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City of Loves Park, City of Rockford, City of South Beloit, County of Winnebago,  
Village of Cherry Valley, Village of Machesney Park, Village of Rockton, Village of Roscoe;  
Rockford Area Convention & Visitors Bureau, Rockford Park District

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## Meeting Minutes

**Tuesday, December 1, 2020**

1:00 p.m.

Via Zoom meeting

(in accordance with amended OMA provisions  
included in the State of Illinois Public Act 101-0640)

### **Call to Order**

The regular meeting of the Winnebago County Tourism Facility Board was called to order by WCRTFB Chairman, Ian Linnabary at 1:05 p.m.

### **Roll Call**

Present: Mayor Greg Jury, Mayor Steve Johnson, Mayor Tom McNamara, Mayor Ted Rehl, Winnebago County Administrator Patrick Thompson, County Chairman-Elect Joe Chiarelli, John Groh President & CEO Rockford Area Convention & Visitors Bureau, Bobbie Holzwarth RACVB Board representative, Ian Linnabary Rockford Park District Board representative, and Jay Sandine Rockford Park District Executive Director. (90.2% representation)

Absent: Mayor Jim Claeysen, Mayor Dale Adams, Mayor Mark Szula and Winnebago County Chairman Frank Haney.

### **Public Comment**

There were no members of the public present who wished to address the Board.

### **Consent Agenda**

**Motion** by Mr. Rehl, seconded by Mr. McNamara, that the Board **approve** the following items on the Consent Agenda:

- A. January 21, 2020 Meeting Minutes
- B. 2021 Board Meeting Schedule

**Approved** 5(ayes) 0 (nays) 0 (abstain) 3(absent) (90.2%) by voice vote.

### **Financial Update**

RPD Chief Financial Officer Penny Christians reviewed the reports provided in the Board meeting packet highlighting the debt service payments shown. Ms. Christians said that even though hotel tax collections have been significantly lower year-to-date compared to historic receipts, we are still able to meet our minimum debt service payments on each of the bond issues. However, there will not be a large amount to apply toward principal payments early next year, which is our practice to reduce the bond debt. The payments made on the principal amounts in previous years are shown in the reports provided. In response to a question about the possible refinancing of the bonds with more favorable interest rates, Mr. Christians shared that the bonds cannot be refinanced until after 8 years into the payments, but this is something we will evaluate whenever possible. In closing, Ms. Christians shared the favorable results of the 2019 audit of the WCRTFB financial accounts.

Mr. Linnabary thanked Ms. Christians for the follow up on the question of refinancing the debt, and thanked the team at Illinois Bank & Trust for proactively evaluating the bonds to help us consider refinancing when it makes sense to do so.

### **Status Report on State of Sports Tourism Industry**

Mr. John Groh introduced the sports tourism industry update beginning with hotel market statics in the region for the year to date through the end of October, 2020. The numbers for Winnebago County showed that occupancy is at 49.3%, which is down 26.8% from 2019. Along with the lower occupancy, the average rate charged for a hotel room is down 17.3% from last year, and the revenue per available room is down 39.4%, which all indicate a sizable drop in revenues for our local hotels. Along with the revenue reductions, there has been an increase in the local supply of hotel rooms with two new hotels coming online in 2019. Including the effects of the reduction in sports tourism hotel stays, Mr. Groh showed that overall demand is down 24% in our area, and revenue is down 37.2% which corresponds with the tax revenue downturn shown in our financial reports for the year. Mr. Groh shared that our market has performed better than many markets because of our inter-state location, and the mixed use of our hotels, which are not so heavily reliant on large conventions like larger cities. Mr. Groh also shared that food and beverage taxes collected by the City of Rockford are down about \$500,000 which also reflects the decline in sports tournaments in our community.

Mr. Groh shared that the RACVB tracked group business losses, (meaning business that would generate non-resident, overnight visits), and said that 45 events of this type were cancelled in 2020, resulting in approximately 91,000 estimated people, and about 34,000 hotel room nights lost. The estimated combined economic loss to the region for these cancelled events is \$18.1 million. If you add the number of meetings and conventions that were cancelled, there is an estimated additional loss of \$10 million in economic impact to the region.

