780,008 – State & Local Hotel Tax Received by Bureau

\$2,672,900 – 5743 definite group room nights

\$4,663,832 – Leisure visitor conversion\*

\$4,159,075 – Scarecrow Fest 2013

**\$11,310,487** – Total Tracked Estimated Spending

Divided by \$780,008 Bureau Revenue = **\$14.50 ROI**

\*includes 64% conversion of 3113 Jack Rabbit web reservation referrals

**FISCAL YEAR 2013 Return on Investment**

\$754,666 – State & Local Hotel Tax Received by Bureau

\$717,207 – 1485 definite group room nights

\$5,846,692 – Leisure visitor conversion

\$4,106,322 – Scarecrow Fest 2012

**\$10,670,221** – Total Tracked Estimated Spending

Divided by \$754,666 Bureau Revenue = **\$14.13 ROI**

**FISCAL YEAR 2012 Return on Investment**

\$740,121 – State & Local Hotel Tax Received by Bureau

\$301,104 – 926 ne, definite group room nights

\$7,262,248 – Leisure visitor conversion

\$4,765,824 – Scarecrow Fest 2011

**\$12,329,175** – Total Tracked Estimated Spending

Divided by \$740,121 Bureau Revenue = **\$16.66 ROI**

**FISCAL YEAR 2011 Return on Investment**

\$708,063 – State & Local Hotel Tax Received by Bureau

\$329,061 – 735 new, definite group room nights

\$5,955,168 – Leisure visitor conversion

\$5,173,086 – Scarecrow Fest 2010

**\$11,457,315** – Total Tracked Estimated Spending

Divided by \$708,063 Bureau revenue = **\$16.18 ROI**

**FISCAL YEAR 2010 Return on Investment**

\$742,644 – State & Local Hotel Tax Received by Bureau

\$1,120,437 – 2337 new, definite group room nights

\$7,068,400 – Leisure visitor conversion

\$3,313,890 – Scarecrow Fest 2009

\$11,502,727 Total Tracked Estimated Spending

Divided by \$742,644 Bureau revenue = **\$15.41 ROI**

**Note: FY 15 Return on Investment information will be available after June 30, 2015, which marks the end of the Bureau's fiscal year.**

## V. CONCLUSION

For many years, the City of St. Charles has received the benefit of millions of dollars of local tax revenue generated by visitors who have spent the night in one of the community's hotel properties. Those locally generated visitor dollars have:

- Helped reduce the tax burden placed on the residents of St. Charles.
- Provided dollars to help support a plethora of not-for-profit organizations through awards made by the St. Charles' Cultural Commission.
- Helped fund the Greater St. Charles Convention and Visitors Bureau which, in turn, has used those local dollars to match additional grant funds available from the Illinois Office of Tourism.

In the spring of 2014, City of St. Charles reinstated the SCCVB's funding for 2015 to its pre-2010 funding level of \$585,000, following a formal request by the Bureau to consider same, based on the reality that a deficiency in 2014 local hotel tax receipts indicated that the hotel partners served by our Bureau were in need of need additional sales and marketing support and that Bureau services since the 2010 funding decrease had been curtailed.

The funding increase took place in July 2014, and in the seven months between July 2014 and February 2015, local hotel tax collections, compared to the same seven months of the previous year, have increased \$100,220 (10.52%). The Bureau has generated leads reflecting more room nights (28,572 totals) in the meetings (21,210 room nights) and sports markets (7,362 room nights) than any year in its history.

Once again, the Bureau finds itself faced with the possibility of reduced funding for FY 2016, this time from the grant dollars it receives from the Illinois Office of Tourism. Our program of work as outlined above reflects reductions to compensate for those decreased funds which may impact the positive trend realized in the first seven months of FY 2015.

While the amount of and processes for Illinois tourism dollars are unclear as of this writing, one reality is certain: Governor Rauner's plan to bring the state to fiscal solvency includes putting more power into the hands of local government.

Cuts in state tourism funds may result in local communities having to contribute more than they have in the past for tourism promotion, as the budget of many state-certified bureaus have relied on state dollars for 50% of their annual revenue. The Greater St Charles Bureau, since its inception in

1983, has had the benefit of significant local funding support from a government that understands how vital tourism is to its local economy.

For FY 2016, we shall respectfully ask the City of St. Charles to maintain our local funding at its current level of \$585,000 (approximately 33% of the annual tax collections), and, the SCCVB staff, as well as its engaged Board of Directors, will maintain its dedication to our mission of enhancing the area's economic health through promotion of Greater St. Charles' unique, *naturally charming* tourism product.



