



**MINUTES  
MONROE COUNTY COUNCIL  
COURTHOUSE, NAT U. HILL MEETING ROOM  
December 13, 2017**

Pursuant to proper notice, a Special Session of the Monroe County Council was called to order at 5:30 p.m. on December 13, 2017, at the Monroe County Courthouse, Nat U. Hill Meeting Room, Bloomington, Indiana 47404. The presiding officer was Ryan Cobine, President. A quorum was present, including:

**Councilors Present:** Ryan Cobine, President  
Shelli Yoder, President Pro Tempore  
Lee Jones  
Marty Hawk  
Cheryl Munson  
Eric Spoonmore  
Geoff McKim

**Also Present:** Michael Flory, County Council Attorney  
Catherine Smith, Auditor  
Kim Shell, Council Assistant

**1. CALL TO ORDER**

The meeting was called to order by President Cobine.

**2. PLEDGE OF ALLEGIANCE**

(Cobine) And with that, we are ready to begin with the public comment and a Mr. Jim Sims is the first on the list, I believe. Do we have Mr. Egan upstairs? Do we have the timer ready? So, indulge us for just a brief moment here, and we'll get the display up there on the read-out when it's all set. Ok, I think we're set. Please proceed. Ready?

**3. PUBLIC COMMENT FOR ITEMS ON THE AGENDA**

(Public Comment – Jim Sims) Good evening; glad to be here; name Jim Sims; at large candidate on Bloomington common council; here in support of Food and Beverage Tax; urge affirmative votes as well; I do believe in democratic process in particularly public comments; and as such, I have great respect for opinions, even those that are in opposition; I believe that the community benefits outweigh the actions of non-support; in some of my public at-large discussions, I've talked to many people, and several oppose, but the large percentage that I've talked to are in support of the 1% food and beverage tax. Why I support it, and I'm glad you ask, I believe it would, in fact, spur economic development; not only downtown but throughout the city and in the county; I believe we would be able to capture some of the missed conference, convention and tourism visitors that local business and services will utilize; it will create additional job opportunities; which I do support and encourage the city's living wage levels; I do not believe this is a regressive tax; it will effect some folks in lower social economic levels; but many of them do not utilize many of the services that this tax will effect; it will impact them on some packaged goods and grocery stores; but the great majority in that category spend their dollars on

groceries which are not going to be taxed; and lastly, I do not wish to overlook the personal investment of approximately \$37 for the hotel component that's in addition to this project; that will be invested in our community; thank you for your considerations and deliberations, because this tax requires as much.

(Public Comment – Susan Bright) Yes, I'm Susan Bright, I own Nick's English Hut, and I'm here in support of the Food and Beverage tax; I feel Nick's needs to take a strong hold on this; we've been here 90 years in Bloomington; and I feel our ties with the University has helped support our success; and I realize there are a lot more restaurants downtown than there were 90 years ago when we started; and I feel that tourism can really help support the restaurants downtown; I feel that the city has invested in this property maybe 25-30 years ago, and has added on over the years; and I realize that expenses need revenues; hope you will consider approving 1% tax; because we surely do.

(Public Comment –Joe Grott) I'm Joe Grott, and I'm back to talk about the Zombie Tax; 4 years ago I stood at this podium and asked the question, "who really benefits from the food and beverage tax;" at that time nobody could or would answer; a couple weeks after, I found out one person who would have benefited; seemed that one of the council members worked for the bank; where the millions of dollars that this aggressive tax would be managed; it was alleged, but never confirmed, that the promotion – a sizeable raise in salary – would accompany the acquisition of this account; blatant conflict of interest; after it was shown that this was known, the vote never occurred. At this time, it is rumored that similar conflicts exist over potential contracts ); but even this does not qualify as the grater abuse of the Zombie Tax; at last month's business meeting, the two beneficiaries from the confliction of the city's tax became evident; they were the elitists who would be allowed to fungible the millions of dollars which would exceed the amount needed to meet the bond on the center; Hamilton being the main character in this charade; when he spoke at last month's meeting, I could almost see him salivating over the thought of his gaining control over the lion's share of the pilfering's of millions of dollars being pulled out of the economy; as if the parking meters weren't enough; he touts himself as a progressive and anyone familiar with leftists rhetoric knows what that's euphemism for); the he tries to play it off that the tax would mainly be effecting IU students; not true, but even if it were , that would make it even more regressive; speaking of IU students, the next person on the list of ivory towers was the director of IU hospitality curriculum; his bias was even more blatant; his first point was that the new center was needed to provide internships for his students; but I didn't hear him offer to contribute to the funds needed; then he made the statement that "Zombie Tax would not be applicable in grocery stores"; after he was told the error of that statement, the next one was "well working mothers don't have to buy sushi. They can still buy their milk and bread"; what an arrogant SOB; typically elitist attitude; just the antithesis of "let them eat cake"; the remainder of the pro-zombie pretty much fits same mold; a bigger center means to their agenda, but refuse to acknowledge any other means of funding other than taxing the rest of Monroe County; this leads me to believe that a new convention center would not only be a white elephant but a red herring as well; it appears to be convoluted schemed to inflict the never ending taxed proceeds of which can be siphoned off for related projects at infinitum; it's apparent to me that infliction of zombie tax on the residents of Monroe County would revert it to the futile system where the serfs and peasant's labor exists solely to provide for the lords in the manor thank you.

(Public Comment-Jack Tracy) I'm here because I'm from Hinsdale, IL; and my kids own Tracy's Tavern in Clarendon Hill, IL; where they have a 1% "places for eating" tax; as I told the board there many years ago, I said "relatives in NH and VT are rolling in their graves because it's so unfair"; how about places for lawyers tax, doctors, dentists, hardware stores to put it on the backs of restaurateurs; in Clarendon Hill right now, 3 empty restaurants that have turned over 3 times in the last 10 years as long as this tax has been there; I had one little girl who's dad owned the building had a very fine French restaurant, and she asked me if I could go to the board meeting with her one night; because she didn't know whether she should pay her water bill or her "places for eating" tax. Now we've been in business for 80 years, and I can tell you from what I understand, and from being in the business for 45 years, most restaurant corporations (even McDonalds) only work on a 3% net profit after

all is said and done; you take 1% of that, and your taking 1/3 of their profits; that's the reality; I've done it, I've seen it; and the "places for eating" tax in Clarendon Hills has taken people out of business. The only reason I'm here, is cause I've read a lot about it; I haven't heard anything from the restaurant side; I know in Chicago they built McCormick Place, then added on; they've got plenty of space down there they don't even use half of it; that's all I have to say; I think it's a bad deal; hotels could probably do the 10%, but you wouldn't get as much money, and I just found out from Mike there's 490 restaurants. I can guarantee, if this goes through, there won't be 490 restaurants or there'll be about 25% of them out of business in a few years; it's expensive.

(Public Comment-Mat Alana-Martin) Good evening, my name is Mat Alana-Martin, and I've lived in Bloomington for little over 18 years; and I'm speaking tonight in favor of the proposed Food and Beverage Tax to help fund expansion of the Monroe County Convention Center. I'm the co-founder of the Limestone Comedy Festival; we're an annual 3 day event that takes place in downtown Bloomington; this year was our 5<sup>th</sup> year and had over 800 people come in from out of town to attend our event; and that's 800 people that didn't just attend our event, they also ate at local restaurants, shopped at local stores, and stayed in hotels. Using the economic metric that is commonly used in the tourism industry, those 800 out-of-towners have economic impact of over \$120,000 for Monroe County; and we are just one event; over only 3 days in calendar year; now take into effect over 40 events per year the Convention Center has had to turn away for past decade because of a lack of space; that is a lot of missed opportunities for positive economic impact in community; and that's not even getting into jobs we would create with the expansion; of course, the convention center not just for events that cater to visitors from out of town; I cannot think of other facility or organization in Monroe County that serves as many different parts of our community as the Convention Center; from educational and business development events to arts and community showcases, private parties and weddings, public gatherings of faith, truly space for all who live here; I think that the proposed 1% tax is a modest and manageable investment on part of the residents into one of most important community resources; investment not only show returns in economic growth for the county, but also in expanding the ability to serve the interests and needs of its population; so I hope, truly, that Council will vote in favor of this tax; and I thank you all for your time.

(Public Comment-Sue Wanzer) Good evening friends and colleagues; my name is Sue Wanzer; don't live in Bloomington; I live outside of the city limits; I am what some would call a county resident; but you know, we are all county residents at some level, even those who live in Bloomington; but I feel a part of the greater community, and I don't envy the decision you have to make; I have sat in a seat similar to yours having to make really difficult decisions; and I want you to know that I sympathize with this; but I hope that you'll support this tax; and let's call it what it is. It's not an Eating Tax; it's not a Zombie Tax; it's not a Food and Beverage Tax, it's a restaurant and bar tax; it's for when people go out and on a few small items in grocery stores; but it's a restaurant and bar tax; and I think a lot of people agree that we need expanded convention center; and if we don't do it as a county, a private firm will do it; probably out on I-69; probably in a way we can't control what happens with tax funded entity; when we fund it with taxes, we have input into operation; also, there will be no proceeds left for recreation and tourism; and I think that there's a bad assumption that those who support this tax are hurting the poor; and I as much as anyone am advocate for ending poverty and working with those who are in need; I am the one on MCCSC school board who championed legislation against lunch shaming so that every child could have a hot meal whether they could afford it or not; I work with the Community Kitchen and the Hoosier Hills Food Bank; and for those who may not have pots and pans to cook their food, that's a very small minority; instead of opposing the tax, let's go buy those pots and pans and help with programs that will end poverty. The tax has to be taken in context; a vibrant downtown with a larger convention center benefits the entire community; just as with a high quality of life, excellent public schools, superb recreation will bring new business, so too will a vibrant downtown bring new businesses to our community; and that benefits all; I know of at least 4 state, regional, and national organizations that would come here if we had larger convention center; only one person; imagine how many there might be; I know people say 82% of people who signed up at a poll at the County Fair oppose this; well I've been at 3 gatherings in the last 2 weeks, and every single person

supported this; so that's 100%; is that reliable? No; and neither is the Fair poll; those who speak against it, we always know people will speak against things louder and more often than those who support something; so please don't just listen to loudest and angriest voices; please support community, and support restaurant and beverage tax; thank you.

