



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Economic Development Division*

**m e m o r a n d u m**

**TO:** Mayor Laurel Prussing  
**FROM:** Elizabeth H. Tyler, FAICP, Director  
**DATE:** July 10, 2008  
**SUBJECT:** Urbana Business Association Contract

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**Description**

For several years, the City of Urbana has provided funding support to the Urbana Business Association (UBA). Over this time, the UBA has engaged in valuable marketing, promotional, and special event activities benefiting the businesses and residents of Urbana. The UBA also continues to function as an effective conduit between the City of Urbana and business interests in the City.

For these reasons, the City of Urbana provides support for the UBA via a contract for marketing and promotion. Attached are the proposed FY 08-09 contract, adopting ordinance, and the UBA budget.

**Issues and Discussion**

This contract, with the exception of date changes, is identical to the contract approved by City Council in June 2007. The contract approved last year for FY 07-08 provided for a substantial increase in City reimbursements to UBA from the FY 06-07 figure. The City's annual contribution increased from \$57,000 in FY 06-07 to \$75,000 in FY 07-08. This increase was primarily used to support increases in salary and additional marketing efforts. The proposed contract amount for FY 08-09 continues at the \$75,000 level and is reflected in the draft budget issued in May 2008.

The main funding source for this contract will change in FY 08-09. For the past several years, the UBA was funded primarily from the Economic Development Fund with supplemental funding from the TIF districts. For FY 08-09, it was deemed more appropriate for the UBA contract to be funded primarily out of the Community Development Services portion of the General Fund and continue to receive supplemental funding from the TIF districts.

## **Financial Impacts**

In the proposed FY08-09 City budget, the Community Development Services budget has approximately \$52,000 available for reimbursement of UBA activities and staff. In addition, TIF funds will reimburse approximately \$23,000 for items such as downtown banners and decorations, downtown business marketing, and portions of promoting downtown events. The total City commitment for FY 08-09 from both the General Fund and TIF districts is \$75,000.

## **Options**

The City Council has the following options with respect to this contract:

1. The City Council may approve the contract as presented.
2. The City Council may approve the contract with changes, understanding that any changes must be agreed to by the UBA.
3. The City Council may deny the contract.

## **Recommendation**

Staff recommends that the Committee of the Whole forward the attached ordinance and contract to the City Council's regular meeting scheduled on July 21, 2008 with a motion for approval.

Prepared By:



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Tom Carrino  
Economic Development Manager

Attachments:

Adopting Ordinance with attached Proposed 2008-2009 UBA/City of Urbana Contract  
UBA Budget  
2007/2008 UBA/City Contract

ORDINANCE NO. 2008-06-051

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT  
FOR PROMOTION AND MARKETING SERVICES**

(Urbana Business Association FY 2008-2009)

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF  
URBANA, ILLINOIS, as follows:

Section 1. That An Agreement for Promotion and Marketing Services by  
and Between the City of Urbana, a Municipal Corporation and The Urbana  
Business Association, a 501C.3 Not-For-Profit Corporation, in substantially  
the form of the copy of said Agreement attached hereto and hereby  
incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the  
same is hereby authorized to execute and deliver and the City Clerk of the  
City of Urbana, Illinois, be and the same is authorized to attest to said  
execution of said Agreement as so authorized and approved for and on behalf  
of the City of Urbana, Illinois.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_,  
2008.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

AN AGREEMENT FOR PROMOTION AND MARKETING SERVICES BY AND BETWEEN THE CITY OF  
URBANA, A MUNICIPAL CORPORATION AND THE URBANA BUSINESS ASSOCIATION, A 501C.3 NOT-  
FOR-PROFIT CORPORATION

WHEREAS, promotion of public events and programs in and around the City of Urbana is in the best interests of the City; and

WHEREAS, an efficient method of promoting such events is by a "partnership arrangement" with the Urbana Business Association (hereinafter known as UBA).

NOW THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES THEREIN MADE, the parties agree as follows:

Total payments under this contract shall not exceed \$75,000.00 in restricted and unrestricted expenditures.

