



**To:** Members of the City of Bloomington Common Council  
**From:** Mick Renneisen, Deputy Mayor  
**Date:** January 28, 2019

City Administration requests your support of Ordinance 19-01 requesting funding from the Food & Beverage Tax proceeds to contract with the selected architectural firm team, Convergence/Schmidt Associates, for design services related to the expansion of the existing convention/civic center (“Convention Center”).

In the 27 plus years that the current Convention Center has been in operation, it has generated \$256M in economic impact. The Convention Center holds an average of 500 events, both civic and convention-related, each year. Bloomington/Monroe County is the 2<sup>nd</sup> most desirable location for conventions in the state; however, the Convention Center as it exists today has the least square footage of meeting space among Indiana convention centers. The Convention Center and Visit Bloomington staffs indicate that more than 200 organizations in the past 10 years have been unable to hold their events at the existing Convention Center due to this lack of sufficient meeting space.

In September 2017, the City Council passed resolution 17-38 urging the County Council to pass a 1% Food and Beverage tax as permitted under I.C. 6-9-41-0.3 *et seq.*, the Monroe County Food and Beverage Tax. This legislation was adopted by the State Legislature in 2009 at the request of local officials specifically to “finance, refinance, construct, operate and maintain a convention center, conference center, or related tourism or economic development projects.” As part of Resolution 17-38, the City pledged its portion of the Food and Beverage tax toward the construction and operation of an expanded Convention Center, and this pledge was confirmed in a Letter of Intent followed by a fully executed Memorandum of Understanding (“MOU”) with the County.

In December 2017, the County Council adopted the 1% Food and Beverage Tax and collection began in February 2018. The distribution and allocation of the funds is directed by the statute and further delineated in the MOU. Accordingly, proceeds from February through the end of December 2018 totaled \$2,558,850.56 with 90% of the collection, \$2,247,037.07, being deposited into the City’s Food and Beverage Tax Fund and 10% of the collection, \$311,813.50, being deposited into the County’s Food and Beverage tax fund.

The MOU also called for a nine-person Steering Committee, comprised of four Mayoral appointed city representatives, four county appointed representatives and one joint appointment, to recommend a preferred architectural firm to design the expanded civic/convention center. Eight firms responded to a Request for Qualifications that was issued in May 2018. One firm later removed its name from consideration, and the Steering Committee met with the remaining seven architectural firms over the course of several months. The initial group of seven firms was narrowed to four firms by consensus of the members of the Steering Committee. As per the process stipulated in the MOU that the Steering Committee’s

recommendation had to be approved by a majority of the four elected officials on the Committee, the recommendation of Convergence/Schmidt Associates was forwarded for consideration to Mayor Hamilton, Commissioner Barge, County Councilmember Munson and City Councilmember Sturbaum, for a final decision. That group approved the Steering Committee's recommendation of the architectural firm Convergence/Schmidt Associates at a meeting on December 14, 2018.

Having agreed on an architect, the City and County then turned to the process for approving the use and expenditure of the food and beverage tax proceeds to fund the design phase (Phase I) of the project. As required in I.C. 6-9-41-16, a Food & Beverage Advisory Commission was established, comprised of: three members of retail facilities subject to the tax, the President of the County Commissioners, a member of the County Council appointed by the Council, the Mayor, and a member of the City Council appointed by the Council. By statute, the Commission must recommend any proposed use of food and beverage tax proceeds to the legislative body that would appropriate the funds. The Food and Beverage Advisory Commission met on January 22, 2019 and recommended the use of funds from the City's Food and Beverage Tax Fund for the services of the architectural firm. (See attached authorization.) The next and final step is now for the City Council to appropriate those funds.

The City administration is therefore requesting your approval of ordinance 19-01 to pay for the items listed below related to the expansion of the existing convention/civic center. The total request is a not to exceed amount of \$350,000. Attached is a Letter of Agreement detailing the expenses and scope of work indicated below.

- Design fees including Market Demand Study, Phase I Programming and Concept Design and Phase I Community engagement = \$195,500
- Reimbursables = \$19,500
- Additional Services = \$135,000
  - Survey – Topographic and Boundary
  - Site Appraisals
  - Environmental Surveys
  - Drone Imaging of the site
  - Interior and exterior Mobile Scanning of Convention Center Building

Representatives of the architectural team, as well as City staff, are happy to answer any questions you may have.

Sincerely,

Mick Renneisen

Deputy Mayor