

**RESOLUTION 17-38**

**SUPPORTING PASSAGE OF A FOOD AND BEVERAGE TAX TO FUND EXPANSION OF THE MONROE COUNTY CONVENTION CENTER**

WHEREAS, the Monroe County Convention Center (“Convention Center”) was built in 1923 for the Graham Motor Sales company and converted to a Convention Center in 1991; and

WHEREAS, the Convention Center is the second most sought-after destination for groups seeking to hold events of significant size in Indiana, surpassed only by the Indianapolis Convention Center; and

WHEREAS, people attending events at the Convention Center also patronize restaurants and shops in Bloomington, and the resulting combined impact on the local economy over the past twenty-five (25) years is estimated at approximately \$256 million dollars; and

WHEREAS, the Convention Center was upgraded and remodeled, but not enlarged, in 2012, and its current size has limited its ability to accommodate many groups desiring to hold events in Bloomington, including approximately forty (40) groups in 2016 alone that could not be accommodated; and

WHEREAS, Monroe County (“County”) and the City of Bloomington (“City”) agree that an expanded Convention Center would provide civic benefits such as more meeting space and a greater variety of events, as well as significantly enhance the local economy through additional visitors to the area and increased employment opportunities; and

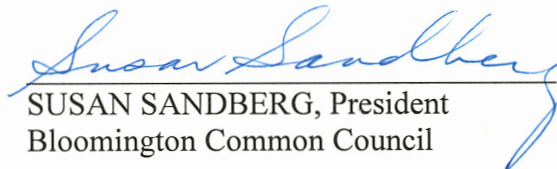
WHEREAS, the County and City agree that any project to expand the Convention Center requires their collaboration, and they have together taken initial steps towards realizing a project to expand the Convention Center (the “Project”), including issuing a Request for Proposals (“RFP”) to potential hotel and convention center developers and reviewing responses prior to approving a development partner; and

WHEREAS, a significant remaining step is securing funding for the Project, and the Common Council wishes to express its support for securing such funding via certain County excise tax revenues provided for under I.C. 6-9-41 (“Food and Beverage Tax”);

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. The City of Bloomington strongly supports the passage of a county Food and Beverage Tax under the authority granted to the Monroe County Council pursuant to I.C. 6-9-41; the City urges the County Commissioners and County Councilmembers to pass such a tax; and, the City pledges its cooperation, as needed, in the administration and use of the tax proceeds to fund the expansion of the Monroe County Convention Center.

PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 18<sup>th</sup> day of October, 2017.

  
SUSAN SANDBERG, President  
Bloomington Common Council

ATTEST:

  
NICOLE BOLDEN, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 19<sup>th</sup> day of October, 2017.

Nicole Bolden  
NICOLE BOLDEN, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this 19<sup>th</sup> day of October, 2017.

John Hamilton  
JOHN HAMILTON, Mayor  
City of Bloomington

#### SYNOPSIS

This resolution expresses the City of Bloomington's support for Monroe County to pass a local food and beverage tax to fund the expansion of the Monroe County Convention Center. Because of its limited size, the Convention Center has been unable to accommodate many requests from groups wishing to hold events there over the past several years. Expanding the size of the Convention Center and its adjacent hotel will significantly enhance the economic and civic benefits of the Convention Center for the citizens of Monroe County and the City of Bloomington.

Distributed to: Mayor, Clerk, Council Administrator, Legal, Controller

**LETTER OF INTENT**

**Between**

**CITY OF BLOOMINGTON**

**And**

**MONROE COUNTY GOVERNMENT**

## LETTER OF INTENT

THIS LETTER OF INTENT (“LOI”) is entered into by and between the City of Bloomington (“City”), and Monroe County Government, by its Board of Commissioners (“County”).

WHEREAS, the Monroe County Convention Center (“Convention Center”) was built in 1923 for the Graham Motor Sales company and converted to a Convention Center in 1991; and

WHEREAS, the Convention Center is the second most sought after destination for groups seeking to hold events of significant size in Indiana, surpassed only by the Indianapolis Convention Center; and

WHEREAS, people attending events at the Convention Center also patronize restaurants and shops in the City of Bloomington, and the resulting combined impact on the local economy over the past twenty-five (25) years is estimated at approximately \$256 million dollars; and

WHEREAS, the Convention Center was upgraded and remodeled, but not enlarged, in 2012, and its current size has limited its ability to accommodate many groups desiring to hold events in Bloomington, including approximately forty (40) groups in 2016 alone that could not be accommodated; and

WHEREAS, the County and the City agree that an expanded Convention Center would provide civic benefits such as more meeting space and a greater variety of events, as well as significantly enhance the local economy through additional visitors to the area and increased employment opportunities; and

WHEREAS, the County and City agree that a project to expand the Convention Center requires their collaboration, and that a project is unlikely to move forward without the availability of certain county excise tax revenues provided for under Indiana Code § 6-9-41-0.3, *et seq.* (“Food and Beverage Tax”); and

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1. Project

The City and County agree to collaborate on a project to expand the Convention Center (“Project”) for the benefit of the County, the City, their collective residents and the surrounding region.