(Public Comment-Lori Ann Voss) Hello, my name Lori Ann Voss; and I work at Cook Medical on the events team; I just celebrated my 29th year yesterday with Cook. I am here to support the Food and Beverage Tax and to urge the Council to support the expansion of the Monroe County Convention Center. An expanded Center is overdue to meet needs of local companies. I brought with me three points I'd like to share; First, Cook events brought about 1,600 visitors to the Center this year alone; we had a spend of \$142,000 this year, \$87,000 of that was in food and beverage before taxes. Second, hosting meetings at the Center is a great way for us to showcase Bloomington to our global employees; we increased our events at the Center from 30 meetings in 2016 to over 50 in 2017; attendance at each event ranged from 10 to over 300 people; I actually just booked my first internal training of 2018 and I'm happy to say it's at the Convention Center. We continue to have positive experiences with the staff at the Center and their AV partner Marques; positive experiences keep us coming back. Third, with our recent purchase of the GE building, Cook continues to grow and invest in Monroe County; as our company grows, so will our needs for event space. In conclusion, fully support food and beverage tax and the County Council should make every effort to invest funding options already available to them; thank you.

(Public Comment-Mark Newman) Good evening; my name is Mark; I am the executive director of the Indiana Office of Tourism Development. I'm not here to talk about Food and Beverage Tax. However, I am here to provide some context for the allied travel tourism hospitality industry and its impact on the economy of state of Indiana. In Indiana, tourism is a \$12.2 billion industry. We attract and welcome 79 million visitors to Indiana destinations annually; it's a significant contributor to the well-being of our state from an economic perspective, but also from a quality of life perspective. The communities that continue to thrive are ones that embrace tourism; and have been on a continual path of improvement; looking for new and better ways to evolve their community so more and more people come into their communities, spend dollars in their communities, ensure that residence of those communities have a great place to live; but also so that visitors to places have great place to visit. I think you have a very difficult decision is in front of you; I think it's important to understand how tourism impacts the state in a broader sense; there are 242,000 employees connected to tourism in Indiana; in the past year, that has increased by 40,000; Monroe County has contributed to that in a significant way; the addition of facility that supports events, meetings, conferences, will enable that to grow even further; I applaud you for bringing this in front of Council and for reaching a point where decision needs to be made; I don't envy for the decision that you do have to make; but I felt that it was important for you to know how tourism impacts our state and our counties; thank you.

(Public Comment-Martin Wolfger) Good evening; my name is Martin Wolfger and I serve as the Dean of Arts, Science and Education at Ivy Tech Bloomington. Chancellor Vaughn had hoped to be here this evening for public comment on support on behalf of Ivy Tech Bloomington faculty, staff, and students; to move forward with Convention Center Expansion and to pass the Food and Beverage Tax. Unfortunately, Chancellor Vaughn had a previous engagement in Brown County where she's hosting a reception; and due to the importance of this meeting, she asked me to read the following statement on her behalf: "expansion of our local Convention Center is critical in shaping Monroe County and positively impact the economy for the next 25 years and beyond. This development project will grow our economy, create more jobs, and introduce Monroe County to not only business travelers but talented professionals and entrepreneurs that could invest or relocate to our area. We are excited about wonderful opportunities a new Convention Center would give our students. Expanding the Convention Center would not only allow them to gain valuable real-life experiences through additional internship opportunities, but also create much needed employment opportunities for our graduates. Over 95% of our students stay in the community to live, work, and raise families post-graduation. In addition to

having access to 40-60 new full-time positions at the expanded convention center, many will be able to find employment at local hotels, restaurants, businesses, and organizations that benefit from this development project. Tourism and hospitality are important industries in Monroe County, and investing in them is good for everyone; Ivy Tech Bloomington looks forward to more partnership opportunities at the expanded Center; thank you for all your service to Monroe County.

(Public Comment-Joe Miller) My name is Joe Miller; I'm the president and owner of Best Beers; my company distributes beer, wine, and beverages in a 4 county area, including Monroe County. We sell to all types of retailers including bars, restaurants, grocery stores, and gas stations. This tax will have large impact on our business, yet I am here in support of it. I believe this tax is more than justified considering what we are getting in return; our city desperately needs this Convention Center and the economic activity that will come with it; I ask that you vote in favor of the tax, which will fund this great project; thank you for your time.

(Public Comment-William Ellis) Hello, members of the County Council and public; I think that, when considering this issue, there's two separate issues; the Convention Center expansion and the Food and Beverage Tax. The biggest thing to talk about is Food and Beverage Tax. I've heard people just assert that it's not regressive; just asserting doesn't make it so; Indiana Restaurant and Lodging Association has done studies on this; for every \$1 million collected, 46.5 jobs are lost; I can tell you right now the jobs that are lost are not people speaking in support of it; they're probably not even people speaking against it; most of us can afford the extra 1%. The bigger portion of going out to eat dollars is spent by the wealthy, but the bigger percentage of their income going out to eat is spent by those 20% below the poverty line. So those are things I think we need to consider; I don't think there's a war on people that are in poverty; I just don't think that people are fully considering the aspect of those that depend on this. As an example, I'll use a drive thru at McDonalds; what's going to happen? They'll have same exact amount of people go through their drive thru, but next thing, they're short of money; instead of getting a double, they'll get a single; doesn't sound like much, but you'll have same amount of business, but less of an average dollar amount for an order; margins in restaurants, as someone already stated, are about 2.5-3%; what's going to happen? They're going to have to cut labor; through automation or just working more; whose jobs are those? Not the full-time managers; it's the ones working 2 or 3 jobs; unless the Convention Center is going to churn out about 116 jobs a year, for every yearly budget, I don't see how it will be benefit to Monroe County; yes, some people will make money, not going to lie; it would be great to fund it some other way; I'm here to speak for the people that aren't able to be here tonight because they're working; I'm here to speak to the people that if they thought it would be a benefit, they would take time off work and sacrifice that hourly wage to come up here and say "Bring the business in"; I don't see them; any of them; so I please ask the County Council, you guys have an easy decision; do you vote for the special interest of the City of Bloomington, or do you vote with general public at large?; I think it comes to that; thank you.

(Public Comment-Dr. Ashley Newell) My name Ashley Newell; and I, along with many others here in Monroe County, am against the proposed tax; We've been hearing quite a few different explanations, excuses, whatever you want to call it; there's a pretty even break in the support and the opposition of this; but it seems to me, especially with such vocal division and split, that this vote would be delayed until all the party's questions have been answered. The math really just doesn't add up; and a significant amount of your constituents are against it; and still, it seems that you're pushing this pyramid building; what will it take? It's certainly not facts as we plug in your own numbers to show you how detrimental this tax would be; both in creation of jobs, it will cause a lot of people to be fired; what more of an outcry of a protest do you need to see from your constituents to actually listen to us? I just don't feel listened to; I don't feel that my questions have been answered in the slightest; I keep going on your website and I just don't see that; what more is needed so you'll actually listen to all of us instead of the ones that mesh up with your ideology? Thank you.

(Public Comment-Michael Cassidy) I'm Michael Cassidy; I own the Uptown Café on Kirkwood Ave; I started when I was 26 years old in 1976; so I've been a downtown restaurateur for 41 years now. I'm here in total support of the food and beverage tax; I think the progress that I've seen in Bloomington over the last 4 decades has been remarkable. I started with 30 seats and had 4 employees; I now have 280 seats and over 100 employees; half of whom live in Ellettsville. To me, we don't live in isolated burbs any longer; and the prosperity and growth and beauty of Bloomington is for whole the county. I buy produce from farmers in Ellettsville; employees live, pay rent, shop in Ellettsville; I go to Ellettsville; I go to Underground Cupcakes; I expanded to 280 seats; employed carpenters, architects, plumbers, electricians; not all of them ate at Uptown Café; they take the money of the growth that we experienced in Bloomington, and spend it all around. The Visitor's Bureau have done a remarkable job in helping us progress; if we don't grow, we die; I really feel in my heart that this community is so special; a bigger convention center attracting more and more diverse aspects and people can do nothing but help us. I'm really in favor of it; in my heart, downtown Bloomington is representative of all of us; we should be very proud of it and what we've accomplished; public and private partnerships; Buskirk Chumley, Bill Cook; this community wouldn't be what it is and can be if we don't reinvest, look forward to the future, and believe in ourselves; I went for 30 seats to 280; it was not easy; but it's been nothing but spectacular; I feel like it's representative of who we are as a country, and city; to be more than ourselves; that's how I feel; thank you.

(Public Comment-Paul E. White Sr.) Good evening; Mr. Cassidy did all that without tax abatement; I'm Paul White; and I'm proud to be a part of this community; this issue tonight is so important, that instead of me being at my regular Wednesday evening coaching job with the Special Olympics, I felt it important that I should be here. Monroe County already subsidizes the hotel with the TIF, that is associated with the Convention Center; but I haven't seen any revenue sharing come from hotel; do we get any profiteering from it?; does it turn a profit; I'm reminded of a story about a man with a truck that hauled a specific commodity for a long while; every year, he lost money, lost more money and he lost more money, so his idea to remedy that was to buy a bigger truck. The purpose of government is to do that for the citizens what those citizens are unable to do for what they need. The infrastructure, fire, police, those are good things that we need tax basis and tax revenues for; to provide for the citizens; expansions of hotels, seems to me that those belong in the private sector. Since especially, we are already subsidizing the hotel; consumer taxes are dollars that are raised just so we can have money to spend on things. The Food and Beverage Tax is just that; and we can be certain that if this tax were approved, like most every other tax that we have, we would never see it done away with. There are those that say, it's only going to be to expand Convention Center; but I bet that Mayor Hamilton, who's sitting in audience today, is saying that we want to spend it on tourism and we'll just keep that going and going and going; that's his right to think so; there are better ways to fund the Convention Center; the right developer and entrepreneurs can make it happen if the need is truly there; as a Special Olympics coach, I've seen many things happen without tax funding, this can also; thank you.