1. Staffing Payments: Upon the execution of this contract and employment of staff, up to \$3,000 per month shall be paid to the UBA as a reimbursable for verified employee salary expenses.
2. Restricted Funds: Since the nature and extent of the costs likely to be incurred for the events contemplated below are difficult to ascertain in advance, it is agreed that those expenses and costs that are eligible for reimbursement hereunder are those actual "out-of-pocket" costs paid by the UBA. Restricted Funds will be paid only on a reimbursable basis upon documentation of the incurred UBA expense and UBA payment.
  - A. 2008-09 Build Urbana Events: The UBA shall promote Build Urbana through events, as well as organize, staff, coordinate, and promote the Urbana Home Parade. Only those homes within the corporate limits of Urbana shall be promoted. Prior to the City reimbursement of funds, the City must be provided with evidence of income and sponsorship from the event equaling or exceeding the developer funding match for the Home Parade. The City will reimburse UBA up to \$3,000 for advertising and promotion of events specific to the Build Urbana program. Expenditures for Build Urbana may include advertising, promotions, print ads, Realtor bus tour and the annual Realtor meeting.
  - B. 2008 Urbana Sweetcorn Festival: The UBA shall organize, staff, coordinate, and promote the Urbana 2008 Sweetcorn Festival. The City of Urbana shall be included as a primary sponsor on promotions. Up to \$7,000 will be reimbursed for this event for entertainment, promotional/advertising/marketing expenses.
  - C. Downtown Promotions/Events Coordination: The City will reimburse for eligible expenses for UBA Downtown events that are approved and coordinated with the City, exclusive of the Sweetcorn festival, not to exceed \$5,000. Examples might include events such as the Lincoln Square Village Holiday Market, the Beer & Chili Festival, the Urbana Free Library Race, and financial support for other events specific to the promotion of the City of Urbana, as approved by the UBA Board. Where the UBA promotes an event, UBA staff shall assure that all free promotional approaches are pursued including, but not limited to, public service announcements, web site promotion, UPTV announcements, entertainment listings publications and the like.
  - D. Urbana Business Marketing: Up to \$9,000 will be reimbursed to UBA for expenses incurred in relation to the promotion of Urbana merchants and upgrades for promotion of Urbana on UBA's website. UBA shall match up to \$3,000 in this category from UBA income and continue the promotional campaigns of Urbana businesses and services.
  - E. Holiday Downtown Decorations: UBA shall purchase and coordinate holiday decorations for the downtown under city approval. Examples may include light pole garland, holiday light pole banners, or the like. UBA shall coordinate installation and removal of holiday

decorations and banners. Up to \$2,500 will be reimbursed for the purchase of holiday decorations.

- F. Banner Decorations: UBA shall coordinate and purchase additional banners for the light poles in the Downtown area under city approval. Up to \$2,500 will be reimbursed for the purchase of banners. Banner installation shall be performed by an installation company. Up to \$5,000 will be reimbursed for installation and removal of banners and holiday decorations.
- G. Arts Promotion: UBA shall collaborate with local arts organizations such as 40 North/88 West and the Urbana Public Arts Commission to promote arts, culture, and entertainment in Urbana. Up to \$5,000 will be reimbursed to the UBA for such activities.

3. Event Permits/Contracts: All UBA events requiring event permits shall have the appropriate forms filed and approved with the City of Urbana within the time frame required in advance. Prior to UBA signing a contract with another agency to partner on an event, UBA shall inform Public Works staff and Community Development staff of the proposed contract and obtain City Staff input. UBA should ensure that a profit from each event is planned to benefit UBA prior to signing an event contract.

4. Board Representation: The City of Urbana shall have at least one seat on the UBA Board for City Staff in order to assure coordination.

5. Office Space: For the term of this contract, office space shall be provided in the downtown parking deck by the City of Urbana without charge. It is expressly understood that in the event the City designates or hires a downtown coordinator pursuant to the Downtown Plan, the City may choose to share said space with the UBA. The city of Urbana agrees to provide a parking space for the UBA office on the top level of the parking deck.

6. AM 530: UBA shall supply monthly event and promotional information to UPTV staff for programming on Urbana radio station AM 530. Script shall promote events occurring in Urbana as well as events occurring in the surrounding community.

7. Ribbon Cuttings: UBA shall continue to coordinate ribbon cuttings for businesses in Urbana, free of charge to the businesses. UBA shall work with City staff to ensure coordination and promotion of these events.

