



City of Bloomington Common Council

Legislative Packet – Addendum (Issued on Tuesday, 31 March 2020)

Wednesday, 01 April 2020

Special Session

Starting at 6:30 PM and to be immediately followed by a

Committee of the Whole

Appropriation Ordinance 20-01, Summary, and Materials are contained herein

Please see the note on the [Agenda](#) addressing public meetings during the public health emergency

For a schedule of upcoming meetings of the Council and the City's boards and commissions, please consult the City's [Calendar](#).

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City of
Bloomington
Indiana



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To: Council Members
From: Council Office
Re: Weekly Packet
Date: 31 March 2020

**ADDENDUM TO
LEGISLATIVE PACKET**

SPECIAL SESSION IMMEDIATELY FOLLOWED BY A COMMITTEE OF THE WHOLE:

01 APRIL 2020 – 6:30 PM

(Held Via Zoom and Viewable on CATS)

- **Memo from Council Office**

Special Session – Wednesday, 01 April 2020

- First Readings

- **Appropriation Ordinance 20-01 To Specially Appropriate from the Food And Beverage Tax Fund Expenditures Related to the Convention Center Expansion and Support of Local Tourism During the COVID-19 Emergency**
 - Exhibit A: Written Recommendation of the Food & Beverage Tax Advisory Commission – *awaiting signatures*
 - Memo to the Council from Philippa Guthrie, Corporation Counsel
 - City of Bloomington Economic Stability & Recovery Working Group (ESRWG) Recommendations – Policy Brief - Introduction
 - *Legislation, Materials, and Summary are contained herein.*
- Contact:** Jeffrey Underwood, 812-349-3412, underwoj@bloomington.in.gov
Philippa Guthrie, 812-349-3426, guthriep@bloomington.in.gov

A NOTE ON MEETINGS

Reminders of upcoming meetings:

Note: During the COVID-19 Public Health Emergency, the Common Council will conduct its meetings and other business under special procedures. These procedures, in part, allow for “virtual,” electronically held meetings, and are authorized by the Governor’s Executive Orders 20-04, 20-08, and 20-09 with guidance from the Public Access Counselor (PAC), and have been approved by the Council via motions to suspend the rules. Please see “Meetings” at <https://bloomington.in.gov/council> for information on how to access and, when provided, participate, in these meetings.

SPECIAL SESSION – FIRST READINGS AND COMMITTEE OF THE WHOLE

Item 1:

Appropriation Ordinance 20-01 - To Specially appropriate from the Food and Beverage Tax Fund Expenditures Related to the Convention Center Expansion and Support of Local Tourism during the COVID-19 Emergency

This packet supplements the one sent out last Friday (27 March 2020) and includes the materials related to Appropriation Ordinance 20-01, which authorizes the expenditure of up to \$2 million of Food & Beverage Tax revenues to support businesses and their employees, who are hard-hit by the COVID-19 emergency and are critical to the success of the Convention Center Expansion Project.

Rather than summarize the material, this memo briefly notes what has and is expected to occur in regard to this appropriation ordinance by next Tuesday, 07 April 2020, with reference to materials related to those actions:

- Friday, 27 March 2020 – The Food & Beverage Tax Advisory Commission (F&BAC) met and approved the request from the City, via Resolution 20-05, for this use of F&B Tax expenditures.
 - *See the Written Recommendation approved by the F&BAC (yet to be signed) which is included in this packet.*
- Saturday, 28 March 2020 – The advertisement of the Public Hearing on Appropriation 20-01 appeared in the H-T and announced that public comment will be heard at a Special Session to be held at 6:30 pm on Tuesday, 7 April 2020;
- Tuesday, 31 March 2020 (5:00 pm) – The Council's Sustainable Development Committee will meet via Zoom (<https://zoom.us/j/944909476>) (and broadcast publicly by CATS) to hear and discuss a proposal for the City's economic response to the COVID-19 crisis from the Economic Stability & Recovery Working Group (ESRWG). This report will also be presented tomorrow night.
 - *See the Agenda in last Friday's packet and Introduction to the Policy Brief which is included in this packet.*
- Wednesday, 01 April 2020 (6:30 pm) – The Council will electronically hold two meetings via Zoom (<https://zoom.us/j/626129095>) and CATS. The first is a Special Session to hear various reports, introduce Appropriation Ordinance 20-01, and act on any scheduling matters. The second is a Committee of the Whole, where the appropriation ordinance will be discussed, public comment will be heard, and a recommendation to return the matter for consideration by the Council next Tuesday is anticipated. Please see:
 - *Appropriation Ordinance 20-01, particularly Section 2, which lists steps that are being developed for use of these expenditures (per Policy Brief);*
 - *Memo from Philippa Guthrie, Corporation Counsel; and*
 - *Policy Brief, which are included in this packet; and*

