

CITY OF PEORIA

AGREEMENT WITH THE

PEORIA AREA CONVENTION AND VISITORS BUREAU

This agreement, made and entered into, as of _____, by and between the City of Peoria, Illinois (hereinafter referred to as "the City") and the Peoria Area Convention and Visitors Bureau, Inc., (hereinafter referred to as the "PACVB"):

WITNESSETH THAT:

WHEREAS: The City of Peoria desires to enhance economic impact for its community; and

WHEREAS: The City desires to provide support for PACVB operations including promotional and marketing efforts which will provide economic growth through tourism; and

WHEREAS: The PACVB possesses the legal authority to carry out the activities included herein;

NOW, THEREFORE, it is mutually agreed as follows:

The City, in consideration of the promises, assurances, and conditions contained herein to be kept and performed by the parties, herein designates the PACVB to implement services in the City of Peoria thereby enhancing the economic growth in the community through promotion and marketing of tourism.

1. Compensation and Scope of Work.

A. Tourism Activities, \$200,000. The portion provided to the PACVB under this section shall be used to promote general tourism activities within the greater Peoria region. Specifically, these funds should be used to leverage additional state Tourism funds and other local community funds, to market all amenities and establishments within the City of Peoria, and to promote the greater Peoria region.

B. Promotional/Marketing Efforts for the City of Peoria/Peoria Civic Center Authority (PCCA), \$350,000 (effective September 1, 2016). The portion provided to the PACVB will be used for promotional/marketing efforts for the City of Peoria, as described in the PACVB long term plan. The City and the PACVB will define marketing expectations by an annual separate memorandum of understanding. The PCCA will have primary, but not exclusive sales responsibility at the Peoria Civic Center. If requested, the PACVB will provide sales support, housing services and marketing services to events booked at the Peoria Civic Center by the PCCA. The PACVB and the PCCA shall share all leads received and acknowledge receipt of the lead with the other party. The PACVB and the PCCA will collaborate to provide unified bid packages to potential clients. The PACVB and PCCA will share unified bid packages with one another, with the consent of the participating hotels, and agree upon a method to share potential leads and define a procedure for client relations. The PACVB will continue to

provide sporting event sales to other Peoria venues. If requested, the PACVB will provide additional services to events at the Civic Center and other venues using more than one hotel. The PACVB will collaborate with the City and the Civic Center to bring additional events to Peoria. The PACVB will attend the monthly PCCA meetings. The PACVB agrees to provide consulting services to City staff in the development of promotional items (i.e. brochures, pamphlets, etc.).

C. The PACVB will pay \$7,500 annually to the City of Peoria for collection and administration of the Hotel Tax.

D. During the term of this Agreement, the PACVB will develop a shared services funding model that will define how the PACVB will marshal its resources annually between services general in nature and community-specific events and contracts.

E. Annual Sales and Marketing Plan. The PACVB will annually adopt a Sales and Marketing Plan, and present the Plan to the Peoria City Council. This Plan will outline the strategies, objectives and goals of each key business unit of the PACVB. The 2016 Sales and Marketing Plan is included as Attachment A.

2. Tourism Reserve Fund.

A. The City and the PACVB shall jointly administer a Tourism Reserve Fund.

1. The Tourism Reserve Fund previously consisted of five separate funds: the 90% Civic Center Fund; the 10% Non-Civic Center Fund; the Local Community Events Fund; the Peoria Marketing Fund; and the Joint Marketing Fund. Beginning with this Agreement, the 90% Civic Center Fund shall be eliminated. Previously unspent balances in the 90% Civic Center Fund, shall be distributed upon execution of this Agreement to the Civic Center Authority for future funding commitments and to increase the Civic Center operating subsidy. Future distributions shall be allocated to the Civic Center operating subsidy. Beginning with this Agreement, the Joint Marketing Fund shall be eliminated. Previously unspent balances in the Joint Marketing Fund shall be held by the Tourism Reserve Fund for future marketing efforts. Future distributions of the Joint Marketing Fund shall be allocated to the Civic Center operating subsidy.

2. The Tourism Reserve Fund shall be held by the City and used by the Committee for the following purposes:

a. Seventy Thousand Dollars (\$70,000) plus any unspent prior balance, may be used by the Tourism Reserve Fund Committee for support of the 10% Non-Civic Center Fund to attract convention/tourism business to Peoria, thereby increasing overnight stays, and subsequently, increasing the economic impact to the community.

b. Ninety Thousand Dollars (\$90,000), plus any unspent prior balance, may be used by the Tourism Reserve Fund Committee for support of the Local Community Events Fund to assist Peoria based organizations with special events funding to enhance the quality of life for the citizens and visitors of the City of Peoria.

c. 36.67% of the annual Hotel tax in excess of \$650,000, after application of the Hotel Pere Marquette Hotel Tax Exclusion and the Hotel Tax increase effective January 1, 2016 described below, may be used by the PACVB each year for the Peoria Marketing Fund.

Any balance remaining in the Fund shall roll over from year to year. Attachment C is attached hereto as an example of how the cascading of funds will occur.