|                                       | FY16 Budget       | FY 15 YTD Unaudited Actuals June 24* | FY 15 Budget        | FY 14 Actuals       | FY 14 Budget        | FY 13 Actual        | FY 13 Budget        | FY 12 Actual        | FY 12 Budget      | FY 11 Actual      | FY 11 Budget      | FY 10 Actual      | FY 10 Budget      | FY 09 Actual        | FY 09 Budget        | FY 08 Actual        | FY 08 Budget        |
|---------------------------------------|-------------------|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Estimated Income</b>               |                   |                                      |                     |                     |                     |                     |                     |                     |                   |                   |                   |                   |                   |                     |                     |                     |                     |
| 4010-0 Hotel/Motel Tax Fund Income    | 526500.00         | 585000.00                            | 585,000             | 526,500.00          | 526,500             | 526,500.00          | 526,500             | 526,500.00          | 526,500           | 526,500.00        | 526,500.00        | 526,500.00        | 526,500.00        | 585,000.00          | 585,000.00          | 533,235.00          | 585,000.00          |
| 4030-0 Interest Income                | 600.00            | 687.98                               | 500.00              | 560.78              | 600.00              | 585.84              | 600                 | 536.90              | 1,000             | 976.58            | 3,600.00          | 3,565.01          | 4,000.00          | 4,323.09            | 8,000.00            | 7,368.20            | 8,000.00            |
| 4040-0 Visitors Magazine Income       | 11700.00          | 10725.00                             | 11,875.00           | 9,750.00            | 10,800.00           | 10,800.00           | 12,600              | 11,700.00           | 13,500            | 13,500.00         | 16,200.00         | 16,200.00         | 18,000.00         | 16,200.00           | 49,500.00           | 17,515.00           | 56,000.00           |
| 4050-0 Scarecrow Fest Income          | 232200.00         | 242329.20                            | 231,200.00          | 241,590.50          | 219,750.00          | 208,428.12          | 211,350             | 207,165.00          | 32,000            | 183,609.05        | 161,600.00        | 182,185.00        | 158,000.00        | 172,872.85          | 149,250.00          | 170,055.80          | 170,000.00          |
| 4060-0 Other Misc. Income             | 500.00            | 412.40                               | 500.00              | 554.59              | 0.00                | 2,392.97            | -                   | 1,051.14            | 1,000             | 1,488.02          | 2,200.00          | 11,334.53         | 6,500.00          | 9,054.85            | 13,500.00           | 37,723.99           | 13,500.00           |
| 4065-0 Local Coop Income              | 0.00              | 0.00                                 | 0.00                | -                   | 4,200.00            | 4,200.00            | 12,000              | 6,100.00            | 9,000             | 9,000.00          | 12,000.00         | -                 | -                 | 500.00              | 6,800.00            | -                   | -                   |
| 4070-0 Marketing Partner Grant Income | 0.00              | 39929.50                             | 43,000.00           | 38,079.83           | 38,000.00           | 10,000.00           | 100,000             | 78,706.16           | 50,000            | 48,339.18         | -                 | 49,698.48         | 46,000.00         | 44,783.68           | 50,000.00           | 48,910.00           | 50,000.00           |
| 4075-0 Fox Valley Coop MPP Income     | 22176.00          | 0.00                                 | 0.00                | -                   | 0.00                | 0.00                | -                   | 21,182.40           | 21,182            | 0.00              | -                 | -                 | -                 | -                   | -                   | 87,511.20           | 87,521.00           |
| 4090-0 LTCB State Grant Income        | 160864.55         | 208915.00                            | 208,915.00          | 215,428.00          | 220,000.00          | 218,166.00          | 158,580             | 158,580.00          | 158,580           | 136,807.00        | 136,807.00        | 170,176.00        | 170,144.00        | 185,055.92          | 185,056.00          | 189,980.08          | 189,980.00          |
| 4100-0 In-Kind and Trade              | 540.00            | 540.00                               | 540.00              | 540.00              | 540.00              | 540.00              | 540                 | 540.00              | 540               | 90.00             | -                 | -                 | -                 | -                   | -                   | -                   | -                   |
| 4150-0 Scarecrow In-Kind and Trade    | 0.00              | 12300.00                             | 0.00                | 41,350.00           | 0.00                | 0.00                | 58,652              | 0.00                | -                 | 22,900.00         | -                 | -                 | -                 | -                   | -                   | -                   | -                   |