- *Please note that the State Board of Accounts is working on an Audit Position for this use of F&B Tax revenues that will have State-wide ramifications and should be released today or tomorrow.*
- Tuesday, 07 April 2020 (6:30 pm) – The Council will electronically hold a Special Session to take action on Appropriation Ordinance 20-01. This will include a public hearing to receive comment on this proposal. This meeting will be accessible via <https://zoom.us/j/340395331>

APPROPRIATION ORDINANCE 20-01

TO SPECIALLY APPROPRIATE FROM THE FOOD AND BEVERAGE TAX FUND EXPENDITURES RELATED TO THE CONVENTION CENTER EXPANSION AND SUPPORT OF LOCAL TOURISM DURING THE COVID-19 EMERGENCY

- WHEREAS, both national and state governments have declared that a public health emergency exists due to the outbreak of COVID-19; and
- WHEREAS, on March 16, 2020, Governor Holcomb issued Executive Order 20-04, which, among other actions, ordered food service establishments to close to in-person patrons; and
- WHEREAS, on March 23, 2020, Governor Holcomb issued Executive Order 20-08, which, among other actions, ordered all non-essential businesses to close as well; and
- WHEREAS, such closures have created and will continue to create financial hardships on such establishments and businesses within the City of Bloomington (“City”); and
- WHEREAS, the food and beverage industry, along with other tourism-related businesses, are critical to the attraction of conventions and tourism to the City; and
- WHEREAS, the City and Monroe County (“County”) are collaborating on a project to expand the Monroe County Convention Center (the “Project”), and have agreed that the Project will be primarily funded through the use of certain county excise tax revenues provided for under Indiana Code § 6-9-41-0.3, et seq. (“Food and Beverage Tax”); and
- WHEREAS, the Food & Beverage Tax was passed by the County in 2017 and has been continually collected since February 1, 2018, with the proceeds for the City transferred by the County Auditor being deposited into the Food and Beverage Tax City Fund, Number 152 (the “Fund”), in accordance with Indiana Code § 6-9-41-12; and
- WHEREAS, according to Indiana Code § 6-9-41-15, “money deposited in the city food and beverage tax receipts fund may be used only to finance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects;” and
- WHEREAS, City Food and Beverage Tax revenues are derived from establishments impacted by the outbreak of COVID-19 and the resulting state-ordered closures; and
- WHEREAS, the Common Council concludes that the support of these enterprises and their employees through loans and/or grants is necessary for the viability of this sector of the local economy, crucial to the ability of the City and County to finance the Project, essential for the future success of the expanded convention center, and consistent with the statutory purposes set forth above; and
- WHEREAS, according to Indiana Code § 6-9-41-16(b), the Common Council, as legislative body of the City, “must request the advisory commission's recommendations concerning the expenditure of any food and beverage tax funds collected under this chapter... [and]... may not adopt any ordinance or resolution requiring the expenditure of food and beverage tax collected under this chapter without the approval, in writing, of a majority of the members of the advisory commission;” and
- WHEREAS, on March 25, 2020, the Common Council requested that the Food and Beverage Tax Advisory Commission (“Commission”), established under Indiana Code § 6-9-41-16, recommend the expenditure of funds in an amount up to \$2,000,000 for loans and/or grants to support local food and beverage and tourism-related enterprises and their employees that have suffered financial hardship due to the public health emergency; and
- WHEREAS, on March 27, 2020, the Commission met in public session and recommended the use of monies in the Fund to support loans and/or grants to sustain the continued survival of local food and beverage and other businesses that support tourism in the City, including appropriate assistance to their employees, and that are crucial to the viability of the Project; and

WHEREAS, pursuant to Indiana Code § 6-9-41-16(b), the majority of the members of the Commission have issued their written approvals (Exhibit A) of the expenditures authorized herein; and

WHEREAS, given that the appropriation for the expansion of the Convention Center and this appropriation will likely exceed deposits in the Food and Beverage Tax City Fund, this ordinance further acknowledges that the appropriation for the COVID-19-related impacts shall be treated as a priority for the duration of the public health emergency;

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

SECTION I. For the expenses of said Municipal Corporation the following additional sums of money are hereby appropriated and ordered set apart from the fund herein named and for the purposes herein specified, subject to the laws governing the same:

AMOUNT REQUESTED	
Food and Beverage Tax Fund	
Classification 3 – Services and Charges:	
	\$ <u>2,000,000.00</u>
Grand Total	\$ <u>2,000,000.00</u>

SECTION 2. The Common Council and the Administration have been developing a process for use of the funds which will include the following steps, among others:

- Enlisting community partners to help in assessing need and distributing funds
- Setting applicant eligibility criteria
- Specifying conditions on loans or grants, including but not limited to, purposes for which funds may be used, and any repayment terms
- Accepting and approving applications for funding
- Identifying other available aid resources that are more appropriate for addressing applicant needs and/or that applicants should avail themselves of first

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2020.

