

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:

\$ 2,000,000.00

Grand Total

\$ **2,000,000.00**

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.

STEPHEN VOLAN, 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 _____ 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.