8. Payment Procedure for Reimbursable Expenses: Requests for reimbursement shall be made in writing to Economic Development Manager, 400 South Vine Street, Urbana, Illinois, and shall include such documentation as deemed appropriate by the Economic Development Manager.

9. Funds: Neither restricted nor unrestricted funds shall be utilized for membership promotion, political activities or in any other manner that is not a direct service to the City of Urbana.

10. Budget Work Plan: The UBA board shall submit an annual budget work plan to the City of Urbana with the proposed contract each year.

11. Termination/Default: Either party may terminate this contract for cause by giving thirty (30) days written notice as provided herein.

12. Notices: All notices hereunder shall be in writing and shall be served personally, by registered mail or certified mail to the parties listed below at the addresses set after their names, or to other such addresses as shall be agreed upon.

DATED at Urbana, Illinois, this \_\_\_\_ day of \_\_\_\_\_, 2008.

CITY OF URBANA, ILLINOIS

URBANA BUSINESS ASSOCIATION

BY: \_\_\_\_\_  
Laurel Lunt Prussing, Mayor

BY: \_\_\_\_\_  
(title)

ATTEST:

ATTEST:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

\_\_\_\_\_  
(secretary)

**Urbana Business Association**  
**UBA Budget - July 2008-June 2009**  
 July 2008 - June 2009

	<b>Total</b>
<b>Income</b>	
6009 Membership	
6009-1 Membership Events	1,708.00
6009-8 2008 Dues	200.00
6009-9 2009 Dues	15,082.00
<b>Total 6009 Membership</b>	<b>\$ 16,990.00</b>
6011 Build Urbana	
6011-0 BU-City of Urbana	2,990.51
6011-1 BU-Home Parade Advertisers	250.00
6011-3 BU-Participation	2,580.00
6011-4 BU-Home Parade Sponsors	2,750.00
<b>Total 6011 Build Urbana</b>	<b>\$ 8,570.51</b>
6013 Indoor Market	
6013-1 IM-Vendors	10,723.00
6013-2 IM-City of Urbana	3,800.18
6013-3 IM-Table Rental	125.00
<b>Total 6013 Indoor Market</b>	<b>\$ 14,648.18</b>
6014 Downtown Promotions	
6014-1 DP-City of Urbana	7,907.75
<b>Total 6014 Downtown Promotions</b>	<b>\$ 7,907.75</b>
6017 SCF	
6017.1 SCF-Sponsors	29,150.00
6017.4 SCF-Merchandise	700.00
6017.5 SCF-Ticket Sales	127,079.00
6017.6 SCF-Vendors	10,598.00
6017.8 SCF-City of Urbana	7,000.00
6017.9 SCF-Motor Muster	400.00
<b>Total 6017 SCF</b>	<b>\$ 174,927.00</b>
6019 Urbana Marketing - General	
6019-1 Arts Promotion - City of Urbana	5,000.00
6019-2 Urbana Mkting - City of Urbana	12,000.00
<b>Total 6019 Urbana Marketing - General</b>	<b>\$ 17,000.00</b>
Administration 1	
6040 Interest Income	1,373.79
6170 Staffing - City of Urbana	36,000.00
6180 Newsletter Sponsorship	50.00
<b>Total Administration 1</b>	<b>\$ 37,423.79</b>
<b>Total Income</b>	<b>\$ 277,467.23</b>
<b>Expenses</b>	
8009 Membership Expense	
8009-1 Member Ex.-Qtrly Mailing	978.75
8009-2 Member Ex.-Network Mail	243.20
8009-3 Member Ex.-Misc. Mailing	26.97
8009-4 Member Ex.-Brochures	200.00
8009-5 Member Ex.-Event Food	588.86
8009-6 Member Ex.-Event Supplies	29.18