| <b>Total Income</b>                   | <b>955,080.55</b> | <b>1,100,839.08</b>                  | <b>1,081,530.00</b> | <b>1,074,353.70</b> | <b>1,020,390.00</b> | <b>981,612.93</b>   | <b>1,080,822</b>    | <b>1,012,061.60</b> | <b>813,302</b>    | <b>943,209.83</b> | <b>858,907.00</b> | <b>959,659.02</b> | <b>929,144.00</b> | <b>1,017,790.39</b> | <b>1,047,106.00</b> | <b>1,092,299.27</b> | <b>1,160,001.00</b> |
| <b>Estimated Expenses</b>             |                   |                                      |                     |                     |                     |                     |                     |                     |                   |                   |                   |                   |                   |                     |                     |                     |                     |
| Total Administrative                  | 524499.00         | 556,804.18                           | 622,057.06          | 571,771.64          | 604,516.93          | 537,572.82          | 558,308.36          | 546,583.05          | 542,737.00        | 487,543.75        | 453,492.00        | 517,380.30        | 539,791.00        | 533,152.02          | 597,241.00          | 577,270.80          | 575,818.00          |
| Total Meetings & Conventions          | 38541.00          | 53007.86                             | 56,120.00           | 29,902.18           | 27,000.00           | 48,240.67           | 51,600.00           | 38,996.45           | 40,800.00         | 43,940.77         | 48,311.00         | 40,489.31         | 31,780.00         | 67,683.25           | 78,353.00           | 70,031.46           | 76,905.00           |
| Total Motorcoach                      | 3087.00           | 11198.08                             | 10,360.00           | 5,078.57            | 5,300.00            | 5,957.35            | 1,730.00            | 1,913.95            | 700.00            | 3,770.80          | 7,400.00          | 9,999.26          | 10,840.00         | 22,359.69           | 24,067.00           | 18,341.23           | 31,002.00           |
| Total Leisure                         | 68890.52          | 64788.15                             | 71,346.00           | 45,255.88           | 51,900.00           | 60,506.32           | 107,200.00          | 114,513.27          | 108,200.00        | 79,018.67         | 50,070.00         | 61,156.57         | 43,400.00         | 93,753.88           | 58,000.00           | 215,425.98          | 201,379.00          |
| Total Promotional                     | 27624.00          | 32986.11                             | 33,350.00           | 37,520.69           | 36,480.00           | 36,856.55           | 26,800.00           | 43,518.76           | 49,192.00         | 47,746.18         | 36,275.00         | 32,151.06         | 28,523.00         | 34,913.11           | 36,750.00           | 58,303.87           | 48,950.00           |
| Total State                           | 2500.00           | 4302.65                              | 4,500.00            | 4,621.92            | 4,500.00            | 3,618.42            | 3,800.00            | 3,691.92            | 3,400.00          | 2,352.14          | 4,800.00          | 5,173.15          | 5,400.00          | 3,894.84            | 4,700.00            | 5,021.53            | 4,100.00            |
| Total Scarecrow                       | 253510.31         | 236106.68                            | 235,326.60          | 262,382.72          | 232,303.16          | 220,797.60          | 270,002.00          | 180,539.57          | 32,000.00         | 178,413.17        | 171,759.00        | 197,936.85        | 186,115.00        | 145,339.52          | 153,050.00          | 148,003.77          | 120,725.00          |
| Total Visitor Guide                   | 59000.00          | 67053.89                             | 76,600.00           | 76,704.59           | 76,000.00           | 75,046.90           | 76,000.00           | 72,957.24           | 70,000.00         | 75,096.83         | 76,000.00         | 72,325.46         | 67,000.00         | 67,915.00           | 86,095.00           | 85,703.62           | 82,400.00           |
| Total Sports                          | 10315.00          | 11713.00                             | 8,995.00            | 14,896.19           | 6,600.00            | 14,009.35           | 8,720.00            | 2,926.75            | 1,000.00          | 5,973.97          | 10,800.00         | 10,291.50         | 16,295.00         | 31,002.61           | 8,850.00            | 2,255.97            | 500.00              |
| <b>Total Estimated Expense</b>        | <b>987,966.83</b> | <b>1,037,960.60</b>                  | <b>1,118,654.66</b> | <b>1,048,134.38</b> | <b>1,044,600.09</b> | <b>1,002,605.98</b> | <b>1,104,160.36</b> | <b>1,005,640.96</b> | <b>848,029.00</b> | <b>923,856.28</b> | <b>858,907.00</b> | <b>946,903.46</b> | <b>929,144.00</b> | <b>1,000,013.92</b> | <b>1,047,106.00</b> | <b>1,180,358.23</b> | <b>1,141,779.00</b> |
| <b>Net Income or Loss</b>             | <b>-32,886.28</b> | <b>62,878.48</b>                     | <b>-37,124.66</b>   | <b>26,219.32</b>    | <b>-24,210.09</b>   | <b>-20,993.05</b>   | <b>-23,338.36</b>   | <b>6,420.64</b>     | <b>-34,727.00</b> | <b>19,353.55</b>  | <b>-</b>          | <b>12,755.56</b>  | <b>-</b>          | <b>17,776.47</b>    | <b>-</b>            | <b>(88,058.96)</b>  | <b>18,222.00</b>    |

