



Legislation Text

File #: 23-0965, **Version:** 1

TO: Mayor Richard C. Irvin

FROM: Alex G. Alexandrou, Chief Management Officer

DATE: November 21, 2023

SUBJECT:

A Resolution Authorizing the Execution of an Agreement in Support of the Aurora Area Convention and Visitors Bureau through the Hotel Operators' Occupation Tax.

PURPOSE:

To obtain the City Council's approval of a resolution that would extend the City of Aurora's participation in the Aurora Area Convention and Visitors Bureau from January 1, 2024, through December 31, 2028. Aurora agrees to contribute ninety percent (90%) of its revenues collected through the Hotel Operators' Tax during this period, up to a maximum amount of \$225,000.00 annually.

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). Originally, the communities agreed to impose a three percent (3%) hotel/motel tax and give eighty percent (80%) of the proceeds to the Aurora Area Convention and Tourism Council (now named the Aurora Area Convention and Visitors Bureau [AACVB]).

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 increased, and the amount of hotel/motel tax proceeds conveyed to the AACVB increased from 80% to 90% of total collections.

DISCUSSION:

The extension of the ninth amendment to the agreement expired on December 31, 2022 and was ratified by the City Council on October 10, 2023 (R23-305).

In 2013, the City of Aurora re-evaluated the terms of the previous extensions with the AACVB based on the city's significant financial contribution compared to other member municipalities. The re-evaluation led to Aurora and the AACVB Board agreeing to significant changes to the terms of the Agreement. The changes limited Aurora's financial contribution and increased its direct representation on the Board, all while preserving current levels of formula grant funding provided by the State of Illinois to the AACVB. The revised terms also called for the agreement between Aurora

and the AACVB to be shortened from five years to two years, however, the agreement was extended in 2015 for an additional year to three years.

The 2024 agreement proposes to increase the city's contribution from a maximum of \$175,000.000 to \$225,000.00, as well as extend the terms of the agreement from three (3) to five (5) years with an expiration date of December 31, 2028. The other change from the agreement is to the number of members appointed by Aurora. The previous agreements noted fifty percent (50%), the draft agreement proposes a total of ten (10). As the CVB works to grow their members, maintaining the 50% appointed members becomes unmanageable, so the number was set at 10.

IMPACT STATEMENT:

Approval of this agreement will have a positive impact on future tourism opportunities for Aurora, continuing to grow the tax base and supporting economic development in the city.

RECOMMENDATIONS:

It is recommended the City Council approve the amended five-year agreement with the Aurora Area Convention and Visitors Bureau to expire on December 31, 2028.

cc: Finance Committee



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution Authorizing the Execution of a five-year Agreement in Support of the Aurora Area Convention and Visitors Bureau through the Hotel Operators' Occupation Tax.

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 expired on December 31, 2022 and was ratified via Resolution 23-305; and

WHEREAS, it is the desire of the City of Aurora and the AACVB to authorize an amended agreement in accordance with the attached terms.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: the City of Aurora shall enter into a five-year Agreement set to expire on December 31, 2028 with the Aurora Area Convention and Visitor's Bureau substantially in conformance with the proposed terms attached, and the Mayor is hereby authorized to execute said Agreement on behalf of the City of Aurora.