ATTEST:

STEPHEN VOLAN, President
Bloomington Common Council

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2020.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2020.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This ordinance appropriates funds from the Food and Beverage Tax Fund for expenditures to businesses and their employees that, together, are crucial to the success of the Convention Center and have been severely affected by the COVID-19 pandemic.

FOOD AND BEVERAGE ADVISORY COMMISSION

APPROVAL OF BLOOMINGTON CITY COUNCIL'S REQUEST

WHEREAS, the Monroe County Food and Beverage Advisory Commission has been presented with the Bloomington Common Council's request as shown in Exhibit A; and,

WHEREAS, the Advisory Commission Approved the Use of Food and Beverage Fund proceeds to offset losses that have occurred due to the COVID-19 Health Emergency.

NOW, THEREFORE, BE IT APPROVED AS Follows:

The Food and Beverage Advisory Commission approves the City Council's request to use up to two million dollars (\$2,000,000) of any funds in the City's Food and Beverage Tax Fund to help assist food and beverage establishments, businesses related to tourism, and employees of such establishments and businesses within the City of Bloomington during the public health emergency caused by the COVID-19 pandemic. Such assistance may include, but would not be limited to, grants and/or interest-free loans.

So approved this as dated below.

By:

SIGNATURE: _____

Printed Name: _____

Date: _____

SIGNATURE: _____

Printed Name: _____

Date: _____

SIGNATURE: _____

Printed Name: _____

Date: _____

Awaiting Signatures after Action on 27 March 2020

SIGNATURE: _____

Printed Name: _____

Date: _____

SIGNATURE: _____

Printed Name: _____

Date: _____

SIGNATURE: _____

Printed Name: _____

Date: _____

SIGNATURE: _____

Printed Name: _____

Date: _____

SIGNATURE: _____

Printed Name: _____

Date: _____

Awaiting Signatures after Action on 27 March 2020



**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: Members of the Common Council of the City of Bloomington

FROM: Philippa Guthrie, Corporation Counsel

CC: Dan Sherman, Council Administrator/Attorney

RE: Appropriation Ordinance 20-01

DATE: March 30, 2020

As Council Members know, we are in the midst of a global pandemic caused by a novel coronavirus. This virus, specifically COVID-19, is extremely infectious, and it has spread within a matter of months to nearly every country in the world. In an attempt to mitigate how far and how fast COVID-19 races across the U.S., the President, many Governors, and many local government officials have declared emergencies and issued orders designed to reduce COVID-19 infections within their jurisdictions.

On March 16, 2020, Governor Holcomb issued Executive Order 20-04, which, among other things, ordered food service establishments to close to in-person patrons, and on March 23, 2020, the Governor issued Executive Order 20-08, which similarly ordered all non-essential businesses to close as well. Moreover, individual citizens were ordered to stay at home except for certain limited reasons deemed to be essential for human health. As of today, the stay-at-home order is in place effectively until April 7th.

The closures mandated by the Governor have created and will continue to create severe financial hardships for affected businesses and their employees in the City of Bloomington. Consequently, on March 25, 2020, the Common Council requested that the Food and Beverage Tax Advisory Commission ("Commission") established under Indiana Code § 6-9-41-16 recommend the expenditure of food and beverage tax funds in an amount up to \$2,000,000 for loans and/or grants to support local food and beverage and tourism-related enterprises and their employees that have suffered financial hardship due to the public health emergency. On March 27, 2020, the Commission met in public session and voted to make this recommendation. Their signed recommendation is attached as Exhibit A to this memo.

The use of food and beverage tax proceeds to sustain tourism-related businesses and their employees during this crisis is appropriate and necessary. As you know, the City and Monroe County are actively working on a joint project to finance a significant expansion to the existing Monroe County Convention Center as well as improvements to the existing center, and the plan of financing calls for the use of the City's food and beverage tax proceeds (through bonding) to pay

for these improvements. These shuttered local enterprises are integrally connected with and crucial to the success of the Convention Center project. Many of the businesses that have been forced to close generate the very food and beverage taxes that will be needed to finance the Convention Center project, and if they fail, the resulting loss of food and beverage tax revenues could and likely would severely impair the ability of the City and the County to finance the project.