B. The Tourism Reserve Fund shall be operated by a committee comprised of five voting members: two members of the Peoria City Council appointed by the Mayor and approved by the Council; two members appointed by the Mayor and approved by the Council; and one member of the Peoria Area Convention and Visitor's Bureau Board of Directors. The Peoria City Manager and the President of the Peoria Area Convention and Visitors Bureau shall be non-voting members of the committee, but may vote in the absence of a member of their respective entities. The operations of the committee and the uses of its funding shall be subject to and governed by a separate set of criteria for use of the TRF funds which were restated in April 2011 and which may from time to time be amended or restated by the Committee as necessary to accomplish the intended purpose of the Tourism Reserve Fund.

C. The City Council entered into a Redevelopment Agreement for the block bounded by Fulton, Madison, Main and Monroe Streets in downtown Peoria to redevelop the Hotel Pere Marquette and to construct a new Marriott Courtyard Hotel. Part of the financing of the project is intended to come from increased hotel and restaurant taxes on the block, and the City has issued bonds for the project. In 2013, and thereafter until the aforementioned bonds are paid, the City may utilize hotel and restaurant taxes in excess of the hotel and restaurant taxes realized from the Hotel Pere Marquette in 2008 to repay the bonds issued by the City. The Hotel taxes collected by the Hotel Pere Marquette in 2008 were Two Hundred Seventy-one Thousand Eight Hundred Sixty Four Dollars (\$271,864). The Restaurant taxes collected by the Hotel Pere Marquette in 2008 were Fifty-Five Thousand Four Hundred Forty One Dollars (\$55,441). The PACVB and the Civic Center Authority shall have no claim on the aforementioned incremental hotel and restaurant taxes which shall be known as the Hotel Pere Marquette Hotel Tax Exclusion.

D. The City Council approved a 2016-2017 operating and capital budget on December 8, 2015, that included a 2% increase in the Hotel tax, effective January 1, 2016. This increase was designated for road improvements throughout Peoria. Effective January 1, 2016 and until the tax is rescinded, an amount equivalent to 25% of the Hotel tax collected will be transferred from the Restaurant tax collections to the City Road fund to be used for City infrastructure projects within City right-of-ways.

3. Time of Performance.

A. Performance will be ongoing and will be reported monthly.

4. Method of Payment.

A. The City will provide payment to the PACVB each month after receiving taxes from the hotel facilities.

5. Notice.

A. Notices and communications under this agreement shall be sent by first-class prepaid mail, to the City addressed to City Manager's Office, 419 Fulton Street, Room 207, Peoria, IL 61602, and the PACVB addressed to their place of business. Said notices and communications shall be deemed received when mailed.

6. Terms and Conditions.

A. This agreement is subject to the provisions set out in the paragraphs below:

1. Compliance with Laws.

a. The PACVB shall comply with all Federal, State, and local laws, ordinances and executive orders included, but not limited to rules and regulations regarding charging of fees, criminal sanctions, grievance procedures, sectarian activities and political activities.

2. Fair Employment Practices.

a. The PACVB shall comply with all applicable provisions of Chapter 17 of the Municipal Code of Peoria providing for fair employment practices.

7. Representations and Warranties.

A. In connection with the execution of this contract, the PACVB further represents and warrants:

1. That it is financially solvent, that its employees are competent to perform the services required under this agreement, and the PACVB is legally authorized to execute and perform this agreement under the terms and conditions stated herein.

2. That the PACVB has carefully examined and analyzed the provisions and requirements of this agreement, that it has satisfied itself as to the nature of all things needed for the performance of this agreement, and that the time available to it for such examination was adequate.

3. That no officer, agent or employee of the City is employed by the PACVB or has a financial interest, directly or indirectly, in this agreement.

8. Indemnity.

A. The PACVB agrees to indemnify, defend, keep, hold and save harmless the City, its agents, officials and employees, against any and all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses which may in any way or manner accrue against the City out of or by reason of the PACVB's negligent acts, errors, or omissions, in connection with the activities contemplated by this agreement.

9. Audit Rights.

A. The PACVB shall conduct an annual audit by a Certified Public Accountant and provide one copy to the City at no expense to the City. The City reserves the right to conduct special audits, at any time, of hotel tax funds expended.

10. Record Retention.

A. All records pertinent to this agreement, including financial, statistical, and supporting documentation, shall be retained for a period of three (3) years or until all audits are complete and findings on all claims have been finally resolved.

11. Annual Performance Report and Monitoring.

A. The PACVB shall provide reports of productivity and performance to the City, as related to the service of promotion and marketing of the City of Peoria to enhance overnight room stays, on a monthly basis and will present an annual marketing report which will include the duties agreed upon.

12. Duration.

A. This agreement is in effect through December 31, 2017, and will automatically renew for one year if either party fails to give notice of a desire to make changes within 90 days of the contract expiration.

Executed this _____ day of _____, 2016.

PEORIA AREA CONVENTION AND
VISITORS BUREAU, INC.

CITY OF PEORIA

By: _____
Chairman of the Board

By: _____
Mayor

By: _____
President

By: _____
City Manager

By: _____
Corporation Counsel

By: _____
City Clerk

ATTACHMENT A – 2016 SALES AND MARKETING PLAN