(Public Comment- Ed Bitner) Good evening; my name's Ed Bitner; you guys are well aware that I sent you a few emails that's got some stuff in it, I even sent to the Herald Times; surprisingly enough, they didn't print it; doesn't surprise me; one of the things that had on it was scenario; I'm going to read that tonight; so everyone here knows what I'm talking about; it's a known fact that between me and family members a combined, we own 200 acres in North Western Monroe County; the Stinesville area; let's say I want to build a water park and a hotel in this area, but before I applied for a permit from the county, I hired a company to come in and do feasibility study of how much money it would generate; how many people would be expected to visit it yearly and how it would benefit Stinesville, Monroe County, and the surrounding towns within a 30 minute drive of it; I would compare to Santa Clause, Indiana; Monticello, Indiana; and how it benefited those surrounding areas such as Jasper, Evansville, Lafayette, and so on; first we'll have to remember that I am the one paying for the studies, so it would be written positively in my favor; when the report is complete, I present it to the Monroe County Planning Commission and Monroe County Council; I explain the report page by page and how this project would be a good venture for the area; it would bring in an anticipated 500 jobs to the area just for the

water park and hotel, and indirectly it would potentially bring in hundreds more. The report would continue to say how it would bring people to area and build houses, businesses, and students to IU. I would help the economy greatly in Ellettsville as well as also bring conventions to Monroe County's newly expanded conventions center. It would revitalize Stinesville and new businesses would spring up; such as gas stations, restaurants, smaller attractions; such as go-karting, grocery, and convenient stores and so on. The possibilities in Gosports, Spencer and Owen County would also all benefit. The only problem I have with this venture is financing. So I ask the Monroe County Council to impose a 1% food and beverage tax to be recreationally used to help build, maintain the expanded facilities as needed because I didn't want to charge enough in ticket prices to fund it alone and be self-supporting. I also want to make use of another agency that I'd give 40% of the food and beverage tax to so they could promote my business and try to bring visitors to the area using areas such as Indiana Beach and Holiday World. Since I'd be losing 40% of the tax money I would also want another tax imposed on the sports tickets sold at IU, which would bring in more money for the area. Without fail to say the hundreds of jobs this would provide would be minimum wage, no benefits jobs for the most part; a few managers would obviously be in a place with benefits; but about 95% or more of employees, both directly and indirectly, would be paid minimum wage and have no benefits; that's the kind of things you guys are going to get here that you're not addressing; I'm not opposed to Convention Center; just how you going to pay for it.

(Public Comment: Emma Coats) Good evening; my name is Emma Coats; and I am the speaker of Congress for IUSA; IUSA is the elected representative body of IU. Last Tuesday, IUSA Congress called an emergency voting session in order to vote on whether or not we would be in favor of this Food and Beverage Tax; and Congress voted overwhelmingly against this tax. I am not here as one student, but I am here as the voice of over 40,000 IU students who are against this tax; many of whom are busy taking finals this evening I might add; so when you think about the people that this tax is going to affect, it's really going to affect people who don't have regular access to kitchens; and people who go out to eat often; so that's students; but students don't have extra money; many of them have thousands of dollars in student loans they have to worry about paying for; so if you want to renovate your Convention Center, don't put that burden on us; thank you.

(Public Comment: Anne Bono) Good evening; my name is Anne Bono and I am the interim President and CEO for Greater Bloomington Chamber of Commerce; we represent almost 900 members in Bloomington and Monroe County; and I am thrilled to be here tonight to offer the Chamber's support for 1% Food and Beverage Tax. Previously, the Chamber supported the state legislation that gives municipalities a Food and Beverage Tax option; expanding the Convention Center has also been priority for several years on our local public policy agenda; this is a priority to the business community; expanding convention center will create new jobs, strengthen and grow local economy, and increase the vibrancy of downtown; some 27 communities in Indiana have this tool to help enhance quality of place within communities; it's time we take advantage of tool, and hope you all agree; thank you.

(Public Comment: Justin Sexton) Good evening; my name is Justin Sexton; I'm the chairman of the College Republicans of IU; I rise today to speak in strong opposition of this proposed tax. Our system of government is founded on one principle: and that is consent of the governed; you have not brought up one student tonight who supports this tax; not one has come to say the Convention Center is good for us; and how do I know? Because no one on that dais tonight has done single thing to convince any student on campus that that Convention Center is going to benefit us; you haven't done anything; you haven't held town halls or anything to educate about this tax, why it's good for us, nothing; some people have said, well the students need to pay tax just like everyone else because they don't contribute as much as people who pay property taxes and income taxes; well I brought something here tonight; this is my first paystub over at the Union Street C Store; and I know you can't see, but this part highlighted in pink says "Monroe County Withholding"; so we do, and those who work on campus do pay taxes because we live here; we do pay to live here; I would challenge you all to think tonight, what would you rather have?; the Convention Center expansion or what lies on the other side of

those Sample Gates?; everyone on dais tonight would choose to have University here; the University is only possible because of the students who choose to come here, and choose to make Bloomington our home for 4 years or longer if we choose graduate school; there's no comparison between the University and the Convention Center; urge you all to think about students here; and not one has come before, there's a lot behind me against, that I don't know of any that are for this; talked to coworkers; talked to classmates; asked have you heard about this tax? Not a single one looked and said, "I'm ok with that"; they were all, "No, that's not ok"; especially because you have done this during finals week, I know of many student leaders who wanted to be here tonight that couldn't because of finals or have already gone home for winter break; you are not taking us into consideration; if you want to pay for a convention center because it's good for the people who live here, you do it through property tax; if you can't because of caps, you can; you just take it to the people that live here through referendum and see what they think; thank you.

(Public Comment: Sara Kissel) Hello; my name is Sara Kissel; I would like to oppose this tax; I've heard a lot of people come up and talk about how Convention Center will benefit entire community; well they're not taking into consideration IU students; I'm coming to realize you see us as tourists; I'm considering grad schools and will take this tax into consideration; I do not have a lot of funding; I'm here on scholarship; I have friends that are here on scholarship; you think a 1% tax will not affect us; well it absolutely does; and that's really all I have to say; thank you.

(Public Comment: Matt Bludgen) My name is Matt Bludgen; I am an Indiana student who's strongly against this tax because of its nature and timing; this is unfair to Indiana students because the University already brings in so much business and so much tourism; there's no reason to put that burden on the students who have done so much for this town; in terms of its nature, it's already been mentioned this is during finals week; if this were held any week of the year, this room would be full of IU students; there'd be petitions, protest, would be mayhem in here because of so many students opposing this tax who didn't have the opportunity because of so many life changing moments going on this week; before I finish, I'd also like to pose a question; everyone is saying that economic benefits would be huge; but if the benefits are already there, why hasn't a private business come in taken this opportunity; not any opportunity that only a city can seize to build this; if the opportunity was there, why wouldn't someone else come and make the money out of it already; thank you.

(Public Comment: Kim Gray) Good evening; I'm Kim Gray; I'm a Bloomington resident; and for most of my career I've been involved in tourism, marketing or development; with Disney, Florida Tourism, my own company, Adventure USA, and French Lick Resort; I've been a lecturer in the IU Recreation, Parks, and Tourism studies department; I'm excited to be here tonight to advocate for Monroe County Convention Center expansion and the passage of 1% Food and Beverage Tax as funding mechanism; two weeks ago, the Herald Times front page read "For Growth, Change"; and coincidentally, the story was about IU Panhellenic community; and the story right next to it was the very first big story about the vote for the Convention Center expansion; I felt it was very appropriate headline for both stories; again, for growth, change; the time is now; HVS Hospitality Consultants and leaders from Convention Center, city administration, city council, and other constituencies in the county have laid out compelling facts in the previous meeting supporting the need for the expansion; and the need to meet growing demand and opportunity it presents; so there's no need to review those now; but the bottom line is HVS projects Convention Center expansion will drive additional economic impact of \$20 million a year; the opportunity to capture valuable group tourism business segment while enhancing downtown through connection to B-line and other amenities is really a strong and clear opportunity; while proposed 1% Food and Beverage Tax isn't the only potential funding mechanism, obviously, it's very popular in Indiana with the 27 other communities using it including Fort Wayne, Muncie and South Bend; but we risk pricing Bloomington and Monroe County out of market using expanded hotel tax mechanism; measuring tourism's economic impact is complex; but all Monroe County residents stand benefit from visitor spending both direct and indirect spending; through jobs, incremental sales, businesses that supply goods and services to



convention center, and other tourism related firms; benefits to the county as whole is bolstered by generally accepted research showing that workers in expanded tourism employment base who commute from outside the region will spend most of the income where they live; not where income is earned; another opportunity is harder to predict and measure; just as critical; the exposure of Bloomington to new visitors, some who have never come but for larger events that we can host; and by experience; thank you.

(Public Comment: Shu Cole) Name is Shu Cole; I am an associate professor at IU Department of Recreation, Parks, and Tourism studies; I would like to emphasis two points in support of Convention Center and 1% Food and Beverage Tax; in my research for the County in the past few years, we found that business travelers when they come to our county spend the most while staying in hotels, eating restaurants, bars; not only, participated in other types of activities; the first point I would like to emphasize is that tourism bringing in visitors will benefit the whole county; a lot more than just restaurants, bars, and businesses directly dependent on tourism; For example, the Convention Center brings in business meetings; these people stay in hotels; hotels pay their employees; and the employee will spend their wages on local services and goods including transportation, housing, healthcare, daycare, entertainment, food, and clothing; which partially pays for the wages of supporting businesses; for example, the daycare employees will use their wages to spend on services and goods in similar categories; so tourist dollars injected to our economy will re-circle and re-circle several times; eventually touching almost all businesses and employees in our county; the other thing is that tourists pay taxes; the tax revenue will help us to support to improve our infrastructure, public service, and green spaces that used by all; and eventually improve our quality of life; and the second point to emphasize is the scale of meetings and convention business nationwide; according to research conducted by US Travel Organization in 2016 the Meeting and Events Incentive Program, the direct spending was over \$127 billion supporting 1.1 million jobs nationwide; so it was big business; and that gross 4% from year before; two points for your to consider; thank you for your attention.

