

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

Resolution or Ordinance (Blue) _____
Recommendations of Boards, Commissions & Committees (Green) _____
Other Business (Pink) _____

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager

DATE: June 8, 2009 (B of T) Date: June 18, 2009

TITLE: Grant Application from the Embassy Suites

SUBMITTED BY: Community Promotion & Tourism Committee through the Department of Community Development *MA*

BACKGROUND/POLICY IMPLICATIONS:

Please find attached a grant recommendation from the Community Promotion & Tourism Committee:
The grant is to be used for reimbursement of costs associated with the promotion, advertising and marketing of the Lombard Embassy Suites Hotel. The Committee recommended approval of an amount of \$20,000. (DISTRICT #3)
Please place this item on the consent agenda for the June 18, 2009 Board of Trustees meeting.

Fiscal Impact/Funding Source:
Hotel/Motel Tax Fund

Review (as necessary):

Village Attorney X _____
Finance Director X _____
Village Manager X _____
Date _____
Date _____
Date *6/8/09*

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: David A. Hulseberg
Village Manager

FROM: William J. Heniff, AICP
Director of Community Development

DATE: June 8, 2009

SUBJECT: Promotions & Tourism Committee Grant Recommendation

The following is a recommendation for a grant request from the Community Promotions & Tourism Committee. This request was presented at a special meeting on June 4, 2009.

Grant Request For 2009 Embassy Suites Marketing Reimbursement

The Embassy Suites Chicago/Lombard/Oak Brook requested a grant for reimbursement funding in an amount of \$25,000. The funds would be used to support the promotion, advertising, and marketing of their Lombard Hotel.

The supporting grant documentation is attached for your review.

RECOMMENDATION:

The Community Promotions & Tourism Committee recommended approval of funding for the Reimbursement Grant in an amount of \$20,000.

Please place this item on the consent agenda on the June 18, 2009 agenda of the Board of Trustees. If you have any questions, please feel free to contact me. Thank you.

Attachment

WJH/jmk

Why are you requesting Hotel/Motel Tax funding?"

Date:

This application is to request funding from the Hotel/Motel tax fund. Applications must be accompanied by a budget that reflects the request by the organization. Applications are reviewed by the Community Promotions & Tourism Committee and are then referred to the Village Board.

N/A
N/A
June 2009 - May 31, 2010

Hotel/Motel Tax Grant Application

If you are having problems viewing this HTML email, click to view a [Text version](#).

From: support@civicplus.com [mailto:support@civicplus.com]
Sent: Monday, April 27, 2009 10:39 AM
To: Kott, Joelyn; polakC@villageoflombard.org
Subject: Online Form Submittal: Hotel/Motel Tax Grant Application

Think GREEN and avoid printing emails when possible. THANK YOU!

Joelyn Kott
 Communications & Marketing Coordinator
 Village of Lombard
 (630) 620-5718
www.villageoflombard.org



From: Kott, Joelyn
Sent: Friday, May 01, 2009 1:14 PM
To: Polak, Cindy
Subject: FW: Online Form Submittal: Hotel/Motel Tax Grant Application

Polak, Cindy

If so, how?

community?

Yes

No

Will any profits generated be returned to the

ES Lombard increased our advertising with AAA March 2008-March 2009. The increase in revenue YOY was \$187,798 resulting in \$12,676 in tax INCREASE YOY and a total of \$32,199 in taxes for the <stl:place

How does this promote tourism/overnight stays in Lombard?

Do you intend to apply for a liquor license for this event/project/activity?

Yes

No

Is the event open to the general public?

Yes

No

Event/Project/Activity
Date of Event/Project/Activity
Estimated Attendance:

Email: Amy.Wilkoff@hillton.com

Phone: 630.971.4230

Name of Person Submitting Grant Application: Amy Wilkoff - Amy will drop off our budget this week to Joely

Name of Organization Requesting Funding: Embassy Suites Chicago Lombard Oak Brook

A budget of the event or item that is being requested must be attached to the application or the grant application may be not have been received by the Village Finance Department or be attached to the application. If this is a repeat request, the cancelled check(s) from the previous year must

Yes

Have you requested Hotel/Motel tax funds in the past?

AAA Advertising \$6,000 - Includes enhanced website listing, premier website placing, half page advertisement and virtual tour of the hotel. Big Mouth Marketing Campaign: \$14,400 - A Pay

Specifically, what will the Hotel/Motel Tax funding be used for?

