

**CITY OF WARRENVILLE**  
**HOTEL TAX GRANT POLICY**  
Sub-Committee Recommendation,  
November 8, 2004

**Background:** Aldermen Linda Spicer, Jim McGuire and George Safford were appointed by Mayor Vivian Lund to recommend to the City Council a final policy on Hotel Tax grants, as well as procedural guidelines for making the grants. When approved by the City Council, the policy and procedure will be transferred to the Tourism and Arts Commission (TAC) to administer. It is the intent of the Council that the TAC will administer the grant process annually and return their decisions to the City Council for final approval of grant fund disbursement.

**A. Policy:**

1. It is the express intent of the City Council and the related Ordinance #2107 passed on December 17, 2003, that taxes collected from the Hotel Tax are used for the following express purposes:
  - a. Community cultural events
    - Continuing Event Heritage
    - Nurture new events
  - b. Tourism
    - Promote the community to potential tourists
    - Improve the hospitality of the community
  - c. Art Programming and Education
    - Nurture support for artists, all genres
    - Develop coordinated community program
    - Talent development
    - Art exhibitions
  - d. Community Capital Improvements
    - Improve the ability to support tourism
    - Improve the hospitality of the community
    - City beautification efforts

This Grant Program will not be used to fund the annual Summer Daze and 4<sup>th</sup> of July events.

2. It is also the express intent of the City Council that the Hotel Tax funds be reserved to an amount equal to the average annual disbursement of funds. To that end, a total of \$150,000 in fund balance will be budgeted for in the Hotel Grant Program funds, which will be used for grant making for all of the above in those years when the tax collections are insufficient to fund the usual, average annual disbursements.

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**B. A further intent of the City Council is that a total of \$150,000 annual disbursement of funds be awarded in the following categories.**

1. Events
2. Tourism
3. Arts
4. Capital

No category shall be awarded more than 50% of the hotel grant funding.

Funding cannot be used for overhead items such as insurance, website maintenance, or staff that are employed by the agency and work beyond just execution of the event/program.

**C. A final intent of the City Council is that all event grants be limited to \$35,000 each including the costs of City services. It is incumbent on grantees to control their event costs so as to minimize the impact on City services and their associated costs. City service costs will be expended directly from the annual grant budget to be allocated in any given year.**

**D. Procedural Guideline:**

1. Grant requests shall be in writing using a common format/form.
2. Requests shall be submitted annually by the second Monday in September.
3. Events with a history of annual occurrences shall have priority over new events being developed.
4. Events must take place within the City of Warrenville corporate limits or with an address that includes zip code 60555; however, the grant applicant executing the event can be an agency or organization outside the City limits.
5. The Tourism and Arts Commission staff liaison receives, assembles the grant request packets and forwards the completed requests to the Commission.
6. The Tourism and Arts Commission shall analyze all grant requests, comply with the policies and procedure guidelines provided by the City Council.
7. The Tourism and Arts Commission shall recommend grant decisions with supporting documentation that supports compliance with policy and procedural guidelines.
8. The City Council shall approve the recommendation from the Tourism and Arts Commission provided it is comfortable that the policy and procedures have been adequately followed.
9. Funds shall be disbursed in a manner that clearly accounts for all funds used and as requested. Reimbursements of expenses shall be paid quickly to preserve vendor discounts or avoid late payment penalties.

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10. Reimbursements may be submitted as expenses are incurred, however an applicant who receives a reimbursement and then fails to execute the event/program will be required to pay back the reimburse amount and will not be eligible for future grant awards until that amount is repaid.
11. Changes in the grant application after funds have been awarded, must be requested to TAC in writing. TAC will review the request and make a recommendation to City Council for approval or denial if the requested change would increase the amount of funds previously approved for that grant.
12. Event data shall be summarized and reported to the Tourism and Arts Commission within 45 days of the end of the event or program. A complete financial accounting will be included on a form provided by TAC.
13. Samples of expense types are as follows:
  - a. Events
    - Entertainment
    - Supplies
    - Food/Refreshments
    - City services needed to protect public safety and property
    - Miscellaneous expenses related to the event
  - b. Tourism:
    - Partner with local hotels to support their occupancy
    - Promotional materials such as banners, flyers, and giveaways
    - Advertising costs
  - c. Art Programming and Education:
    - Art programs
    - Art exhibits
    - Art education
  - d. Community capital improvements
    - Signage
    - Planters
    - Reusable equipment

**Conclusion:** The Hotel Tax funds should be used to develop the culture and heritage of the community that helps define the community and make it attractive to visits by non-residents, and in all other respects nurtures our community as a point of destination for the traveling public. The goal overall is to increase the number of hotel stays in our community and to extend the stays of travelers.