\*Fiscal Year ends June 30th

12/3/2014 – potential direct spending adjusted to reflect Illinois Office of Tourism current Illinois Office of Tourism calculators for leisure visitors outside Chicago: \$111 per person per overnight stay; \$78 per person per day for day trippers – Jan Kemmerling, Assistant Deputy Director, Illinois Office of Tourism

**2014 SCARECROW FESTIVAL INTERCEPT SURVEY TRACKING INITIATIVES**

Sites of surveys – SCCVB Gazebo  
Lincoln Park Visitor Info Booth  
Walking Surveys

**Total Surveys Overview**

- \*723 Surveys completed
- \*2309 attendees
- \*30% of surveys reflecting responses to first time/repeat question indicated first time attendees. 111 surveys (15%) reflected no response.
- \*Average # of ppl per party: 3.1
- \*22 States : AL,CO, DE, FL, IA, IL, IN, KS,KY, MI, MN,MO, NJ, NM,NY, OH,PA, SC, TN,TX,VA, WI,
- \*3 Countries: USA, Germany, Singapore
- \*382 surveys reflecting 1216 attendees (53%) from OUTSIDE the Fox Valley (Elgin-Aurora)
- \*341 surveys reflecting 1093 (47%) attendees identified from FOX VALLEY
- \* 644 surveys completed from 2028 IL attendees
- \*131 IL communities identified
- \*35 (5%) Surveys indicated hotel stays
- \*St. Charles PD weekend attendee estimate: 130,000+ - using 120,000 for spending estimates++

**\*\*“First Timers”= 162 Surveys, 600 attendees**

|          |    |                          |            |    |                           |
|----------|----|--------------------------|------------|----|---------------------------|
| Sources: | 54 | Friends/Family           | Favorites: | 21 | Make Your Own Scarecrow   |
|          | 25 | Word of Mouth            |            | 18 | Scarecrow Display/Contest |
|          | 15 | Internet                 |            | 17 | Ambience                  |
|          | 6  | Drive by, signs, banners |            | 17 | Food                      |
|          | 5  | Websites                 |            | 11 | Activities for Kids       |
|          | 2  | Advertising              |            | 11 | Craft Show                |
|          | 2  | Newspaper                |            | 10 | Carnival                  |
|          | 1  | Hotel Referral           |            | 6  | Everything                |
|          | 52 | No response              |            | 5  | Shopping                  |
|          |    |                          |            | 2  | Entertainment             |
|          |    |                          |            | 2  | Mini Abe                  |
|          |    |                          |            | 2  | Petting Zoo               |
|          |    |                          |            | 40 | No response               |

70% were from OUTSIDE the Fox Valley (Elgin to Aurora)

22% were from OUTSIDE Illinois

11% stayed in hotels

Of the out of state, first time visitors:

63% heard of fest from friends/family

9% from Internet

6% from website

Of the out of state, first time visitor favorites:

11% Scarecrows, Activities for Kids and Food

9% Make Your Own Scarecrow and Ambience

6% Everything, Craft Show, Shopping, Carnival

15% were from Greater St. Charles

Favorite things: 13% each – Scarecrows, Carnival, MYOS, Food

8% - ambience

4% each – Activities for Kids, Entertainment, Everything, Shopping

12/3/2014 – potential direct spending adjusted to reflect Illinois Office of Tourism current Illinois Office of Tourism calculators for leisure visitors outside Chicago: \$111 per person per overnight stay; \$78 per person per day for day trippers – Jan Kemmerling, Assistant Deputy Director, Illinois Office of Tourism

**\*\*Repeat Visits\*\*= 450 Surveys, 1368 attendees**

51% reflected visitors from OUTSIDE the Fox Valley (Elgin-Aurora)  
8% reflected visitors from OUTSIDE Illinois  
3% reflected visitors who stayed in hotels

Favorites: 78 Scarecrows  
42 Food  
38 Everything  
37 Ambience  
35 Crafts  
33 Carnival  
31 Make Your Own Scarecrow  
17 Activities For Kids  
10 Entertainment  
10 Stores & Pubs (5 each)  
4 Mini Abe  
1 each: Antiques, Paddlewheel Cruise, Petting Zoo. Vendors  
114 No response

**108 (24%) surveys reflecting 349 (26%) attendees who were repeat, non-St. Charles visitors came to St. Charles between 2013 and 2014 Scarecrow Fests.**

**OVERNIGHT STAYS**

94 room nights were tracked by five St. Charles hotels: Best Western (33), Courtyard (7), Fairfield (20), Quality Inn (6), Pheasant Run (28)

Four St. Charles properties did not track: Country Inn (Sold Out), Hampton Inn (Sold Out), Geneva Motel, Hotel Baker

One hotel (Super 8) reported no rooms from Scarecrow

30 surveys indicated stays at seven St. Charles hotels: Best Western -2; Courtyard - 1; Fairfield - 1; **Hampton - 1; Hilton - 2; Hotel Baker - 3;** Pheasant Run Resort - 18; Only the **bolded** rooms have been included in estimated attendee spending. (6 rooms added to reported 94 – **100 total tracked rooms**)

One survey indicated stays outside St. Charles: Hampton Inn Aurora. This room has NOT been included in estimated attendee spending

**Estimated overnight attendee spending:**

94+ 6 (surveys) = 100 room nights (97 @ 3.1 ppl per room, 3 rooms @ 2 ppl per room/estimated daily per person expenditure \$111\*: \$34,077 **estimated overnight spending** from 307 attendees

12/3/2014 – potential direct spending adjusted to reflect Illinois Office of Tourism current Illinois Office of Tourism calculators for leisure visitors outside Chicago: \$111 per person per overnight stay; \$78 per person per day for day trippers – Jan Kemmerling, Assistant Deputy Director, Illinois Office of Tourism