The Board asked about the nature of the events lost, as to regular annual events versus events that will need to be brought back to the region. Mr. Groh shared that some of these are annual and locally produced events. Our concern is with the larger events that move

around, and have moved away in 2020 to neighboring states. We know that many states were more open than Illinois, and we do have concerns about getting traveling tournaments to return to Rockford once they have agreements with, or have gotten used to other facilities. Mr. Groh said that both the Park District and the RACVB teams have stayed in contact with event operators and tournament directors to keep communications open, and he shared that there is a good pipeline of events coming for 2021 when covid restrictions are lifted. Through the creativity of the staff, the RACVB has even hosted virtual site visits, which have included RCF facilities, with large groups of operators as sales prospects that were very well received. Mr. Groh shared that it will be costly to go back to market, and we are watching the rate of reopening in Illinois, as well as neighboring states, to act as quickly as possible to bring tournaments back.

Mr. Sandine thanked the teams at RPD and RACVB who have done great work in a difficult year to maintain and operate the RCF facilities with nine months of unexpected shut down. We have had a good reminder this year of how important these facilities and recreation are to our community. Mr. Sandine said we are concerned about recapturing the business that has left this year, but we can work again in 2021 to retain regain and grow sports tourism in our region. He shared that the impact to the Park District from the pandemic has been a \$2 million loss in revenues to sports facilities, and an increase in our operational costs of over \$700,000. We have done all we can to reduce expenses, and spread staff to facilities where needed to save the expense of seasonal team members. We will be working to find additional resources for sales and marketing for the tournaments. He reiterated that the Park District is committed to the original intent of the RCF facilities, and between Mr. Groh and himself, there is a commitment to the urgent need to get the facilities filled with tournaments again, and to make the operations successful.

Mr. Sandine shared the news that Field 3 at the MHSC2 facility has been renamed to Dimke Field in honor of Tim Dimke, former Executive Director of the Park District, and one of the founding members of the Reclaiming First concept. Mr. Dimke's work made the Mega Center facility a reality, and it is a perfect tribute to him to rename that field in his honor. Mr. Sandine thanked everyone for their continued support, and in closing welcomed Winnebago Chairman-Elect, Joe Chiarelli, who has joined the WCRTFB Board.

### **Board Discussion**

Mayor McNamara inquired about the level of funding that has been provided by the RPD and the RACVB to attract tournaments in the past, and if increased funds are needed for incentives to attract tournaments in the future? Mr. Sandine shared that the Park District has no budget for incentivizing tournaments, and has in the past used reduced court fees as part of what we can offer to tournament organizers as incentives. Mr. Groh shared that we lack flexible funds to invest in new tournament business. In 2019 RACVB budgeted \$200,000 in funding for incentives like rent abatements and incentives to tournament directors, but additional funds for these purposes would lead to much greater success. Mr. Groh suggested double that amount would provide flexibility for using these types of incentives, and would provide for the ability to attend sales shows and other conferences related to the tournament industry. Mr. Groh said a more specific dollar amount can be provided to the board on the level of funding needed.

Mr. Wuori asked about the recommendation made by the Park District to close the

Mercyhealth Sportscore One campus, and asked how that change will affect our ability to host sports tournaments. Mr. Sandine shared that the recommendation to repurpose the facility is due to continuous flooding in that area, which renders the fields unplayable. The recommendation made for MHSC1 would be completed in a phased approach over the next 3 to 5 years, and would include the addition of fields at other facilities to ensure there are adequate numbers available for tournaments. Mr. Groh said that a thoughtful, planned transition between the facilities will require an investment into Clarence Hicks Memorial Sports Park as well, and he welcomed planning for the long term for that facility.