(Public Comment: Zack Chambers) Hi , my name is Zack Chambers; and I am an IU junior in the Kelly School of Business; opponents of the tax say it will hurt the poor; Hamilton says it will hurt students; go ahead take your pick; this is a tax on life; the proposed Food and Beverage Tax of Monroe County would increase the price of products we as students buy every day; pizza, coffee and tea, and prepared foods at Kroger; these sorts of taxes disproportionately hurt the poor and vulnerable; groups like students and low income workers; not only that, but they contribute to food insecurity by reducing quality, variety, and desirability of diet; and cause destructive eating patterns and reduced food intake; not only will this bill harm students and low income groups, but Hamilton and cronies are jamming through while its victims aren't even looking; this vote is coincidentally scheduled right in the middle of finals week; in Mayor Hamilton's own words "more than half of tax will be paid by visitors and students"; this is taxation without representation; apparently, proponents do not know Bloomington is already most expensive city in Indiana; while it may not make a difference to Mayor Hamilton and the Chamber of Commerce, low income residents and students cannot afford any more expenses on their grocery bills; students are being forced to invest in Mayor Hamilton's last ditch attempt at a legacy; as Monroe County Councilors, you are trusted to provide a second home for students; what would state say if they knew proponents lacked the courage or decency to rip us off to our faces; Hamilton is no more than a common thief attempting to gratify his ego by picking pockets of our community's weakest when they cannot represent themselves; you cannot allow this; I'd like to conclude by speaking directly to Shelly Yoder; as I came in, as a freshman, scared out of my wits, you were one of the only professor I connected with; as you helped me write my resume, and design my LinkedIn page, I knew you were someone I could trust; that Shelly Yoder would not vote to rip her students off; or as I know her, Professor Yoder; thank you.

(Public Comment: Lynn Coyne) Good evening; my name is Lynn Coyne; I'm president of the Bloomington Economic Development Corporation; we surveyed our members and I forwarded the results of that survey; 94% were in favor of expansion of the Convention Center and in favor of adoption of the Food and Beverage Tax to

finance the expansion of the convention center. Integral to selling this community is its culture, its ambiance; the Convention Center has been part of that for a very long time; Bloomington and Monroe County is a very easy sell; when I go out, trying to convince people to invest and bring employment to this area; what we say about the community and what many other people in this room here must mirror what you say; I ask you to endorse this community the same way we do every day and try to sell it and support the expansion of the Convention Center and finance it through the Food and Beverage Tax; we'd appreciate your vote; thank you.

(Public Comment: Reagan Kurk) Hello; my name is Reagan Kurk; and I'm a junior at IU studying Economics and Political Science; first, thank you for your service to this county; and also want to appreciate everyone that is here and speaking on behalf of Monroe County to advocate for the advancement of our community; creating better environment to live and work, and enjoy ourselves; I would like to say that I believe it is insidious thing to do during finals week to students; I believe that this unfairly impacts students and families; unfairly impacts students who are employed at restaurants; this also says to me and to my fellow students that there is lack of value of students or business; we are not tourists; we are residents; we are constituents; and we do vote; thank you.

(Public Comment: David Smiley) Thank you; I want to thank the Council for taking time to consider this measure and looking at this important step in continuing to improve the economy in Bloomington; the time is now to fund the Convention Center; the current Convention Center is losing money; and the only viable mechanism to do expansion is with the Food and Beverage Tax; but this not a project of the variety that if build, they will come; a project that says, if you don't build it, they will continue to leave; the groups are outgrowing convention center; current groups are leaving; they're finding other places to go; in terms of actual mechanism, we need to look no further than Indianapolis to see value and how that has worked; if we look at this project from the aspect of increasing innkeeper's rate, you'll raise it to 10% in addition to the 7% sales tax; you would be highest Innkeeper's Tax in state of Indiana along with Marion County; that something that people will look at; I'm speaking this evening not as professor of tourism, but as a resident of community; and I want to give a different perspective; there's probably not going to be a lot of hoteliers here that would speak this evening; they're going to be reluctant to come forth because of appearing one side or the other; the lens I'm looking through is based on my 30 years of industry experience and as a certified meeting planner; I also have hotel and convention space management experience; and I have worked in the industry at variety of locations both large and small, including Orlando; I've seen the impact of convention centers both large and small in raising hotel occupancies, and driving revenue to an area; as a person who planned meetings for years, there are two considerations when evaluating locations to place a group; the number one requirement is availability and size of meeting space; the number two requirement is the is cost and availability of lodging; when a meeting planner evaluates the lodging for a group, they're looking at a variety of factors including room rate; and they will throw out bids with highest occupancy rates; not only will you lose corporate business in Bloomington, you will lose leisure business as well; so adding 5% to the Innkeeper's Tax is not a viable option; while I applaud Representative Ellington's gesture at an attempt to pass legislation to raise tax, we already have a better mechanism in place; that has been approved and I look forward to you passing it this evening; thank you.

(Public Comment: Mike Trotzki) Hi; I'm Mike Trotzki; those that know me up there, probably know that it's pretty difficult to get me to be supportive of a tax increase; I've literally run campaigns against referendums; however, I feel differently about this; I want to take a moment to think about why that is and what we don't like about taxes; taxes tend to take money out of our local economy; and that's bad; we all agree on that. However, this does something entirely different; for every dollar taken in this tax, \$3 from outside our community pours into our local economy; every week, the Convention Center is turning away people to walk around square around us; we're turning away business; we're hurting local small businesses by not making tough decisions; I understand this is tough; it's hard; you're probably worried about mail pieces that say, You've raised taxes; I make those mail pieces, right?; look, there's a group of us that care about growth; care about growing economy;

we're looking for leadership on tough votes like this; we're looking for you to lead and vote yes on this today; thanks.

(Public Comment: Chris Hoke) Good evening; my name Chris Hoke; I am the owner and operator of south side rental doing business as Perfect Parties Tents and Events. We host the annual Bloomington Bridal Show at the Convention Center every year; we are one of those clients that has outgrown the facility; they've been very kind in giving every inch of space in the convention center; we now occupy the entire upstairs; we occupy the majority of the downstairs for event; we're at 73 vendors; and we've taken almost every available inch of the space; I could share with you the opportunities that expanding the Convention Center would create for businesses like ours or how the large venue opens the market to reach organizations that cannot be served by the current Convention Center; I could point out more visitors to our community means more demand for products and services the local businesses provide; however, after attending the last meeting and listening carefully, I came to the conclusion that the core opposition to investment revolves around the fairness and hardships that might be created for those less fortunate; to address the issue, I would use the quote John F. Kennedy borrowed from the New England Chamber of Commerce; "A rising tide lifts all boats"; a quote he used often simply because it's true; the more visitors that come to Bloomington, the richer our community; and by richer I mean more and better paying jobs; if not for you, perhaps for a son, daughter, maybe neighbor; not just for the Convention Center, but for businesses who's need is created by expansion; a wealthier community means more money available for charity, social service to help those less fortunate; more diversity through greater availability; larger space to accommodate cultural events; sporting events; and other unique clients the current venue cannot accommodate; in closing, I would like to address a negative comment made during last meeting concerning staff at the current Convention Center; I've been a local business owner in Bloomington for over 30 years; I have been a client of the Convention Center for over 20; I have always found leadership of the Convention Center and their staff nothing less than excellent in quality of service; a well-managed organization that will handle transition into larger facility very well; I look forward to working with them for many years to come; thank you for the opportunity to share my thoughts.

(Public Comment: Charles Trzcinka) Hi; I'm Charles Trzcinka; I apologize for voice; I'm a faculty member at IU in the Kelly School of Business; a rising tide lifts bigger boats higher than smaller boats I think; and one of the smaller boats I thought of is a woman who my wife is friends with who is a manager at a local fast food store; also a single mom and takes her son out every once in a while for fast food; she's the one who is going to pay; this is a regressive tax; any time you tax food it's regressive; I looked at your documents from last year; and thank you for sending them for me; I looked carefully through them; frankly, there are some out of date numbers; and at the end of the day, this documents shows that the Convention Center will lose money; and projection is not just steady state lose money; so why is it that you want to expand with a losing proposition; because you think, and the people who are advocating it think, that there will be economic development; that economic development is based on models not in university towns; HVS is not looking in university towns; they're looking at places like Bedford or places that don't have 4 million visitors, I think we get here because of IU; what happens when you do that is add expenses by the Food and Beverage Tax, expanding the Convention Center, you will add a building; that may or may not give you the kind of development that justifies the losing proposition; I really don't think it's worth the risk; keep in mind; it's more than Food and Beverage Tax you're talking about tax abatement, which is also in that document, you're also talking about tax increment financing; frankly, this is what will happen here; if this thing doesn't work, taxpayers in Bloomington, including the students will be paying; and you've heard plenty from them much more eloquent, I might add, than I am; I hear plenty from them about they're going to pay for this; this is the risk you're taking by passing this; please don't take the risk; thank you.

