



Legislation Text

File #: 23-0749, Version: 1

TO: Mayor Richard C. Irvin

FROM: Alex G. Alexandrou, Chief Management Officer

DATE: September 15, 2023

SUBJECT:

Ratification of payment to the Aurora Area Convention and Visitors Bureau.

PURPOSE:

To obtain City Council approval for payments made to the Aurora Area Convention and Visitors Bureau (AACVB) for the 2023 year.

BACKGROUND:

In 1987, the city entered into an intergovernmental agreement (IGA) with the Villages of North Aurora, Sugar Grove and Montgomery concerning the imposition of a hotel/motel tax and the use of the proceeds of that tax to promote tourism in the greater Aurora area (Resolution No. R87-3668, attached). Originally, the communities agreed to impose a 3% hotel/motel tax and give 80% of the proceeds to the Aurora Area Convention and Tourism Council (now named the Aurora Area Convention and Visitors Bureau [AACVB]).

The agreement underwent significant changes in 2015, including shorter renewal terms, from five years to two years. For the 2020 agreement year (put forward to for approval in December of 2019), the city opted to move to a three-year term cycle. The agreement expired on December 31, 2022, however 2023 payments were expended pending further discussions on a new agreement.

Since the execution of the original agreement, it has been amended and its term has been extended several times. Over the course of the extensions, the number of participating municipalities has increased and the amount of hotel/motel tax proceeds conveyed to the AACVB increased from 80% to 90% of total collections.

DISCUSSION:

Staff met with Cort Carlson, Executive Director of the AACVB and the Board Chair, Alderman Bill Donnell in September of 2023. This specific item is requesting a ratification for payments made, and the city will work closely with the AACVB to update the agreement and bring forward for approval in December of 2023 for a yet to be determined new term.

IMPACT STATEMENT:

Ratification of payments to AACVB will compensate them for their valuable services and resources to the city and participating area municipalities while the city and AACVB finalize a new IGA to be

brought forward for council approval.

RECOMMENDATIONS:

That the City Council approves the resolution ratifying the payment to the Aurora Area Convention and Visitors Bureau in the amount of \$175,000 for the 2023 year.

cc: Finance Committee



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution ratifying payment to the Aurora Area Convention and Visitors Bureau in the amount of \$175,000 from the Hotel Operators' Occupation Tax for the 2023 year.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the City has previously approved agreements with the Aurora Area Convention and Visitor's Bureau ("AACVB"), providing for the payment of certain collected Illinois hotel operator's occupation tax dollars from the City to the AACVB in exchange for the promotion and development of tourism within the Aurora area; and

WHEREAS, the first of such agreements was approved December 15, 1987 via Resolution R87-3668 and the most recent extension of the Agreement approved via Resolution R19-411 expires on December 31, 2022; and

WHEREAS, funds for the 2023 year have been expended based on the terms of the expired agreement; and

WHEREAS, it is the desire of the City of Aurora and the AACVB to authorize a new amended agreement for the 2024 year and beyond.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: The payment to the Aurora Area Convention and Visitors Bureau in the amount of \$175,000 for the

2023 year is hereby ratified.