**SURVEYED DAY VISITORS** (not including **estimated 50% attendees** from Fox Valley):

1216 x \$78\* = **\$94,848** Surveyed day visitor spending

**DIRECT SPENDING OF SURVEYED (non-Fox Valley) VISITORS & HOTEL OVERNIGHTS**

\$34,077 Overnight Guests  
94,848 DayVisitors (Fox Valley attendees NOT included)

**\$128,925** TOTAL DIRECT SPENDING FROM **SURVEYED** (non-Fox Valley) ATTENDEES

**ESTIMATED SPENDING BASED ON SURVEY INFO AND FESTIVAL ATTENDANCE OF 120,000++**

120,000 estimated attendance  
56,400 estimated Fox Valley attendees  
- 307 identified overnight attendees  
63,293 Day Trippers outside of the Fox Valley

63,293 estimated day tripper attendance @ \$78 = \$4,936,854  
100 identified hotel room nights=  $\frac{34,077}{100}$   
\$4,970,931

**Estimated Impact of '14 Scarecrow Visitors Spending**

*Figure includes NO revenue generated by approximately 56,400 visitors who attended the festival from communities in the Fox Valley – including St. Charles, Geneva, Elgin, Aurora, Batavia, etc.,*

**Additional Tourism Statistics (Based on 2013 expenditure numbers): Jan Kemmerling, Assistant Deputy Director, Illinois Office of Tourism:**

Each travel dollar produces 5.2 cents in state tax receipts.  
Each travel dollar produces 2.3 cents for local tax coffers.  
On average, every \$114,857 spent by domestic and international travelers in Illinois directly supported one job

*Therefore, based on estimated spending of \$4,970,931 and using the 2013 statistics, 2014 Scarecrow Fest had the potential of providing:*

*\$258,488.41 of state tax revenue  
\$114,442.41 in tax revenue  
43 jobs*

**Scarecrow Fest Tracking Comparisons 2006-2014 - revised 12/3/14 with updated state calculators**

| Survey Components                       | 2006           | 2007                | 2008                     | 2009                         | 2010                            | 2011                           | 2012   | 2013  | 2014  | 2014-13 Comparison |
|---|----------------|---------------------|--------------------------|------------------------------|---------------------------------|--------------------------------|--|---|---|--------------------|
| Surveys Completed                       | 164            | 305                 | 222                      | 298                          | 755                             | 1161                           | 396  | 708   | 723   | 1498.00%           |
| Days of Survey                          | Sunday am only | Sat & Sun - pm only | Fri-Sat-Sun              |                              | Fri (21%); Sat (56%); Sun (23%) | Fri (11%); Sat(37%); Sun (53%) | Fri - Sat - Sun  | Fri-Sat-Sun   | Fri-Sat-Sun   | Same               |
| Attendees Represented                   | 408            | 1129                | 1154                     | 861                          | 2482/3.28 visitors per survey   | 4052/3.5 visitors per survey   | 1438/3.6 per survey  | 2339/3.3 per survey   | 2309/3.1 per survey   | -1                 |
| States Represented (including IL)       | 11             | 9                   | 9                        | 13                           | 14                              | 16                             | 18   | 25  | 22  | -3                 |
| Countries Represented                   | 1/USA          | 2/USA & England     | USA                      | USA                          | USA, Bulgaria, Korea, UK        | USA, Mexico, Turkey            | 6  | USA, Israel   | USA, Germany, Singapore   | 1                  |
| IL Communities Represented              | 79             | 77                  | 78                       | 108                          | 136                             | 142                            | 90   | 126   | 131   | 5                  |
| % Fox Valley Attendees                  | 20%            | 42%                 | 43%                      | 27%                          | 44%                             | 48%                            | 40%  | 50%   | 47%   | -3%                |
| #/% First Time Attendees                | 65/39.6%       | 120/39.3%           | 92/41%                   | 124/42%                      | 272/36%                         | 1638/44%                       | 449/31%  | 782/33%   | 600/30%   | -3%                |
| #/% Repeat Visit Attendees              | 99/60.3%       | 185/60.6%           | 130/60.6%                | 174/58%                      | 483/64%                         | 647/56%                        | 989/69%  | 1499/64%  | 1368/70%  | 6%                 |
| % Surveyed from Illinois                | n/a            | 94%                 | 94%                      | 88%                          | 96%                             | 95%                            | 89%  | 90%   | 92%   | 2%                 |
| % Surveyed from Illinois - First Timers | n/a            | 31%                 | 38%                      | 51%                          | 32%                             | 43%                            | 28%  | 32%   | 23%   | 9%                 |
| Top Three Sources for First Timers      | WOM, F&F, Bus  | WOM, F&F, Newspaper | WOM, Newspaper, Internet | WOM, F&F, Scarecrow Brochure | WOM, Internet, Family           | WOM, Family, Internet          | WOM, Internet, Family  | Family,WOD, Internet  | Family,WOM, Internet  | Same               |
| Room Nights Tracked                     | 27             | 207                 | 279                      | 191                          | 157                             | 216                            | 300  | 187   | 100   | -87                |
| Day Trippers Tracked                    | 325            | 1283                | 970                      | DNA                          | 2431                            | 2122                           | 1072   | 1162  | 1216  | 54                 |
| Direct Spending of Surveyed Attendees   | \$39,997       | \$195,157           |                          | DNA                          | \$173,136                       | \$256,674                      | \$195,663  | \$168,549   | \$128,925   | \$39,624           |
| FV Attendees - based on est attd/srvy % | 12,000         | 25,200              | 43,000                   | 16,200                       | 52,800                          | 87,000                         | 36,000   | 55,000/50%  | 56,400/47%  | 3%                 |
| Day Trippers (non FV) based on est attd | 47,735         | 34,049              | 55,042                   | 43,265                       | 66,666                          | 62,244                         | 52,957   | 54,369  | 63,293  | 8,924/16%          |
| Estimated Visitors Spending             | \$3,628,557    | \$2,676,935         | \$4,258,423              | \$3,313,890                  | \$5,173,086                     | \$4,765,824                    | \$4,106,322  | \$4,159,075   | \$4,970,931   | \$811,856/20%      |
| Weather                                 |                |                     | Extremely Hot            | 2 days rain/cold - Sun nice  | 3 days - perfect weather        | 3 days -perfect weather        | Thurs Rain; Fri Misty, windy 40 degrees; Sat, Sun sunny, 40's, windy - | Thurs & Fri nice, clear Sat: gray skies, 2 hrs pm rain Sun PERFECT: | Three days of nice weather - 60's & sunny but cool/cold in evenings |                    |
| STC Police Department Est Attendance    | 60,000         | 60,000              | 100,000                  | 60,000                       | 120,000                         | 150,000                        | 90,000   | 110,000   | 120,000   | 10,000/9%          |