Section 2. Adoption of Ordinance

The County agrees to pursue all means available for funding the construction of an expanded convention center in Monroe County, including adoption of an ordinance for a Food and Beverage Tax.

Section 3. City Use of Food and Beverage Tax Revenue

In the event the County adopts an ordinance approving a Food and Beverage Tax, the City hereby pledges that, subject to Section 5 below and I.C. § 6-9-41-16, the monthly tax revenue distributed under I.C. § 6-9-41-13 (“Tax Allocation”) to the City shall be used in accordance with I.C. § 6-9-41-15 for the following purposes:

- Construction and/or renovation of a convention center
- Financing or refinancing of a convention center
- Operation of a convention center
- Maintenance of a convention center

Section 4. County Use of Food and Beverage Tax Revenue

In the event the County adopts an ordinance approving a Food and Beverage Tax, the County and City agree that, subject to I.C. § 6-9-41-16, the County may use one hundred percent (100%) of the Tax Allocation to the County in accordance with I.C. § 6-9-41-14 for related tourism or economic development projects.

Section 5. Other Uses of Food and Beverage Tax Revenue

The County and City agree that the City may use up to 7.5% of its Tax Allocation for related tourism or economic development projects that support the convention center expansion project, as permitted under I.C. § 6-9-41-15. The balance of the City allocation will be used solely to support items stated in Section 3. At such time as the construction aspect of the Project is completed and all costs of the construction aspect of the Project have been paid, the first priority of the funding will be to supplement the Inn Keepers tax for the necessary expenses, as determined by the Advisory Commission, for operation and maintenance of the Project. Any Tax Allocation in excess of that may be used for related tourism or economic development projects as allowed under I.C. § 6-9-41-12 and appropriately authorized under I.C. § 6-9-41-16.

Section 6. Advisory Commission

In the event the County passes a Food and Beverage Tax, as required under I.C. §6-9-41-16, the parties shall set up an Advisory Commission composed of the members specified in the statute to “assist efforts of the county and city fiscal bodies regarding the utilization of food and beverage tax receipts.” The City executive shall select \_\_\_\_\_ of the three members identified in I.C. § 6-9-41-16(a)(1), and the County executive shall select \_\_\_\_\_ of the three members identified in I.C. § 6-9-41-16(a)(1).

Section 7. Definitive Agreement

The parties have executed this LOI to signify their joint commitment to pursuing and funding the Project, and hereby agree to enter into a definitive agreement that encompasses remaining aspects of the Project and other issues related to the Convention Center at a later date.

Section 8. Notices

Notice given by either party to the other under this LOI shall be in writing and delivered at the addresses provided below:

CITY

City of Bloomington Legal Department  
401 North Morton, Suite 220  
Bloomington, Indiana 47404  
(812) 349-3426 (phone)  
(812) 349-3441 (fax)

COUNTY

Monroe County Attorney’s Office  
Courthouse, Room 220  
Bloomington, Indiana 47404  
(812) 349-2525 (phone)  
(812) 349-2982 (fax)

Section 9. Authority of Parties

Each party warrants that it is authorized to enter in this LOI, that the person signing on its behalf is duly authorized to execute the LOI, and that no other signatures are necessary.

Section 10. Counterparts

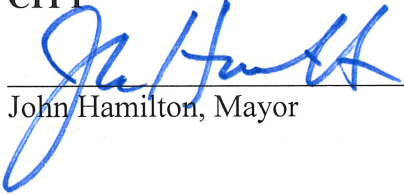
The parties may execute this LOI in counterparts, each of which is deemed an original and all of which constitute only one original.

Section 11. Binding Nature

This LOI does not purport to be or constitute a binding agreement between the City and County, but is merely an expression of the future intent of the parties, which is subject to satisfaction of the conditions set forth herein. This LOI is not intended to impose any obligation whatsoever on either of the parties, and the parties may not reasonably rely on any promises inconsistent with this paragraph.

IN WITNESS WHEREOF, the parties hereto have caused this LOI to be executed for and on their behalf the day and year first hereinafter written.

CITY

  
\_\_\_\_\_  
John Hamilton, Mayor

Attest:

  
\_\_\_\_\_  
Nicole Bolden, Clerk

Date: 10/19/17

COUNTY

\_\_\_\_\_  
Julie Thomas, President  
Board of Commissioners

\_\_\_\_\_  
Amanda Barge, Vice President

\_\_\_\_\_  
Patrick Stoffers, Commissioner

Attest:

\_\_\_\_\_  
Cathy Smith, Auditor

Date: \_\_\_\_\_