

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

Resolution or Ordinance (Blue) _____ *Waiver of First Requested*
 x Recommendations of Boards, Commissions & Committees (Green)
Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES
FROM: Scott Niehaus, Village Manager
DATE: August 10, 2022 (B of T) Date: August 18, 2022
TITLE: Local Hotel Relief Grant Programs
Community Promotions & Tourism Committee Recommendation
SUBMITTED BY: Nicole P. Aranas, Assistant Village Manager
Community Promotion & Tourism Committee

BACKGROUND/POLICY IMPLICATIONS:

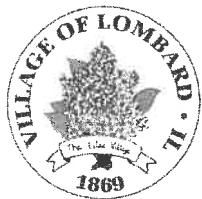
Attached please find pertinent information in regards to a recommendation of the Community Promotion and Tourism Committee. The Community Promotion and Tourism Committee has formally recommended additional support for an existing tourism grant program, as well as development of a Local Tourism Grant Program and with recommended program guidelines in support of such a program. The Committee recommends allocation of \$25,000 of additional funding towards the existing DuPage Convention and Visitors Bureau Tourism Grant Program and approval of the development of a Local Hotel Relief Grant Program with total funding of \$275,000.

Please place this item on the consent agenda for the August 18, 2022 Board of Trustees meeting.

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X _____ Date _____
Village Manager X _____ Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



MEMORANDUM

TO: Scott Niehaus
Village Manager

FROM: Nicole P. Aranas
Assistant Village Manager

DATE: August 10, 2022

SUBJECT: Local Hotel Relief Grant Programs
Community Promotion & Tourism Committee Recommendation

Attached please find relevant information in regards to a recommendation from the Community Promotion and Tourism Committee to approve local hotel relief grant programs and associated funding. At the direction of the Village Board of Trustees, the Community Promotion and Tourism Committee has developed a set of recommendations for the distribution of supportive funding and grants for local hotel relief. Specifically, the Committee is recommending \$25,000 of additional funding towards the existing DuPage Convention and Visitors Bureau Tourism Grant Program and the development of a Local Hotel Relief Grant Program with funding of \$275,000.

HISTORY

Last fall, in connection with the annual budget planning process, the Village Board of Trustees initiated discussion regarding the allocation of supportive funding to support the tourism industry and local hotel recovery. The Village Board of Trustees committed \$300,000 of funding made available through the American Recovery Plan Act towards tourism, hotel, and hospitality industry support and directed the Community Promotion and Tourism Committee to develop recommendations regarding the same.

Over multiple meetings this year, the Community Promotion and Tourism Committee evaluated options for grant funding, initiated a meeting with local hotels to elicit feedback, surveyed local hotels on their needs and the status of their recovery post-COVID, and developed a set of recommendations for local hotel grant relief programs.

RECOMMENDATION

The Community Promotion and Tourism Committee recommended allocation \$25,000 of funds to the existing Tourism Grant Program administered by the Village and DuPage Convention and Visitors Bureau and the development of a Local Hotel Relief Grant Program with the remainder of funds, totaling \$275,000.

EXISTING TOURISM GRANT PROGRAM

The DuPage Convention and Visitors Bureau ("DCVB") currently administers a Tourism Grant Program to incent large events and group bookings which typically general 100 or more hotel room nights. The program is administered as a matching grant with local municipalities awarded through local hotels. Since 2015, the Village of Lombard has annually budgeted \$25,000 of Hotel/Motel Tax funds towards matching DCVB Tourism Grant awards. The existing program has been used with significant success to support events and programs at Lombard hotels which over the years have generated thousands of hotel room night stays and millions of dollars of tourism spending.

Post-COVID, the market for the attraction of large events, conferences, and group business has become increasingly competitive. Funding for events in upcoming years has been committed and the program is currently financially constrained. Additional funding towards the existing Tourism Grant Program will assist local hotels in remaining competitive in the current market and provide additional opportunities to attract events, groups, and programs to local hotels. The Community Promotion and Tourism Committee has recommended an additional \$25,000 be allocated to the existing DCVB Tourism Grant Program.

LOCAL HOTEL RELIEF GRANT PROGRAM

The Community Promotion and Tourism Committee recommends adoption of the proposed grant program and allocation of \$275,000 towards local hotel relief grants. The Community Promotion & Tourism Committee has proposed specific eligibility guidelines application requirements, evaluation criteria and funding schedule for the proposed grant program. Draft program guidelines, proposed application, budget forms and supporting documents developed by the Committee are attached here for review.