**REVISED - YTD FY 15 Q1-Q3 vs FP 2008-2014 Group Sales Activities**

| <b>BUDGET</b>   | <b>FY 2008</b>      | <b>FY 2009</b>     | <b>FY 2010</b>     | <b>FY 2011</b>     | <b>FY 2012</b>     | <b>FY 2013</b>     | <b>FY2014</b>      | <b>YTD FY 15</b>    | <b>YTD 15 vs EOY 14</b>      |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|------------------------------|
| TOTAL Annual Budget   | \$1,018,709         | \$1,047,106        | \$929,144          | \$907,246          | \$842,008.00       | \$975,166.00       | \$1,020,390.00     | \$1,081,530.00      | \$61,140                     |
| <b>LEADS &amp; ROOM NIGHTS</b>  | <b>FY 2008</b>      | <b>FY 2009</b>     | <b>FY 2010</b>     | <b>FY 2011</b>     | <b>FY 2012</b>     | <b>FY 2013</b>     | <b>FY 2014</b>     | <b>Q1-Q3</b>        | <b>YTD Results vs EOY 14</b> |
| <b>Leads Generated</b>  |                     |                    |                    |                    |                    |                    |                    |                     |                              |
| Meetings & Conventions  | 53                  | 36                 | 32                 | 46                 | 36                 | 42                 | 48                 | 80                  | 32                           |
| Sports  | 9                   | 5                  | 9                  | 3                  | 9                  | 11                 | 12                 | 8                   | 4                            |
| Tour & Travel   | 28                  | 42                 | 25                 | 29                 | 17                 | 22                 | 16                 | 17                  | 1                            |
| <b>Total Leads Generated</b>  | <b>90</b>           | <b>83</b>          | <b>66</b>          | <b>78</b>          | <b>62</b>          | <b>75</b>          | <b>76</b>          | <b>105</b>          | <b>29</b>                    |
| <b>Room Nights Generated</b>  |                     |                    |                    |                    |                    |                    |                    |                     |                              |
| Meetings & Conventions  | 19,524              | 17,624             | 6,343              | 14,880             | 16,214             | 13,061             | 15,833             | 21,210              | 5,377                        |
| Sports  | 4,855               | 1,090              | 4,145              | 1,104              | 5,069              | 3,221              | 6,037              | 7,362               | 1,325                        |
| Tour & Travel   | 2,250               | 279                | 249                | 297                | 65                 | 98                 | 93                 | 50                  | 43                           |
| <b>Total Room Nights Generated</b>                                    | <b>26,629</b>       | <b>18,993</b>      | <b>10,737</b>      | <b>16,281</b>      | <b>21,348</b>      | <b>16,380</b>      | <b>21,963</b>      | <b>28,622</b>       | <b>6,659</b>                 |
| <b>Potential Estimated Direct Spending from Room Nights Generated</b> | <b>\$11,168,095</b> | <b>\$8,731,594</b> | <b>\$4,221,561</b> | <b>\$6,350,712</b> | <b>\$7,907,218</b> | <b>\$6,900,457</b> | <b>\$9,375,441</b> | <b>\$12,217,245</b> | <b>\$2,841,804</b>           |
| <b>Leads Booked</b>   |                     |                    |                    |                    |                    |                    |                    |                     |                              |
| Meetings & Conventions  | 7                   | 6                  | 9                  | 6                  | 10                 | 20                 | 10                 | 10                  | Flat                         |
| Sports  | 4                   | 1                  | 5                  | 1                  | 1                  | 9                  | 7                  | 4                   | 3                            |
| Tour & Travel   | 52                  | 44                 | 27                 | 27                 | 11                 | 17                 | 15                 | 13                  | 2                            |
| <b>Total Leads Booked</b>   | <b>63</b>           | <b>51</b>          | <b>41</b>          | <b>34</b>          | <b>22</b>          | <b>46</b>          | <b>32</b>          | <b>27</b>           | <b>5</b>                     |
| <b>Room Nights Booked</b>   |                     |                    |                    |                    |                    |                    |                    |                     |                              |
| Meetings & Conventions  | 697                 | 418                | 1,059              | 178                | 876                | 588                | 1,386              | 1,065               | 321                          |
| Sports  | 333                 | 45                 | 1,040              | 48                 | 50                 | 971                | 4,290              | 2,218               | 2,072                        |
| Tour & Travel   | 915                 | 127                | 297                | 227                | 35                 | 0                  | 67                 | 25                  | 42                           |
| <b>Total Room Nights Booked</b>                                       | <b>1,945</b>        | <b>590</b>         | <b>2,396</b>       | <b>453</b>         | <b>961</b>         | <b>1,559</b>       | <b>5,743</b>       | <b>3,308</b>        | <b>2,438</b>                 |
| <b>Potential Estimated Direct Spending from Room Nights Booked</b>    | <b>\$873,113</b>    | <b>\$422,039</b>   | <b>\$1,094,894</b> | <b>\$267,577</b>   | <b>\$312,544</b>   | <b>\$766,459</b>   | <b>\$2,672,900</b> | <b>\$1,377,040</b>  | <b>\$1,295,860</b>           |
| <b>Conversion Rate</b>  | <b>49%</b>          | <b>53%</b>         | <b>55%</b>         | <b>53%</b>         | <b>51%</b>         | <b>52%</b>         | <b>51%</b>         | <b>50%</b>          |                              |
| <b>Year-end PENDING Room Nights</b>                                   |                     |                    | <b>12,527</b>      | <b>13,676</b>      | <b>11,349</b>      | <b>6,565</b>       | <b>11,504</b>      | <b>15,233</b>       |                              |
| <b>Sales Contacts Made</b>  | <b>8,974</b>        | <b>4,132</b>       | <b>2,705</b>       | <b>3,353</b>       | <b>2,600</b>       | <b>5,346</b>       | <b>4,827</b>       | <b>5,242</b>        | <b>415</b>                   |
| <b>Room Nights Serviced</b>   | <b>N/A</b>          | <b>29,506</b>      | <b>25,756</b>      | <b>11,102</b>      | <b>20,954</b>      | <b>11,508</b>      | <b>10,370</b>      | <b>8,165</b>        | <b>2,205</b>                 |