(Public Comment: Ann Boehm) Good evening; my name Ann Boehm; I am not in favor of this Food and Beverage Tax; while I am in favor of expanding the Convention Center, if it would truly bring more revenue to our

economy, because that benefits everyone in the long run somewhere down the line; but, as I'm understanding it, and by the numbers I've been told and seen, that isn't happening; and it hasn't been happening; and the county subsidizes this Convention Center; and yes, possibly, will it get to where it's actually making money if we expand?; possibly; but again, that isn't the number I'm seeing; I'm hearing that we're only going to get maybe 40% of what we've been turning away; is that really growth?; the jobs it could bring?; how many jobs is it really going to bring?; what types of jobs?; mostly serving, catering jobs; not long term careers that might hire a few students or some grad students or a single mom here or there; for the most part, I'm not really seeing how the center itself is going to economically benefit the entire county; what it will do is tax every resident here who eats here every day, who lives here every day, lives here every day; not just comes in for trip here or there; and people with large families; I have 3 kids; I go out to eat, I'm already thinking what I can spend and how I'll keep the bill in our budget; it's only 1% you say; I rarely take the kids out as it is; it's a lot to take family of 4 out to dinner anywhere in this town; prices already go up on food and everything; you add another 1%, it's another tax; we've already had the County Safety Income Tax; we've got \$5 million a year going toward safety; now we have a Bridge Tax; and you've taxed that to maximum; we're paying the highest Bridge Tax to pay in Indiana; our property taxes went up; Washington Township and Bloomington Township are paying for a new fire territory; I'm pretty much taxed right out of my house that's already for sale; where do the taxes end; are we not finding other options to fund this Convention Center besides taxing our local residents over and over and over again; we hear about all these stories about money lost here or there or misspent within county; I'd like to see better management with our money; and see where it could be spent that actually benefits the county rather than to continue throwing tax after tax onto problems; to hit the IU students, they support the bars and restaurants; they really do; in the summertime, when they're gone, it's the locals who support the bars and restaurants; there's nobody here for tourism; it's not crowded on streets; it's dead downtown; thank you.

(Public Comment: Megan Augustinovich) Hi; my name is Megan Augustinovich; for the past two years, I worked part time at the Monroe Convention Center as an event's assistant; as a senior in the Tourism, Hospitality, and Event Management program, this could not have been a more perfect way to get hands on experience that an aspiring event coordinator hopes for; finding industry experience was always something that was important to me going into college; for students, it can be hard to find somewhere understanding of school commitments, schedules; and because of that I've been limited to working 15 hours a week; the entire staff is flexible and willing to work with schedule; and has always made the time at work a place of learning; as part of that learning, I had the opportunity to work first hand with members of the Bloomington community serving as a resource for information and a contact during their events ensuring all goes smoothly and that they are satisfied with their time at Convention Center; this time has given me the creative freedom to apply what has been learned in the classroom as well as the responsibility; it is this responsibility that gave me the boost of confidence that has carried me into planning the next phase in my career; I'm quickly realizing just how big of a connection that a convention center has to a community and many aspects of tourism that Bloomington has to offer; I feel that my time at the Monroe Convention Center has taught me so much that I will use every day in my future career; and couldn't be more grateful to work there; because of this, I would like to send support for Food and Beverage Tax, as well as the expansion of Monroe Convention Center; I would love to see how many students could benefit from the learning environment and opportunity for part time jobs that an expanded Convention Center would provide; as well as space for university events; thank you.

(Public Comment: Valerie Peña) Thank you; my name is Valerie Peña; I am a Monroe county resident; I'm a former director of the Convention and Visitors Bureau; and a student at IU who actually turned my final in just a couple hours ago; in 1977, this body came together to approve in an act; a state approved bill for creation of 3% Innkeeper's Tax used for tourism; through act, the Council showed leadership in desire to make Monroe County and place it on the map of tourism destinations not only for the state but also the country; in 1990, a group of community leaders, Steve Fergusson, Boyd Alcott, Bill Finch, Bill Cook, Lee Marchant, and Bob Barker and many other had a vision; and that vision was to see Monroe County take another step toward becoming convention

destination; and they asked this body once again to approve 2% tax that would be specifically used for the Convention Center; it was a leap of faith; we had never had one before; in 1991, the current Center opened its doors; over the past 26 years, the Center has proven over and over again to be a fantastic investment for this county, downtown, and for the convention industry; without it, would have never been able to place our mark in such things such as being amateur sports capital, host the Dalai Lama and his chalachoca, host the Association of Indiana Counties, and hundreds and hundreds of other events and conventions; all who have left behind an economic mark that supports hundreds of facilities, jobs, organizations, non-profit charities, and businesses throughout county; the Center has also become the home base for hundreds of local events that might have gone out of the county in order for the event to be held; galas, fundraisers, local festivals, children's events, weddings, and so much more have had an option to stay here in community because of the Center; the members of this body in 1990 provided leadership to make the vision of those community leaders' dreams come true; and their foresight has been a leading component in making Monroe County one of top convention destinations in the state; now it's once again this body's turn to believe in the visions of its community members; ones who aren't asking for a leap of faith this time; but instead have evidence; 26 years of evidence; consultant's reports, lost business reports, all showing you the benefits that an expanded Center can bring to community and businesses that surround it; yes, funding mechanism is different this time; it's been proven over and over again, not just the 27 Indiana counties and communities that have enacted a Food and Beverage Tax, but the thousands of communities all over the country that used it to make their community stronger, richer in resources, and more competitive for business; I encourage you to support Food and Beverage Tax; thank you.

(Public Comment: Jim Murphy) Hi; I'm Jim Murphy; thank you for the opportunity to be here this evening; I wear many hats; I'm on the board of Downtown Bloomington, Inc.; and have been for 25 years; I'm on the board of Monroe County Convention Center Building Corporation; president of CFC Properties; invested Downtown Bloomington for over 40 years; also a resident of Monroe County; father; husband; very proud grandfather; again, I was here in the beginning; as was Bill Cook and Herman B. Wells, former president of IU; I remember Wells in conversations saying that we needed to build this Convention Center; he and Steve Ferguson and Bill Cook and community worked together to make that happen; we also know that this is the smallest convention center in the state of Indiana; yet, second most desirable location for tourism in Indiana; we know there's demand for more, larger, and different meeting space; we also know that there's sea of asphalt down at the Convention Center; that that sea of asphalt can be turned into something beautiful; aesthetically pleasing if done right; if this is approved, it will be done right; it will aesthetically pleasing and socially responsible; it will interact with downtown; it will interact with the B-line; done in way to be proud of; the downtown is the community; heartbeat and vibrancy of what we have here today going forward; there will be additional opportunities for IU to use this facility; it's interesting to hearing IU students today, and I respect their opinions and comments; but I was at the convention center recently, whereby there was a Kelly School of Business job fair; there were 2,000 IU Kelly School students job searching; it was awesome to see; It was fun, energy; the point being IU uses the Convention Center a lot throughout year; the late Bill Cook once said, "The most noble thing one can do is to provide a job for someone"; if you pass this legislation, you are going to provide a lot of jobs for a lot of people; from construction, to entry level jobs, journeymen, and professional jobs; you heard that this also will bring additional \$20 million to the community; it's not about \$20 million; it's about the opportunity this will provide; I hope you support legislation and thanks for your consideration.

(Public Comment: Jim Blickensnorf) Good evening; my name Jim Blickensnorf; I am a downtown merchant owner of Grazi; I chair the city's Parking Commission; I'm pleased to be here to speak about this; the issues we've discussed with our staff, which may of whom are students; ages 19-26; most are grad students; we are in firm support of this ; we believe that hotel space is constrained, and additional overnight stays will lead to additional revenue generated for all businesses downtown; we're excited about supporting that; but there's one thing that hasn't been discussed tonight that we should touch on; next month will be 20 years in the downtown area for us; in over that 20 years, we had a chance to work with lots of different non-profits; I've even served on

board with some of them; I know from personal experience some have outgrown or are close to outgrowing space in the Convention Center; when you think about the value of all the good works done by Girls, Inc. and Boys and Girls Club, Habitats, and others; Wonderlab for instance that raises its significant portion of annual budget through events held at the Convention Center; so much space; important to recognize that expanding that and expanding opportunities for non-profits in community will be a multiplier of sorts to serve people who made the argument that they'd be adversely affected by 1% tax; company supports it; I support it; my employees support it; I urge you to support it.

(Public Comment: Norman Deckard) Thank you; I'm Norman Deckard; a former resident of Bloomington; there's no one in the entire county or southern Indiana that is more proud of Bloomington than I am; I lived here all my life; my family has been in business here for over 95 years; I am one of the original supporters of Convention Center; I think it's great; I'll stop here and say that if you didn't have a certain lady managing that thing, you would not have near the Convention Center you have; Talisha Coppock has been outstanding; I dealt with her back when it all started; and still deal with her occasionally; she has been outstanding along with the other employees; probably everyone here will be surprised by what I'm going to say; I have a pretty good investment down there; the land that's south of Convention Center that was recently acquired few years back was land I owned; I made sizable concession on the price of land so a deal could be closed; I knew it was going to Convention Center; where I thought it always should go; I got a sizable investment; won't go into that; no one else's business; this is not the time to pass this measure for this tax; we do need the Convention Center exhibit space; we will never increase Convention Center much until we have big exhibit space; what's been planned, 40,000 feet is a very small exhibit space; we don't need exhibit space ten or twelve feet high inside; we need exhibit space 25 or 30 feet high minimum inside; then you need outside area for marshalling trucks and things that come; I've spent almost my entire business life dealing with trade shows, conventions, and this thing all over the United States; you can hardly mention a exhibit I have not been in if it has anything to do with heavy equipment; every place you can think of; none have a small type space that we're talking about here; that is going to have to be addressed; the other thing is when you go to conventions, if you go to meetings, you expect to stay inside; you don't intend to walk two blocks to go to an exhibit space; going to build a walkway covered somewhere at county expense, shouldn't be across the street to hotel; thank you.