Amount of funds being requested:

For the past 6+ years our hotel has received an average of \$20,000 for our marketing funds of which we have utilized all funds to promote occupancy in <stl:place w:st="on">Lombard</stl:place>. In

Event/Project/Activity: June 2009 - May 31, 2010

Email: Amy.Wilkoff@hilton.com

Phone: 630.971.4230

Name of Person Submitting Grant Application: Amy Wilkoff - Amy will drop off our budget this week to Joely Kott.

Name of Organization Requesting Funding: Embassy Suites Chicago Lombard Oak Brook

Have you requested Hotel/Motel tax funds in the past?: No

Business Ledger Advertisement - (\$2,000) Promoting our hotel to corporate groups through various promotions.

Insight Lead Service: (\$3,000) An online website giving up to date information on companies, associations and Government agencies bringing business to competing hotels.

Big Mouth Marketing Campaign: \$14,400 - A Pay Per Click campaign attracting potential customers through Google, Yahoo and MS.com searches.

Specifically, what will the Hotel/Motel Tax funding be used for?: AAA Advertising \$6,000 - Includes enhanced website listing, premier website placing, half page advertisement and virtual tour of the hotel.

Amount of funds being requested: \$25,000.00

Why are you requesting Hotel/Motel Tax funding?: For the past 6+ years our hotel has received an average of \$20,000 for our marketing funds of which we have utilized all funds to promote occupancy in Lombard. In 2009 it was announced that the funds would not be automatic and we would need to apply for a grant. Without the grant, our hotel in unable to utilize specific marketing initiatives that provide a heavy return on investment. We are hoping to continue four of the specific marketing plans that in turn provide occupancy and revenue for our hotel vs. the same people utilizing a hotel in one of the surrounding communities. Our hotel has been ranked Number One in Revenue produced per available Room and the marketing initiatives help us continue to be successful.

Date: April 27, 2009

The following form was submitted via your website: Hotel/Motel Tax Grant Application

* indicates required fields.

For every occupied room the hotel has, tax revenue generation is contributed. In addition, our customers spend money shopping, eating and at entertainment facilities within the community.

Date of Event/Project/Activity: N/A

Estimated Attendance: N/A

Is the event open to the general public?: No

Do you intend to apply for a liquor license for this event/project/activity?: No

How does this promote tourism/overnight stays in Lombard? : ES Lombard increased our advertising with AAA March 2008-March 2009. The increase in revenue YOY was \$187,798 resulting in \$12,676 in tax INCREASE yoy and a total of \$32,199 in taxes for the Village of Lombard. Big Mouth Media ended 2008 with a 25:1 ratios. The hotel netted \$360,000 in incremental revenue resulting in over \$24,300 in taxes for the Village which does not included additional monies spent on retail/F&B venues. YTD 2009 we have a 28:1 ratio which has already produced \$100,800 in room revenue alone. (This stat is ending March 2009.) Insight which is an active lead research subscription has paid for itself with one booking resulting from taking the information received at another hotel in a surrounding community. The Business Ledger advertisement is promoting our hotel to book corporate business in Lombard vs. a surrounding community.

Will any profits generated be returned to the community?: Yes

If so, how?: For every occupied room the hotel has, tax revenue generation is contributed. In addition, our customers spend money shopping, eating and at entertainment facilities within the community.

Additional Information:

Form submitted on: 4/27/2009 10:38:46 AM

Submitted from IP Address: 192.251.125.85

Form Address: <http://www.villagelombard.org/forms.aspx?FID=46>

Embassy Suites Chicago Lombard Oak Brook Remaining Marketing Budget Funds Jan - Dec 2009

For Review by Board of Directors for Grant Fund

General Promotions Budget	\$5,800	These funds are utilized for giveaways at tradeshow and travel agent visits.
Media Rooms Budget	\$6,000	These funds are used for collateral and promotions in addition to our other campaigns. Examples would be: Muzac, advertisement in local papers and flyers.
Trade Shows	\$2,015	This is used for two catering tradeshow per year to promote us as a wedding venue. We had to cut this 50% from 2008 to 2009.
Travel Costs	<u>\$7,284</u>	Travel Costs are to Travel Agent Visits, visits to our top 5 accounts, and any mileage incurred with local driving for
<u>Total Marketing Funds our ownership</u>	<u>\$21,099.00</u>	These funds are allocated to the marketing initiatives above.