**SCCVB**  
**FY 2014 and YTD 2015**  
**ACCOMPLISHMENTS – Revised with update booked room nights**  
**(ROI Spreadsheet Attached)**

**Fiscal Year 2014 July 1, 2013 - June 30, 2014**

- \* Generated 76 group business leads (21,963 potential room nights) – 34% more than FY 13
- \* Booked 5,742 rooms of NEW business – up from 1,559 booked in FY 13
- \* Serviced 72 meetings with 30,256 attendees – 28% more than FY 13
- \* Sent information to 19,105 potential visitors who've contacted us as a result of our advertising
- \* 647,304 marketing "touches" – up 12% from FY 13
- \* ROI of \$21.83 per each LOCAL funding dollar (\$526,500); \$14.40 per TOTAL funding dollars (\$780,000 – local and state dollars)

**FY 2015 - Year to Date July 1-March 31, 2015 (Q4/April –June TBD)**

- \* Generated 105 leads reflecting 28,622 potential room nights
- \* Booked **3,308** rooms of new business
- \* Serviced 22 meetings, with 8,165 attendees
- \* Sent visitor information to 11,079 potential visitors who've contacted us as a result of our advertising
- \* 2,070 real time reservation referrals to St. Charles hotels via Jack Rabbit Book Direct website reservation
- \* 532,541 marketing "touches"
- \* Scarecrow Fest named by Fodors Travel as one of 15 best small town festivals in the country
- \* Pinnacle Award Recipient/Successful Meetings Magazine
- \* YTD ROI of \$15.57 per total LOCAL funding dollar (\$585,000)