A summary of certain recommended provisions from the proposed Local Hotel Relief Grant Program follows below:

- Purpose - The purpose of The Village of Lombard Local Hotel Relief Grant Program is to provide support to local hotels for support and recovery post-pandemic.
- Eligibility - Applicants must be an entity owning and operating one or more hotel/lodging properties within the corporate limits of the Village of Lombard.
- Funding Mechanism - Grant is established as a reimbursement program, whereby monies are to be paid out following approval of grant awards and expenditure for qualified expenses. In certain cases, limited exceptions may be permitted to provide for a grant advance.
- Funding Limits - Maximum funding level for each hotel shall be limited to the proportionate share of total grant funds calculated on a per room basis. The Village of Lombard has a total of 1,721 rooms, which would equate to a grant fund cap of up to \$159.79 per room.
- Funding Schedule and Process- Grants for this program may be submitted simultaneously and will be reviewed by the Community Promotion and Tourism Committee with recommendation to the Village Board of Trustees.
- Application Requirements – Applicants must complete a grant application as a supplement to the DuPage Hotel Relief Grant Program application as well as submit a budget and/or estimate of requested expenditures

Should the Village wish to adopt the Committee recommendations for the proposed hotel relief grant programs, staff will move forward with implementation of the programs and bring applications forward as they are received.

Please review the attached documents and advise of any issues or concerns prior to final draft of a municipal code amendment.



VILLAGE OF LOMBARD
LOCAL HOTEL RELIEF GRANT PROGRAM
PROGRAM GUIDELINES

The Village of Lombard has established the Local Hotel Relief Grant Program for the purposes of assisting the hotel industry recover from pandemic-related losses. This program will provide funding for local hotels as reimbursement for a variety of improvements and investments that support hotel, hospitality, and tourism recovery.

The following guidelines are provided to assist and guide you through your application for a hotel relief grant through the Village of Lombard.

PURPOSE

The purpose of The Village of Lombard Local Hotel Relief Grant Program is to provide support to local hotels for support and recovery post-pandemic.

ELIGIBLE APPLICANTS

Applicants to the Local Hotel Relief Grant Program must be hotels located within the corporate limits of the Village of Lombard. The applicant shall be a sole proprietorship, partnership, corporation, limited liability company or joint venture that owns and operates one more lodging properties in Lombard, Illinois operating a hotel within the Village corporate limits.

FUNDING

The Village of Lombard Local Hotel Relief Grant Program is a reimbursement grant program. Grant funding will be issued upon presentation of invoices for goods or services or paid receipts. Applicants must submit for payment or reimbursement through the use of a reimbursement form along with an invoice or proof of payment to receive grant funds. Limited exceptions may be made for a grant advance by separate request.

GRANT GUIDELINES AND REQUIREMENTS

1. Each applicant shall submit a completed application and copy of supplemental application to the DuPage Hotel Relief Grant Program.
2. The applicant shall provide a budget or estimate of expenses for proposed expenditures as part of the application.

3. Grant applications will be evaluated by the Community Promotion and Tourism Committee with recommendation to the Village Board of Trustees.

CRITERIA AND EVALUATION PROCEDURE

In evaluating applications, the Village will consider whether the proposed application meets the eligibility criteria set forth below. Expenses eligible funding under this program shall include:

- Support for hotel promotions and marketing;
- Support for capital improvements to the hotel;
- Funds to incentivize group business through grant awards or rebates;
- Support for safety and security improvements to the hotel;
- Funded promotions or incentives to provide hotel guests with incentive to stay (vouchers, cash rebates, gift cards, or tickets to attractions);
- Support for other improvements to hotel facilities or services; and,
- Funds to support industry memberships or attendance at trade shows

Additional considerations regarding the grant award follow below:

- The grant committee may choose to fund a portion of any request based on availability of funds.
- The Village of Lombard reserves the right to make adjustments to projects as necessary to coincide with grant guidelines. If the total amount of requested grant funds exceeds the total amount of funds available, the Village may prioritize grant awards or adjust funding levels. The Local Grant Program is not intended to be a continuous source of funds for a particular attraction or event year after year.

FUNDING LIMITS

Funding awards under the Local Hotel Relief Grant program shall be limited to a total amount of \$275,000 for all Lombard hotels. Awards to individual applicants shall be capped at the per room proportionate share of the total amount of funding available. Total funding of \$275,000 over 1,721 total rooms equates to a maximum grant cap of \$159.79 per room.

FUNDING SCHEDULE

The Village of Lombard will allocate a certain amount of funding towards the hotel relief grant program. Grant applications will be evaluated simultaneously. To be considered for funding, an application must be received on or before the application deadline. In order to remain eligible for grant funding, proposed activities must not be initiated prior to approval by the Village.