Hilton Allocation Marketing Funds
3.06% of our room revenue goes directly to the BRAND of Embassy Suites to do Brand Marketing for the 198 Embassy Suites Hotels. There are an additional 60 hotels in the pipeline.



EMBASSY SUITES
HOTELS

Embassy Suites Chicago Lombard Oak Brook

Return on Investment with the
Village of Lombard's
Marketing Funds

Embassy Suites Marketing Funds Utilization

- Our hotel has utilized 100% of the marketing funds for the past 6 + years in order to promote tourism to our hotel and the Village of Lombard.
- The Embassy Suites has ranked # 1 in Revenue produced per Available Room vs. our competitors in surrounding communities for the past 5 years and continues to be ranked # 1 YTD in 2009. (Data based on Star Global Data Corporation based on actual data reported by hotels)
- In a down market it is essential to steal market share from surrounding competition in other cities and villages. Industry travel is declining; therefore, the competition is focused on stealing our share and diluting rates in DuPage County. Embassy Suites has historically outperformed other brands in revenue due to the value the hotel ads which is why it is so important to reach out to companies and individual travelers and inform them of the value. (Historical value received from Smith Travel Research)
- Our competition in surrounding cities include: Marriott Suites Downers Grove, Marriott Oak Brook, Renaissance Oak Brook, Doubletree Oak Brook, Hilton Suites Oakbrook Terrace, Doubletree Guest Suites Downers Grove and Holiday Inn Oak Brook Terrace. Our rank is in comparison to these hotels; although, our competition is much broader. We compete with surrounding communities including Lisle, Naperville, Oak Brook, Downers Grove and even hotels in Lake and Cook County. We have lost business to downtown Chicago quoting rates as low as \$89.00 at 4 star hotels.

Embassy Suites

Marketing Funds

2009/2010

- AAA Advertising Includes: enhanced website listing, premier website placing, half page advertisement and virtual tour of hotel.
- Big Mouth Marketing Media campaign...a pay – per – click campaign attracting potential customers through Google, Yahoo and MSN.com searches.
- Insight Lead Service – An online website giving up to date information on companies, associations and Government agencies bringing business to our competing hotels.
- Business Ledger Advertisement – Promoting groups to utilize our hotel through various promotions.

\$\$\$Return on Investment\$\$\$

- ES Lombard increased our advertising with AAA (fiscal year March 1, 2008 to March 1, 2009) and the *increase* revenue year over year was \$187,798, resulting in \$12,676 in tax increase YOY and a total of \$32,199 in taxes for the Village of Lombard. This is phenomenal considering that our market saw a decline in May of 2008. The AAA promotion is a yearly cost of \$6,000 and a new agreement was signed for a promotion through April 1, 2010.
- Big Mouth Media Marketing ended 2008 with a 25:1 ratio. The hotel netted \$360,000 in incremental rooms revenue, resulting in over \$24,300 in taxes for the village, not including the additional monies spent on retail venues. Year to date we have a 28:1 ratio which has already produced \$100,800 in room revenue alone resulting in over \$6,804 in taxes for the village.
- Business Ledger advertising has resulted in booking two pieces of business for the hotel with revenues estimated around \$5,000. this is a 4:1 ration in return.
- Insight which is an active lead research subscription which can track any piece of business coming to the Chicago land area, including Lombard from any city. We recently signed the 2009/2010 agreement and have a strong tentative booking for this service that would pay for the subscription. We are targeting business that is in Schaumburg, Rosemont and even Oak Brook to bring them to Lombard.

Reasons to Continue the programs

Our AAA production *increased \$183,491* from 2007 to 2008. One of the very few market segments that increased travel year over year.

YTD 2009 AAA is up 13.2% in room bookings. First quarter is historically slower; therefore, we are pacing to be up ***20-24%*** !

Our Local Negotiated accounts (attracted through pay – per - click campaigns and business ledger advertisements) are

up 4.1 % Year over year!

***These accounts are not just from all surrounding communities such as:
Downers Grove, Oak Brook, Naperville, Lisle, Wheaton, Warrenville***

Our marketing funds *partnership* with the Village of Lombard is *crucial* for our continued success and commitment to these marketing initiatives.

We are graciously requesting to apply for a grant of \$25,000 in order to cover the costs of the aforementioned programs.

- AAA Advertisement
- Big Mouth Media Pay per Click Campaign
- Insight Lead Service
- Business Ledger Advertising

THANK YOU FOR YOUR TIME!