Mr. Groh also said that it is important that we stay current with repair and replacement for the RCF facilities, as is the practice of the Park District, and we should continue the conversation on facility upkeep as a Board. We will remain competitive with these facilities by keeping them operational, well maintained, and attractive to the people who want to bring tournaments, and for local use as well. The development of Riverside Boulevard by the City of Loves Park is another important piece of the overall conversation, as it relates to the development of the area around Mercyhealth Sportscore Two and complementary businesses in that area.

Ms. Holzwarth inquired as to any debt covenants or requirements, or naming rights commitments that may be affected by closing the Mercyhealth Sportscore One facility. Ms. Christians shared that because there were no improvements to the MHSC1 campus with Reclaiming First bond funds, the debt requirements are not affected. Mr. Sandine said that we have open and ongoing communication with all naming partners, and all of these relationships are good. We will work to get their approval on any changes when they are needed, as we value their input as very important partners in supporting these facilities.

Mayor McNamara asked about the priority of funding needed, and Mr. Groh and Ms. Potter shared that incentives to attract new tournaments were the first priority for use of additional funds, followed by long-term conversations of how to keep and retain the business we have now. Ms. Potter shared that many of the tournaments we have come from out of state, and they have many other options for facilities that could be used. If we were able to offer incentives to come to Rockford through lower court fees or marketing assistance, they would continue to bring their tournaments to Rockford. Additional funding could assist with those types of needs as well.

Chairman-Elect Chiarelli asked about the level of current marketing dollars available, and any barriers with political bodies that could be improved to allow for quicker access to funds for incentives. Mr. Groh shared that in the past, barriers such as the public meetings and the length of time needed to gain approval for the expenditures has not allowed for the speed required in putting incentives on the table. Tournaments will go to cities where it is easier to do business, and incentive pools are available for quick and flexible funding. Mr. Groh suggested the Board could work to find ways to make incentive funds more accessible to provide for better speed to market, with a streamlined approval process that is created for the use of those funds.

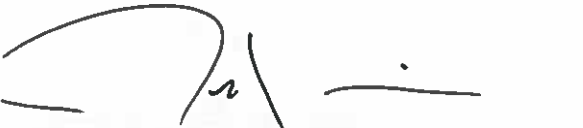
Mayor Jury asked if we anticipate a need to spend more money next year to bring the sports tournaments back to our facilities. Mr. Sandine confirmed we do think that will be the case, and it is a good time for us to bring our Board and other partners together to make a recommendation on what we believe future marketing and sales needs will be. Mr. Groh

said that the RACVB Board designated funds in the past to allow access to bids on tournament business as it was needed. It was flexible and quick with an easy approval process that worked successfully, and he offered to bring information back to the Board for establishing a fund that would work in this way for the RCF facilities through a collaborative approach. Ms. Holzwarth concluded the conversation by adding that some urgency is needed on this effort, as discussions for tournaments for next year have probably already started. Mr. Groh and Mr. Sandine agreed to bring more information back to the Board for further discussion.

**Adjournment**

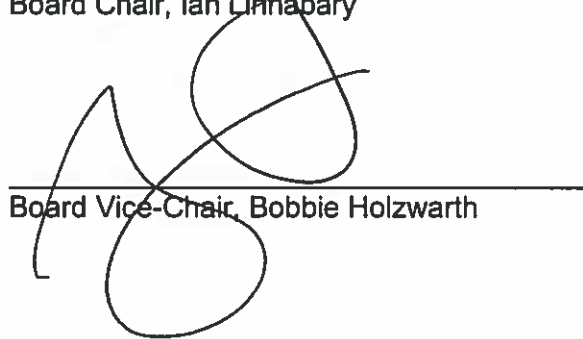
**Motion** by Mr. McNamara, seconded by Mr. Jury that the Board **adjourn** the meeting at 2:06 p.m.

**Approved** 5(ayes) 0 (nays) 0 (abstain) 3 (absent) (90.2%) by voice vote.



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Board Chair, Ian Linnabary



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Board Vice-Chair, Bobbie Holzwarth

BOARD APPROVED:

**APPROVED**

JUL 08 2021

Winnebago County Regional  
Tourism Facility Board