(Public Comment: Robert Mitus) Good evening; thanks for your time Council members; I am going to speak about a case study about the need for larger Convention Center; my wife and I founded the Soup Bowl Benefit for the Hoosier Hills Food Bank 24 years ago; it started at St. John's, moved to St. Mark's and Harmony, we've been over a decade at the Convention Center; every year for 24 years, we sold out at each events; every ticket, every; we're stuck at about 600 tickets; the Fire Marshall might see, better be careful; I might squeeze a few more but that's it; that's the cap; we raise \$100,000 a year; we've hit a cap; we could easily sell maybe two times that many tickets on a good year if we had the space; how does it help community?; it directly helps people in need; in Monroe and the five surrounding counties that the Hoosier Hills Food Bank serves; how does it help when Sycamore Land Trust and Wonderlab sell more tickets to their fundraisers, which are also sold out this year; it's the environment is helped; and it's kids and families that go to Wonderlab that are helped; these events I speak on behalf of specifically the Soup Bowl Benefit direct benefits to community by selling more tickets; more tickets means more sponsorships; more dollars can be raised; we could maybe raise \$150,000 instead of \$100; it's a lot of help to hungry people throughout the county and beyond; what is the purpose of government?; I think it's what citizens through elected officials choose to do with resources in community; whether or not private sources can do something familiar on I – 69, it's our choice to come together and have a respectful debate with students involved and community members involved of all types; I urge you on behalf of myself and wife to support the funding mechanism for the growth of the convention center in this community; thank you.

(Public Comment: Paul Fratianni) Before the Council is a subject in which will directly impact business for Persimmon Inn; which my wife and I run; there are two different proposals for getting the revenue necessary for building a new Convention Center; a 1% Food and Beverage Tax or a 5% Innkeepers Tax; we are opposed to both but even more so the 5% Hotel Tax; many of our customers already find this a burden; and seeing that many Airbnbs don't even pay this tax, it would double our disadvantage; on top it all, we believe this will not significantly increase revenue; it will, however, most directly benefit the Marriott and whatever hotels are built in conjunction to the Convention Center; this is not fair; as it favors a few select big businesses; and as for the 1% Food and Beverage Tax, I would listen closely to what the restaurateurs have to say; if they are in support of such, then we would be a little more neutral to that idea; but if they object, certainly Council should listen closely; thank you.

(Public Comment: Scott Wells) My name is Scott Wells; I'm a former County Council person; go back two weeks ago, regarding this Food and Beverage Tax; the Mayor John Hamilton says, "I call it the Bar and Restaurant Tax"; this is not regressive tax; well let's look at a dictionary; I thought Mr. Hamilton was smarter than that; I KNOW, John, you're smarter than that; in fact, maybe it's a political ploy; am I supposed to stop for this?; pause it; \*temporarily pauses time for bell\*; every second counts; \*resumes time\*; ok let's get started; back to the story here; Mr. Hamilton, I know for your side, it's your political ploy; but let's look at a dictionary for "regressive tax"; right out of the dictionary, a regressive tax is "a tax that takes a larger percentage of income from lower income earners, from the higher income earners"; let's just do an example of your salary; you and Jim Murphy both make over \$100,000; you are, I would say, six figure elite people making lots of money; let's compare that to a \$20,000 person, ok?; \$20,00 versus \$100,000; that's a five-fold difference in revenue that you have as a reserve; so that 1% hits the \$20,000 five times harder; that's what regressive is all about; now let's talk about the \$20 million generated; this thing should stand on its own with no subsidy; if really you've talked about bringing in \$20 million, well I'm all for it Jim Murphy; but I don't get money given to me when I start my projects; and here's the interesting thing; if you really want to pay for this, here's how you do it; 100% guarantee; take your 5% Innkeeper's Tax, go to 10%; then, like Marty mentioned, let's increase TIF boundary areas so you get more revenue coming in from that from the city; and you add those two together, amalgamate the two, you could pay for this thing, guarantee it; but you know, you just got to think outside the box to do that; and the third reason why I'm against this is partly because the county doesn't really, this is a city TIF; what does the County get?; you look at the legislation of what a TIF is; all of the money raised has to pay for infrastructure within TIF; and lastly, my good ole buddy Kevin Rogly, the attorney of record on retainer for the \$37 million proposed hotel; that's a red flag; why?; because good ole Kevin is involved in a corruption scheme; I know I have 20 seconds to talk about it; but I resigned that plan commission BZA because of the corruption that Rogly spearheaded; I will not trust a word he did; because of what he did to residents out there trying to move forward and bringing in Shelly Yoder into this; and ruining her reputation; for his gain on the transfer station; and not following 3 ordinances written; and I thank you for the extra five seconds.

(Public Comment: Greg Knott) Hi; my name is Greg Knott; and I just wanted to read a letter to the editor that the Herald Times hasn't published yet; this is my letter to the editor; consultants are paid for favorable economic impact studies much like Wall Street pays rating agencies for AAA ratings; Professor Hayward Sanders has compared Consultant's Forecast to actual results in more than 50 cities; Nashville got only 267,000 of their 466,000 hotel rooms night increase projection; Philadelphia has seen less than half the business it's been promised; actual results average only half of consulting estimates among the 50 cities Professor Sanders studied; HVS consultants claim Monroe County lost an average of 8,444 room nights per year 2013-2017; visitors to fancy restaurants, students at bars, and busy moms buying McDonalds for their children will pay a combined \$61,557,175 in new taxes to fund debt service over the next 25 years; averaging \$2.46 million per year; that's an average cost of \$583 per room night if you believe Professor Sanders or \$292 per room night if you trust HVS consultants report; most soccer moms will not rationally waste their time working against \$50 year tax increase; but also won't reward politicians who take money out of their purse in the May primary; will Shelly Yoder use

her swing vote for or against it?; I understand that she is the swing vote in this matter; I don't think you'll find a lot of people who will come out if it's \$40 or \$50 a year; I think for every person speaking here, you'll find countless others who are against who don't think it's worth their time to come down and comment; and I also don't trust the consultants and their numbers; they are paid to tell what you want to hear; they get as much work as Moody's and Standard and Poor's would get if they gave poor ratings to bonds; thank you.

(Public Comment: Jim Holthaus) I have a thumb drives with schedules to show; could you put the first slide up?; that's not very clear; this is a schedule that reflects the \$3 million that you're going to raise every year on the Food and Beverage Tax; and the Food and Beverage Tax is pretty similar to the cost of the Innkeepers Tax per year; one thing, I'm not opposed to expansion of the Convention Center; I think it's fantastic; I'm only opposed to the way you're making payment for it; the numbers in the far right column reflect an inflation rate of 2%; everything else is held constant; I'm not including anything for additional population; in 10 years, you will have collected almost \$33 million; in 15 years, almost \$52 million; now you only needed \$35 million for what you're proposing to do; what really bothers me is that once it's passed, it will continue to be there; when you get to the 40<sup>th</sup> year, now you're at \$181 million; that's very troubling; all that says is that so much slush fund) built up in this that you can do a poor job and bury it; basically, these same numbers are consistent for what you would get for the Innkeeper's Tax; and one of the things with the Innkeeper's Tax is that it's no money out of anyone's pocket; and you probably could get by with maybe a 3% increase in the Innkeeper's Tax; would you show the next slide please; this shows the relative amount of the 1%; it's really a 15% increase in real terms; you're going from 7%, you're adding 1%, and the 1% divided by the 7% is a 15% increase; and I think that's why a lot of people are upset over what you're doing; in the next area down, if you have the 10% Innkeeper's Tax, no money spent by the locals; assuming, for concept purposes, you have \$10 million savings; the Food and Beverage Tax at 1%, what that does, is it reduces your economy by \$2,100,000; so when you compare that to the \$10 million that you're benefiting; you have to subtract that; and so your net comes out to \$7,900,000; it just seems unrealistic that you'd pass that and burden all the residents; I hope that you would postpone it and make a little more of a study; and then come up with a more reasonable solution; thank you.

(Public Comment: Jennifer Mickel) I'm here to say I'm not for using the Food and Beverage Tax; I like the Convention Center; it's always been an interesting thing to me; that I can see, since 1990, when I was here then, we have the same arguments; I know it's going to all be great; and that we're going to make a lot of money; and it's going to be great for the County; but, I see that it didn't happen; and we're making the same old arguments again; to say that now we have to put a good investment into another one that is as well planned as the last one; and, we might not see the same thing; we might not see a result or any kind of profit; just like it is this time; we haven't made any profit whatsoever; the people, the private businesses and some of the not-for-profits have used it and have made something good for themselves; but has the County gotten anything gotten anything out of it?; clearly, the tax rules and regulations, that is the TIF, make all the profits so that the city gets all of the project's money; nothing for the County; the Hotel Tax may be a better way of going at it because it's not that much for each hotel room; I think that hotel rooms aren't anything compared to the Indianapolis costs or even in French Lick; the attraction for coming here might be that our hotel rooms aren't as expensive even if we have the Hotel Tax; the current and past folks are nice that have been running it; but because of the government restrictions, so they can't run it like a good business, they don't know how to do it because of the government restrictions that don't make it profitable; there's no benefit for us as Monroe County groups to go there; we don't get a discount or anything; even last time, they said, they were having most weekends ok; the weekdays weren't; we still don't have a discount during the weekday; that should be looked at again, reassessed, and possibly some of the business people be on it instead of just the people who would benefit from the building; thank you.

(Public Comment: Tomi Allison) Hello; I'm Tomi Allison; even before I left office in 1995, we realized there was a need of future expansion of the Convention Center; why?; because it was simply too small to accommodate



groups coming to Bloomington; I think of the Indiana Cities and Towns full convention; we expressed repeated desire to meet here, and was repeatedly turned away for insufficient facilities; Bloomington turns conventions away regularly due to size; with an estimated loss to our economy of several million dollars a year; imagine the annual loss to our community in terms of business income and jobs; the expansion of the Convention's facilities is long overdue; I favor this investment in our economy; I favor Food and Beverage Tax; thank you.