| <b>RETURN ON INVESTMENT SNAPSHOT</b>   | <b>FY 2011</b>               | <b>FY 2012</b>                         | <b>FY 2013</b>                         | <b>FY 2014</b>                         | <b>YTD 2015</b>                        |
|--|------------------------------|--|--|--|--|
| SCARECROW FEST ESTIMATED NON- FOX VALLEY ATTENDEE SPENDING   | \$5,173,086                  | \$4,765,824                            | \$4,106,322                            | \$4,159,075                            | \$4,970,931                            |
| ESTIMATED LEISURE VISITOR SPENDING   | \$5,955,168                  | \$7,262,248                            | \$5,846,692                            | \$4,663,832                            | \$2,760,120                            |
| GROUP SALES  | \$267,577                    | \$312,544                              | \$766,459                              | \$2,672,900                            | \$1,556,510                            |
| ESTIMATED SPENDING TOTAL   | \$11,395,831                 | \$12,340,616                           | \$10,719,473                           | \$11,495,807                           | \$9,287,561                            |
| ROI from local hotel funding: \$526,500 - FY11-14, \$585,000 FY 15   | 21.64 per local hotel tax \$ | \$23.44 per local hotel tax \$         | \$20.36 per local hotel tax \$         | \$21.83 per local hotel tax \$         | \$15.88 per local hotel tax \$         |
| FY 11 - \$708,063;<br>FY 12 - \$740,121;<br>FY 13 - \$744,666<br>FY 14 - \$780,008<br>YTD FY15 - \$833,845 (unaudited)                             | \$16.09 per state & local \$ | \$16.67 per state & local hotel tax \$ | \$14.40 per state & local hotel tax \$ | \$14.74 per state & local hotel tax \$ | \$11.14 per state & local hotel tax \$ |
|  |                              |  |  |  |  |
| <b>INITIATIVES NOT INCLUDED IN ROI or TRACKABLE</b>  | <b>FY 2011</b>               | <b>FY 2012</b>                         | <b>FY 13</b>                           | <b>FY 2014</b>                         | <b>YTD 2015</b>                        |
| Fox Valley Scarecrow Fest Attendees  | 87,000                       | 36,000                                 | 36,000                                 | 55,000                                 | 56,400                                 |
| Groups/Attendees Served  | 77 grps/11,102 ppl           | 119 grps/20,954 ppl                    | 98 grps/23,570 ppl                     | 72 grps/30,256 ppl                     | 22/8165 ppl                            |
| Conversion of unique website visits  | 220,742                      | 355,184                                | 402,798                                | 544,510                                | 477,067                                |
| Media exposure - magazine & newspaper editorial, tv & radio mentions   | N/A                          | N/A                                    | N/A                                    | N/A                                    | N/A                                    |
| Visitors who shopped in stores, dined in restaurants, enjoyed our attractions after reading about them in Faces & Places visitors guide            | Untrackable                  | Untrackable                            | Untrackable                            | Untrackable                            | untrackable                            |
| Business generated by planners who learned about St. Charles from our sales managers and decided to book directly with one of our hotels or venues | Untrackable                  | Untrackable                            | Untrackable                            | Untrackable                            | untrackable                            |
| Business generated by planners whose events were serviced by the Bureau who decided to rebook for another year                                     | Untrackable                  | Untrackable                            | Untrackable                            | Untrackable                            | untrackable                            |
| Event attendees who decided to stay an extra day OR come back to St. Charles for a leisure getaway   | Untrackable                  | Untrackable                            | Untrackable                            | Untrackable                            | untrackable                            |

**City of St Charles**  
**Hotel Tax Receipts Analysis**  
**6/24/2015**

| <b><u>Year</u></b><br><b><u>Ended</u></b><br><b><u>April 30</u></b> | <b><u>Hotel Tax</u></b><br><b><u>Receipts</u></b> | <b><u>Change</u></b> | <b><u>Percentage</u></b><br><b><u>Change</u></b> |
|---|---|----------------------|--|
| 2007  | \$1,948,562                                       | N/A                  | N/A  |
| 2008  | \$2,047,977                                       | \$99,415             | 5.10%  |
| 2009  | \$1,737,237                                       | (\$310,740)          | -15.17%  |
| 2010  | \$1,582,359                                       | (\$154,878)          | -8.92%   |
| 2011  | \$1,612,461                                       | \$30,102             | 1.90%  |
| 2012  | \$1,749,895                                       | \$137,434            | 8.52%  |
| 2013  | \$1,778,810                                       | \$28,915             | 1.65%  |
| 2014  | \$1,630,810                                       | (\$148,000)          | -8.32%   |
| 2015**  | \$1,768,106                                       | \$137,296            | 8.42%  |

\*\* 2015 Amount Estimated based on April Forecast.

All other amounts from the City's Comprehensive Annual Financial Report for the fiscal year indicated.

**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, 2015 for the period beginning May 1, 2015 and ending April 30, 2016. One payment of \$175,500 shall be made on or about August 1, 2015. The remaining 8 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) beginning on or about September 1, 2015. Any non-tourism, matching funds grants which the Bureau assists City in obtaining shall be treated as a separate matter.

III. In addition to the \$200,000 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 \$200,000 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, 2016, 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, 2015.
- 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, 2015.

**ST. CHARLES CONVENTION AND VISITORS BUREAU**

**CITY OF ST. CHARLES**

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

\_\_\_\_\_  
Mayor