

CITY OF WARRENVILLE

MEMO

To: Tourism and Arts Commission
From: Cristina White, Assistant City Administrator *CW*
Subject: Hotel Tax Funding FY 2022
Date: July 14, 2020

Due to COVID-19, the hotels in Warrenville have been operating at a significantly reduced capacity. With the limited tax remittance data we have available, staff is projecting a 46% loss in hotel tax revenue for the current fiscal year (FY 2021). There is no way to anticipate when hotel stays will return to pre-pandemic numbers.

With this in mind, staff is recommending a reduction in programs for FY 2022 and has developed the following options for TAC consideration. A recommendation will be presented at the July 27, 2020 Public Safety and Finance Committee of the Whole meeting for City Council consideration.

Option 1: Maintain \$150k for hotel grants & suspend the Aesthetic Enhancement Program

This option would provide sufficient funding to consider all grant applications for events and programs in FY 2022. This is an optimistic view that larger events and gatherings will be permitted by May 1, 2021. Many of the grant recipients rely heavily on grant funding to hold programs.

Suspending the Aesthetic Enhancement program would provide TAC some additional time to consider a future project.

Total Savings: \$60,000

Option 2: Reduce hotel grant funding & suspend the Aesthetic Enhancement Program

Under this option, only \$100k would be included in the FY 2022 budget for the hotel grant program. In both FY 2020 and FY 2021, the grant requests received exceeded \$100k. This option would likely result in some significant reductions in grant awards. Many of the grant recipients rely heavily on the grant to make their event or program possible.

Suspending the Aesthetic Enhancement program would provide TAC some additional time to consider a future project.

Total Savings: \$110,000

Option 3: Suspend both programs in FY 2022

This option would likely result in some events or programs being canceled in FY 2022 for lack of funding.

Suspending the Aesthetic Enhancement program would provide TAC some additional time to consider a future project.

Total Savings: \$210,000