(Public Comment: Martha Moore) Hi; I'm Martha Moore; I'm local business owner and developer in Bloomington; and a long time Bloomington resident; moved here 1969; I'm going to be very brief; I am for Food and Beverage Tax; but all of my points in my notes have been stated; I don't think they need to be stated again; I do want to remind everyone in the room; they say we need to consult with business people; this plan has been worked on for years; I was the president of DBI 6 years ago for 3 years; and this plan was worked on extensively then; I just remind you how much time and effort has gone into reasonable plan for positive economic development for Bloomington; and I do want to speak to the IU Students in the room; we love you in Bloomington; I'm an IU grad; when my son graduated, he was the 5<sup>th</sup> generation in my family to graduate from IU; however, I think it's super important to remember 2 things; first to have viable university, we must have a viable business community; it's very important to have businesses on the square; that we have this courthouse, which we considered tearing down in 1980; I often think about where we would be meeting now; over by the mall somewhere; if we didn't have this beautiful building we saved; sometimes we have those milestone moments where we look at the broader good of the whole community and we have to realize we need to do what we need to do to keep the community viable; and to me this is one of those milestone moment; if we don't grab this opportunity to expand the Convention Center, we are shooting ourselves in the foot; will regret it later when we see those dollars going somewhere else instead of here; so I think that's really important; and the other thing I want to say to the IU students; I understand that you are on a tight budget; I was also on a tight budget as an IU student; I want to remind everyone this is a tiny tax; if you go to Kilroy's and you spend \$25 on beer, you will spend an extra quarter; that's not very much; I love Bloomingfoods; currently they are doing this thing where you can round up; so if you spend \$9.17 and they say "You want to round up to \$10?"; they are raising \$10,000 a month doing that; this tax is smaller than that; it's a great example of how if everyone in the community chips in a tiny bit, huge things can happen.

(Public Comment: Mike Black) First off, I'm very much in favor of any expansion necessary to meet needs of Bloomington and Monroe County as far as the Convention Center is concerned; the sheet that I just had is from the BEDC website; it tells of a survey commissioned by the Convention Business Bureau back in 2009; it shows, if it's correct, I assume it is, we should have more than enough funding from the Hotel Tax to pay for the Convention Center; the third grade math problem is on the back; anyway, I feel the tax is unnecessary; and that have the funding necessary through the current tax revenues; the \$2.5 million stated we receive now doesn't include hotels just coming online or won't be coming online; we will still get tax for those; at very least, I don't think it should be pushed through tonight; you asked last week if it's a tool if we lose it we can't bring it back; that's not true; if not passed tonight, it can be passed in January if you still feel you need it; that's all I have to say; please, it's a great responsibility to implement a new tax; and I think you should seriously think about it before you do it; and if you feel you need, go for it; thank you.

(Public Comment: Jeff Sagarin) Hello; I'm Jeff Sagarin; I've been in this community for 40 years; I visited here May of 1977, I moved here in August of 1977; I arrived here with a degree in Mathematics from Massachusetts Institute of Technology; I got an MBA from Indiana Kelly School of Business; it was QBA back then; now I think it's Decision Sciences; I don't have numbers; I know some people who care a lot; I've heard from businesses and people who work in things that they think they'll gain from it say it's a great idea; but the people who pay the 1% they're not in an organized group; and it just seems to me a certain arrogance in saying "it's only 1%"; I mean I could easily afford it; it's not my beef it's just that it's nobody gets to vote on it except you; the people in favor, here is one thing I've heard; and I believe it's true; let's say it goes belly up; who will pay off the loans?;

the taxpayers; it's such a great idea, forget about having degrees; the story of 9 year old kid in "The Emperor's New Clothes" would say, if it's such a great idea, why aren't the people going to profit from its businesses sign loan guarantee?; they're on the hook if it goes belly up; why are they going to stick tax payers with that; I don't have much else to say; I think it's an arrogant act against people who can't organize individually; they're not a particular business; they're just one person; if I had power to, I'd introduce Jeff Sagarinn Tax; everyone in this room sends me 10 cents a week; collected once a year; I'd make out like a bandit; thank you.

(Public Comment: Forest Gilmore) I'm Forest Gilmore; executive director of Shalom Community Center; thank you for giving me this opportunity to speak; I feel tentatively in support; there are two factors that affect my support; the first factor, there's a lot of talk about poverty and the impact on poverty; in terms of the people I work with on a daily basis, I don't see 10 cents on a burger or pizza creating that substantial impact on lives; put that forth; talking about the size of tax, not a general fan; given the limits placed on us around raising revenue; the impact is fairly minimal; I don't see it being a significant impact on a homeless person getting hamburger; I don't see 10 cents stopping that; the other thing that stands out, and there are questions of validity of market study and rate, is the number 260; that's number of jobs the market study says it will bring to the community annually; those two factors make me feel like this is the right move at the right time for the community; thank you.

(Public Comment: Rachel Glago) Hi; my name is Rachel Glago; I'm a MBA student at the Kelly School of Business; I'm here to support the Food and Beverage Tax; I want to make one point; and I'll try to be as brief since I am the last one; the opposition argue that the Innkeeper's Tax is sufficient to pay for this expansion; comparably, yes, the numbers line up; but in the long run, we're actually taking a huge risk versus using the Food and Beverage Tax; not only do we price out of the market when we increase the Innkeeper's Tax to 10%, and as other's mentioned makes it 17% when including the sales tax, we also start limiting our diversity of where the funds come from in investment in tourism and recreation; we limit it only coming from visitors; so we rely on them for all of the funding; let's say 10 years from now there is some sort of economic crisis happens, even on a local level; where people stop traveling; we no longer have visitors to Monroe County; of course this is 10, 15, 20 years from now; the Food and Beverage Tax is immediately helping to fund the expansion to the Convention Center to hopefully continue to revitalize that type of tourism and development; however, after that's funded, then we are also funding other cultural endeavors, arts and culture, and general economic development and other recreational facilities that bring quality of life to town and community; now we are relying on visitors to do that, even though locals benefit just as much; so when we look at funding, where funds should be coming from, we want to diversify the portfolio; when doing that, we should then be relying on visitors, residents, students, and anyone who wants investment in the community; because then if there is a crisis or issue, in a couple years or a lag of tourism, we are still getting funding; not all of a sudden out of funding from these resources and unable to help with other cultural developments happening in town; we are able to continue economic sustainability; the Innkeeper's Tax is not sustainable; I want to thank you for taking time to listening to all of us; please consider the emails and phone calls you've received from others not able to make it; IU students were not able to make it for finals; however, these meetings have been going on for very long time; I have not seen an influx of students come in to voice their opinion; however, they may have been contacting you outside finals week; so please consider suggestions and comments that come in from the public; thank you.

(Cobine): Thank you very much and that concludes our public comment portion of the meeting. We will take a 10 minute recess.

#### **4. RECESS**

President Cobine calls a 10 minute recess at 7:30 pm.

## 5. CALL TO ORDER

President Cobine calls the meeting to order at 7:40 pm.

## 6. FINANCIAL SOLUTIONS GROUP UPDATE

Update from financial advisor Greg Guerrettaz from Financial Solutions and questions from Council Members.

(Cobine): Thank you everybody for your public comments and for coming out tonight. We are waiting for one member to come in. The next thing up on our agenda is an update from the financial consultant from Financial Solutions Group, Mr. Greg Guerrettaz. He spoke at our work session, presented us with information about different sources of public funding that were available to the County Council – well, for the funding of the expanded Convention Center project. Basically, there was, that I know of, there was one specific follow-up/add-on question to what was presented to us at that meeting, and he is here once again to give us that update. So, we are ready to hear from you once you are ready to speak, Mr. Guerrettaz. Welcome.

(Guerrettaz): Good evening, my name is Greg Guerrettaz. I am the president of Financial Solutions Group. I'm a certified public accountant and licensed with the Securities and Exchange Commission. I'm here tonight to, kind of, answer a couple of the questions with our update and then also make sure that there are no outstanding questions from our November 20<sup>th</sup> report that we put together. As you know, we went through a lot of information (I'm speaking to the 20<sup>th</sup> report now.) We put together a lot of information as an independent municipal advisor to you, the group. Our job was to look at the different revenue sources that we explained within that document according to the letter agreement that we had with you originating several months ago. We looked at different Innkeeper's Tax, we looked at the Food and Beverage Tax, we mentioned the Income Tax, and we went through all of those type of different taxes. And so, what I guess I'd like to do was ask if there's any further questions on the November 20<sup>th</sup>, 2017 report.

(Cobine): Alright, let's see if there are any questions about that initial report from members of the Council. Let's just start down here with the right, and just check with each of you to see if there is.

(Munson): So I sent in my questions to Mr. Flory, and I just presume that you got those. And I'll just await your report tonight. Thank you.

(Cobine): Mr. Spoonmore.

(Spoonmore): No.

(Cobine): Ok.

(Yoder): I just submitted questions, so look forward to hearing them.

(Cobine): Council Member Jones.

(Jones): I submitted questions previously.

(Cobine): Alright. Mr. McKim? Council Member Hawk?

(Hawk): Is this the report where we were told in the small print that it did not include the fixtures, the furniture, equipment, soft costs, and renovation at the present building? It was on that one sheet, I'd be happy to pull the sheet out and show you.

(Guerrettaz): I believe I know what sheet you're talking about. It should be the sources and uses of funds. And the sources and uses of funds didn't have small print. It would have footnotes. And I'm on the sources and uses of funds. By the way, that font is probably about the same size as the other. Here we said that – we outlined on page 26 the exposition space and all the different items, sight development, contingency, and all that totaling on the low side \$33, on the high side \$40. There are no footnotes talking about excluding anything at this point in time that I know of.

(Hawk): This is the sheet I was speaking of. So this was presented, what, November 28<sup>th</sup>? And actually, it was in a stack of paperwork. We've had a lot, so I've been going over it this weekend.

(Hawk): I'm talking about this sheet where it says something in "Item 2."

(Guerrettaz): Sure, and I'm not the author of that sheet. That was HVS.

(Hawk): Well then, that's still my question. Do we know how we're going to pay for those additional costs? Or do you have them included in something that this didn't have?

(Guerrettaz): I would have to give you a follow-up answer because I haven't really studied that sheet.

(Hawk): Any place in your paperwork do you see how we plan to pay for the current building and the...furniture, fixtures, equipment, soft costs, and renovation of the current building.