In addition, the targeted businesses provide goods and services that are critical to serving the visitors to the community who would be attending conventions, and indeed they are a large part of what draws convention planners and attendees to Bloomington in the first place. If these businesses do not survive, the community will lack capacity to serve the visitors that the expanded convention center is designed to attract, which in turn will result in a loss of convention business opportunities and put the entire project in jeopardy.

Providing short term financial assistance to these businesses is strategy that the City may and should pursue to increase the likelihood that these businesses will survive. Under Indiana Code § 6-9-41-15, “money deposited in the city food and beverage tax receipts fund may be used only to finance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects.” Thus, one of the permitted purposes of the City’s share of the food and beverage tax revenues is to “finance...a convention center....,” and other purposes include operating and maintaining the Convention Center. Given the extraordinary circumstances surrounding the COVID-19 crisis, providing financial assistance to local businesses is a critical and necessary component of the City’s ability to finance its share of the Convention Center project and to ensure its success after the expansion.

We therefore request that the Council adopt Appropriations Ordinance 20-01 in support of our local food and beverage and tourism industries.

City of Bloomington Economic Stability & Recovery Working Group Recommendations

Prepared for Mayor John Hamilton

March 26, 2020

By:

Alex Crowley, Director Economic & Sustainable Development (City of Bloomington)

Pat East, Executive Director, Dimension Mill, Inc.

Jane Kupersmith, Asst. Director, Small Business Development (City of Bloomington)

Brian Payne, Executive Director, CDFI Friendly Bloomington

Jennifer Pearl, President, Bloomington Economic Development Corporation

Erin Predmore, President & CEO, Greater Bloomington Chamber of Commerce

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Overview & Summary Recommendation

This memo provides initial guidelines for economic stabilization and recovery.

The brief provides Mayor John Hamilton and City leadership with policy recommendations for economic stabilization and revitalization following the COVID-19 crisis, especially pertaining to City-originated taxpayer funded support. It will continue to be updated.

Unemployment has risen as we see an economic domino effect.

National unemployment has skyrocketed. Initial Monroe County unemployment filings leapt to approximately 1,000 claims in the week ending March 21. The leisure and hospitality industries were hardest hit early in the crisis, affecting restaurants, hotels, and their suppliers. Anecdotal evidence points to an impact on other services facing closings and cancellations, everything from retail to small manufacturing and HVAC services. A domino effect is expected as businesses become unable to pay suppliers, landlords, and mortgages.

Wraparound support is also recommended for employers and individuals.

The City of Bloomington can join with partners across sectors to provide wraparound funding and non-funding support for employers and individuals, aligned with developing state and federal initiatives.

The City can support and develop non-funding aid for employers by:

- Promoting access to [centralized information resources](#) and technical assistance through entities like the Indiana Small Business Development Center, so businesses know how to engage with these resources.
- Hosting procurement summits with partners to enable businesses throughout the region to learn how to sell products and services to government entities and major industries.
- Identifying mechanisms for short-term regulatory relief, such as extending license renewals.

Businesses face immediate working capital needs.

Bloomington's business community reports its most critical need is immediate working capital in amounts under \$50,000 within 1–2 months. This aligns with gaps in existing and expected capital from SBA Disaster Loans, government aid, traditional, and alternative financing sources.

City of Bloomington funding support should fill gaps.

We recommend creating small-dollar, rapidly-deployed capital with short-term deferral, no interest, and simple eligibility criteria. This may be combined with funding to leverage existing capital resources at lower interest rates to expand capacity in the medium-term.

The City can leverage the following public funds:

Their use should be overseen by an administrative body with public and private representation:

- Food & Beverage Tax funds: Leverage up to \$2 million in F&B Tax funds, if approved, or a similar amount from an alternate source, such as CRED.
- BUEA Funds: Leverage \$500,000 from BUEA with a majority split between arts grant funding and micro loans for businesses excluded from F&B Tax fund coverage.

Engage partners across the county and region to roll out and adapt this support.

Ongoing collaboration is key to reaching employers while adapting resources amidst global changes. The duration and reach of this crisis is unknown, so these efforts must be sustainable.

Timeline and initial next steps:

The ES&R working group recommends the following steps to align with the Common Council:

Friday, March 27	Mayor Hamilton and ES&R team discuss initial feedback.
Weekend	ES&R members share the draft with their executive boards for feedback, to leverage their expertise from across the business community.
Monday, March 30	ES&R team revises the policy memo.
Tuesday, March 31	ES&R presents to the Sustainable Development Committee.
Wednesday, April 1	Memo presented to Bloomington Common Council.