8009-7 Member Ex. - Events		2,278.10
<b>Total 8009 Membership Expense</b>	<b>\$</b>	<b>4,345.06</b>
<b>8011 Build Urbana-1</b>		
8011-1 BU-Home Parade Advertising		4,871.00
8011-4 BU-Realtor Breakfast		1,824.49
8011-5 BU-Home Parade Kick-Off Party		413.40
8011-6 BU-Expo/Registration Fees		67.00
8011-7 BU-Bus Tour		878.49
8011-8 BU-Miscellaneous		1,085.63
<b>Total 8011 Build Urbana-1</b>	<b>\$</b>	<b>9,140.01</b>
<b>8013 Indoor Market</b>		
8013-2 IM-Advertising		6,439.79
8013-5 IM-Refunds		80.00
<b>Total 8013 Indoor Market</b>	<b>\$</b>	<b>6,519.79</b>
<b>8014 Downtown Promotion</b>		
8014-1 DP-Sponsorships		3,500.00
8014-2 DP-Banners		5,762.70
8014-4 DP-Postage		38.80
DP-Holiday Decorations		2,840.00
<b>Total 8014 Downtown Promotion</b>	<b>\$</b>	<b>12,141.50</b>
<b>8017 Sweet Corn Festival</b>		
8017-01 SCF-Advertising		8,130.00
8017-02 SCF-Intern		1,300.00
8017-03 SCF-Tents		3,166.00
8017-04 SCF-Entertainment		29,500.00
8017-06 SCF-Insurance		1,427.00
8017-07 SCF-Merchandise		1,500.00
8017-08 SCF-Postage		625.00
8017-09 SCF-Miscellaneous		1,045.00
8017-10 SCF-Printing		708.00
8017-11 SCF-Security		5,837.00
8017-12 SCF-Supplies		404.00
8017-13 SCF-License, Fees, Etc		1,425.00
8017-14 SCF-Vendor		56,109.00
8017-15 SCF-Golf Carts		600.00
8017-16 SCF-Beer		7,340.00
8017-17 SCF-Corn		2,919.00
8017-18 SCF-Soda		2,195.00
8017-19 SCF-Garbage Hauling		3,975.00
8017-20 SCF-Tollets		2,703.00
8017-21 SCF-Stage & Lights		12,566.00
8017-22 SCF-Ice		732.00
8017-23 SCF-Power		3,459.00
8017-24 SCF-Motor Muster		258.00
8017-25 SCF-Donations		0.00
<b>Total 8017 Sweet Corn Festival</b>	<b>\$</b>	<b>147,923.00</b>
<b>8019 Urbana Marketing</b>		
8019-4 UMG-Ad Campaign		1,894.60
UMG - Arts Promotion		6,636.64
UMG - General		4,262.35
<b>Total 8019 Urbana Marketing</b>	<b>\$</b>	<b>12,793.59</b>



<b>Administration</b>		
8040 Bank Charges		50.03
8070 Dues & Subscriptions		1,473.32
8075 Employee Benefit Programs		17,866.87
8120 Insurance		2,692.00
8135 Legal & Professional Fees		2,274.10
8140 Meals and Entertainment		1,713.45
8143 Mileage Reimbursement		365.89
8150 Postage		482.90
8153 Printing		256.21
8170 Salaries & Wages		42,094.38
8180 Supplies		7,323.55
8245 Telephone		1,505.88
8263 Internet Service		562.28
8264 Computer		1,209.29
8265 Miscellaneous		668.18
8266 Intern		3,473.66
Technology		318.60
<b>Total Administration</b>	<b>\$</b>	<b>84,330.59</b>
<b>Total Expenses</b>	<b>\$</b>	<b>277,193.54</b>
<b>Net Operating Income</b>	<b>\$</b>	<b>273.69</b>
<b>Net Income</b>	<b>\$</b>	<b>273.69</b>

Monday, Jul 07, 2008 03:34:43 PM GMT-5 - Cash Basis

# 2007-2008 UBA Contract

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- B. 2007 Urbana Sweetcorn Festival: The UBA shall organize, staff, coordinate, and promote the Urbana 2007 Sweetcorn Festival. The City of Urbana shall be included as a primary sponsor on promotions. Up to \$7,000 will be reimbursed for this event for entertainment, promotional/advertising/marketing expenses.
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DATED at Urbana, Illinois, this \_\_\_\_ day of \_\_\_\_\_, 2007.

BY: \_\_\_\_\_  
Laurel Lunt Prussing, Mayor

BY: \_\_\_\_\_  
(title)

ATTEST:  
  
\_\_\_\_\_  
Phyllis D. Clark, City Clerk

ATTEST:  
  
\_\_\_\_\_  
(secretary)