



## PRESS RELEASE

For Immediate Release: Please direct questions in writing to [tasteofparkridge@comcast.net](mailto:tasteofparkridge@comcast.net)

Due to employment related obligations and other activities that conflict with scheduled City Council meetings, The Taste of Park Ridge Committee Chairman and other members of the Committee are unable to accept an invitation to appear before City Council. The Taste of Park Ridge Committee Chairman has asked, in writing, the City Manager (who is tasked with coordinating all material for Council consideration) to relay questions by members of City Council in writing in order to appropriately research and respond to them. Independent of that request, Alderman Knight has written questions. Alderman Knight's questions are excerpted from a longer email and are in *italic* font. The Taste of Park Ridge responses are in **Boldface** font.

Q. *"I will be looking to get a very straightforward and understandable explanation about the evolution of your organization."*

A. The Taste of Park Ridge event has always been a privately produced event. The Taste of Park Ridge's immediate predecessor "Taste of Uptown" was produced by the Uptown Business Association (UBA) in 1997, 1998, and 1999. Members of that organization merged with the Park Ridge Chamber of Commerce (PRCOC) and the event was produced by the Park Ridge Chamber of Commerce in 2000, 2001, 2002, 2003, and 2004. The Chamber opted to discontinue producing the event and a private volunteer corporation was formed to maintain the production of the event. The Taste of Park Ridge, Inc (TOPR) produced the event in 2005, 2006, 2007, and 2008. When it was brought to the attention of the TOPR Board of Directors that there had been a paperwork error in the original incorporation process and the corporation was not the type of corporation that was originally desired (The corporation was identified as an S corporation instead of the 501 C (6) as desired), the Board of Directors took corrective action by resolving tax issues and paying penalties and late fees applicable (some penalties and fees were waived and/or returned as it was determined the error was unintentional). Reincorporated in order to gain the correct corporation status of 501 C (6) and Federal tax exempt status, the Taste of Park Ridge, Inc (TOPR) produced the 2009, 2010, and 2011 events.

Q. *"And so you know, I will be looking to be convinced why the current situation is better for the city than the City committee model that was crafted back in 2005 to organize and run the event."*

A. The current situation benefits the City because as a sponsor the City determines the level of support it will provide through the services offered. A review of the past three years indicates the City has done so (between 2009 and 2010 events the City reduced its direct expenditures in overtime by 18%. That is an example of the control the City has in its sponsorship offering). Also, the City does not expend funds for the production of the event. All other funds for the event are developed by the private organization from private sources. The City does not have to provide the labor for the production of the event as that is done through volunteer means.

Simply said, if the City were to produce the entire event using taxpayer dollars then infrastructure, labor, entertainment, and promotion costs would be budget line items totaling to a significant amount over a hundred thousand dollars (whereas private dollars currently capitalize those costs).

Currently the City provides support indirectly and directly in the form of services. The costs of indirect services would be present whether an event was held or not—those services exist because the city exists and therefore are not directly attributable to any consideration of this issue.

The Direct services are resources the City has provided in order to support the event as a condition of the City's decision to sponsor the event. In 2011, that total was \$10,053.21. That amount is offset by the following 2011 Revenue Received by the City from or created by TOPR: Licenses & Permits \$175.00, Vendor Liquor Licenses \$675.00, Water Usage \$125.62, 1% Sales tax (generated by vendors) \$1,788.14, TOPR Gift to City (3% of vendors' sales) \$5,364.42, TOPR Sponsorship of National Night Out (Camel rides) \$895.00. All of which equals a total to the city in 2011 of \$9,023.18. Thus the City's direct costs in services are defrayed to an amount of \$1,030.03. Therefore, the City's adjusted sponsorship amount is \$1,030.03 placing it below the sponsorship offerings of 14 other private sponsors.

Another benefit of the current model is the fact that restaurants, merchants, and other businesses in the uptown area experience immediate increased activity because of the attendance generated at the event which translates into diners during and after the event and shoppers at the sidewalk sale. Moreover, sponsors and food vendors from other parts of town experience activity because of the promotion of their business by the event's multi media advertising efforts. What that means for the City is an enhanced business climate that generates sales tax directly to the city both near and long term throughout the year. While the metrics to quantify this are unavailable due to the provisions of state law (35 ILCS 120/11), Independent surveys have indicated through anecdotal accounts this to be the case. Add that activity and the sales tax revenue it generates to the aforementioned revenue from or by TOPR (9,023.18) and the direct costs in services the City provides as a sponsor has now been recovered and exceeded and the City experiences a gain. Therefore, the City sponsorship offering would be placed below all other private sponsors' offerings as more than 20 sponsors will have provided more through their sponsorships.

An additional benefit is the reduction of risk to the City should extreme weather conditions negatively impact the event. As evidenced in June and July, our area experienced precipitation and wind conditions as well as extreme heat conditions that are detrimental to an outdoor event. The Des Plaines Summer Fling event experienced rain, wind and flooding followed by heat that severely impacted it. The Indiana State Fair in August experienced severe thunderstorms that caused a stage collapse and resulted in fatalities. These risks exist. In the current model, the City does not take that risk in terms of having to capitalize or recapitalize operational funds in the event of weather detriment. Thus the current model provides for the Private Corporation (TOPR) to be the one to take the risk and thus the reason for TOPR's policy of a rainy day fund of surplus it holds in reserve.

Nowhere in the City of Park Ridge records is there any City Council resolution or ordinance indicating the formation of a City Committee to produce a Taste of Park Ridge event. Most municipalities are abandoning a City Committee model. The City of Chicago, Des Plaines, Wheeling, Elmhurst have all disbanded or modified to outside sources the production of similar events. Therefore, TOPR cannot comment on any comparison to a city committee model because there never was a City Committee that produced this event to which one can compare. But as evidenced by the 7 successful events that Taste of Park Ridge, Inc. (a private corporation) has produced, the private organization model works.

*Q. "Additionally, when the time comes for the discussion of future TOPR events I will be looking to have access to all TOPR tax filings since the organization's formation."*

**A.** You have indicated you possess the 2009 form 990. You received by USPS certified mail a copy of the 2010 form 990 which was filed. Federal law requires a 501 C (6) organization to make available form 990 filings for the past three years if requested. Since the Taste of Park Ridge 501 C (6) organization was incorporated in 2009, you have in your possession the forms which fulfill legal compliance with your request. Federal law does not require the release of any S corporation tax filings which were filed by the corporation that was in existence from 2005 until 2009. The Federal law is designed for the protection of private corporation's rights. TOPR, however, is contacting its CPA in order to acquire those forms and will be providing those voluntarily shortly. As the members of TOPR are volunteers and have business and family obligations as previously outlined, TOPR will suggest patience on your part until the private documents are available for public release.

*Q. "And finally, I'd be interested in having access to cash flow statements going as far back as possible. Please let me know if these can be available."*

**A.** Since your aldermanic purview is limited to the issue of City provision of services as a form of sponsorship, the documents you request fall outside that scope since they are private documents of a private corporation's management. Therefore, Taste of Park Ridge, Inc is exercising its federally protected rights and maintaining the documents' confidential status.