(Guerrettaz): I would need to find that out for certain. I do not know that at this point.

(Hawk): Because I think that's a big one. I questioned Council office and sent that information out asking that question.

((McKim) Just to be clear, that's our decision, and the decision of the County Commissioners.

(Hawk): And I apologize. This was in a stack of documents that was handed to me at the meeting, and I just assumed it was from him.

(Guerrettaz): The numbers that we used in development - and remember, any time you do a facility like this at the very on, there is a lot of estimations that are going on. But we have set forth on page 26, and I see "Concords in Existing Center," various things throughout there. But those things were not authored by me, and they are estimates at this point in time.

(Cobine): Just to clarify for the public, and for people watching this on CATS or in the future, perfectly useful and important question, but outside of the scope of what we contracted with FSG for in terms of revenue. So-

(Hawk): It certainly is something financially we'll have to figure. It's a pretty big ticket item, and I don't think it's something we can overlook. So I regret that you weren't asked to look at that so that we would be prepared. I thought that you would have been.

(Cobine): Right. Mr. Guerrettaz was requested to find out information about revenue sources. This would be something that I think would be - more details on the estimates about the existing infrastructure would probably be best answered by the Convention Center management folks. And I recognize that page; that's from their presentation.

(Hawk): Is that the only question I'm going to get to ask at this point? Do I need to wait until everybody asks one and then come back and ask another one?

(Cobine): Well, you can ask more questions, but I want to sort of remind us right now the way Mr. Guerrettaz is framed. It is if there are any questions about the initial report before he goes on his elaboration of the information there.

(Hawk): This is a question about the initial report.

(Cobine): Go for it then, please.

(Hawk): On the initial report - I'm going by memory - I remember you showing a revenue projection of \$500,000- \$550,000 for each point of the Innkeeper's Tax, which would then result in a \$2.5 million - \$2.75 million per year. And I'm wondering why, if that was true then, then with the more recent update, that revenue was reduced? Was there some reason why you had a different theory there than you have now?

(Guerrettaz): Well, I don't believe the revenue was reduced. And we can get into the total Innkeeper's Tax that - on page 5, of the initial report, we put the estimated Innkeeper's Tax of 5%, had a low of \$2.45 million and a high of \$2.75 million. We had an estimated Innkeeper's Tax at a 1% of \$490,000 to \$550,000. When I developed the coverage calculations, which I'm going to go through later, I did utilize the low portion: the \$2.45 million. So, I don't believe I lowered it from there or changed it from there. Now, I will say based upon some of the questions that I received last time about the estimated number on both the Food and Beverage and everything. We consulted with the Indiana Department of Revenue's director, Adam, and he was able to put together some preliminary information that his team ran. Basically, the information that came back validated that the Food and Beverage estimates that we had put together were within the range. What I mean by that is there was no absolute that could be provided by the Department of Revenue, so it was discussed with them on the per capita basis, as I indicated earlier, in the estimates that we've used. Then, we further refined that, and I showed you the calculation in the updated report. We tried to further refine that based upon discussion with Council about looking at some of the current people paying sales tax. What was found was the information wasn't available in real good format (the Department of Revenue). So, there was a lot of "what ifs" and assumptions they made, but when they came back and we reviewed the numbers, they look reasonable. We do know, though, that you will not be able to - at this point in time due to some of the reporting and that on some of the returns that data will need to be filled out more correctly in the future. That data will then be collected in. If you enact the tax, the tax will go with that. Basically, I'm telling you that the estimates we've made appear, again, to be reasonable based upon anything we can get from the Department of Revenue. There is no real good data on exactly what people are paying now.

(Hawk): President, I have another question. Shall I wait until everyone's had an opportunity?

(Cobine): Let's check and see on this topic if anybody's thought of anything. I appreciate that. Please proceed.

(Hawk): In some of your documents - and I'm sorry I don't know whether it's from the 28<sup>th</sup> or for the one I received as I arrived today - you had said something because there's no track record that we can count on for revenue that the interest rate is at one point higher, how much higher? For the one's that we didn't know for

certain how we could track. However, did you use the same projection for an interest rate for the Innkeeper's Tax as you did for the Food and Beverage because we do have number's to track for Innkeeper's?

(Guerrettaz): Correct, that's a two part question. Part number 1 is that I said in the document that there would be approximately 0.5% to as much as 1%. The point of that was if we were to issue based upon Food and Beverage tax with a limited history. Normally, I recommend to a client objectively that we have at least one year's history, and that will then help the rating agency assign a rating to it; helps the Council know what they are able to bond on, and usually that's something that takes place as the process of developing the project to take place. Then on the second part or the questions: the Innkeeper's Tax. No, we did have history. We had put history in the report. We feel that it isn't as a dependable source as Food and Beverage, given what we've looked at, and given the discussion we've had. But we also believe that the numbers there are a little more solidified because we do have as strong history there.

(Hawk): So did you use a lower interest rate then when you were figuring the repayment with the Innkeeper's Tax?

(Guerrettaz): No, we did not switch – remember, the debt service. We just lined the debt service up. At this point in time, we're not using a higher or lower. What we're using is a current interest rate plus 1-2%. So we're really projecting out because, given what the feds did today and what the feds will do tomorrow and the day after, we didn't even use one of those. We use a current market plus a factor of 1-2%.

(Hawk): And on your reports, on one of the reports, you had indicated you anticipated the bond would be sold in February. So that doesn't give us a year out to set a track record. How would we go about that?

(Guerrettaz): That was one of the questions that I got in an email, and I said it was merely a start date. We wanted to pick a start date. We picked February 1 as a start date just to align things on an annual basis. It was for illustration only. We would not be able to issue a bond, even if we approved it tonight, we'd never be able to issue a bond by February 1. Illustration only.

(Cobine): Let's see if there are any other questions, again, pertaining to that first report or anything there, or if we're ready to move on to the new-

(Yoder): I had one.

(Cobine): Please, go ahead.

(Yoder): So, based on what you just shared, Mr. Guerrettaz, when, based on the projection – I did have a resident ask me, when can we begin looking at, how long will it take? When would we begin to issue a bond on this?

(Guerrettaz): I spoke about this at a \$55 million jail last night in a certain county up north. There's a process that takes place. Number one, the revenue on the construction process could begin at the same time, and design and all that. But any design, and even a bid of a facility like this. You're at least a year out, probably. And an engineer can correct me if I'm wrong, but there isn't a project that I've seen go faster. What normally someone does is, a normal city council or a county council says, "This is the way we're going to fund it." They enact the tax, they begin a simultaneous process of designing and doing the facility and solidifying better estimates, and then proceeding to a final point of which once we receive the bid and we're able to lock in what we're going to issue when it's acceptable to you all, just like we've done all your other bonds and we've done the redevelopment commission bonds. We make sure that everything's aligned, and then the bonds are issued at that point in time.

Remember, there are many approvals that have to take place before that process happens. So that's the normal way you finance a public project. We've got a lot to do over the next year or so. But they can go hand in hand.

(Cobine): Anything else to follow up on that first section? I think we're then ready for any new material you have.

(Guerrettaz): Thank you, and again, what I am presenting tonight is the December 13<sup>th</sup> Debt Service Coverage Calculations. I don't think there's anything dramatically different from the original report, but this was in response to any of the questions that came up from the last meeting. We discussed coverage, and let me make sure that I articulate this correctly. Let's say you had a home mortgage of \$100. Now, you went to someone and said – or you were going to build a home – and you said, "I need a mortgage on my home, and what I'd like to have is a payment of \$100 a month." (And I'm making this easy). So, at \$100 a month, the banker will come in and say, "Ok, what do you make as a monthly salary?" I'm assuming it's more than \$100. And you say, "Yes. Obviously, I make \$200 a month." This is very simplistic calculation. The coverage is the difference between the \$200 monthly income and the \$100 debt service. That's what we call in the public finance world two times coverage. One and one are the two, the two is the income, and the one is the debt service. So you'll always want to be able to cover your mortgage payment, cover your debt payment, and that's what the discussion about the different coverage – what is the coverage. We have this discussion constantly at the redevelopment commission, with and without GE. We've always had that calculation. We always believe that any bond issue that's based upon revenue should have coverage. So what I did tonight, and present it to you, is the different coverage calculations that we have put together. There's a lot of concern about if we were to issue this bond, what would we cover it with, and how would it look? I take you to page one, and I'm going to step through these fairly quickly to keep with the overall timeline. On page one, what we've done again – and again, the coverage calculation was kind of lacking from the original report – we've put together the proposed data in the far left hand column. Again, it is purely an estimate, and I had a start date of 2018. It might be 2019, it might be later. Then we showed your two current outstanding bonds. I told you in the last (meeting) our goal would be subject to bond counsel. If subject to bond counsel, we would refund these and try and lower the interest rate. That would be the common goal. Then we show you a combine debt service, which combines both the proposed and the two existing bonds (the 16A and 16B which you have outstanding) which I believe was for the purchase of the land. Then we compare that to the estimated Food and Beverage Tax. As you see, this is the low side, and on the next page you're going to see the high side. What we show you here is on the low side if we put this debt together at the \$2.5 million, and at the bond size that's been estimated in the original document that there would not be sufficient coverage at the low side. We would do one of two things. Either the estimate revenue will need to be higher (or it will come in higher), or we lower the bonds and we ask for more "skin in the game" so to speak if the project can't come down. If the project can come down, then everything works. If you remember from my original report, I had a low and a high side, and I had cash contributions in there to level the two out. So that's what I have on page one. On page two, I've put together then the proposed same calculation using the \$3 million estimate Food and Beverage Tax.

(Cobine): Mr. Guerrettaz, let me jump in here for a clarifying moment about Exhibit A and Exhibit B. Just to be completely clear, your explanation of the debt service and the combination there is excellent. The estimated Food and Beverage Tax column, again, is the low estimate over that time period. And the note at the bottom indicates that there is no Innkeeper's Tax included in this. That means none at all? No additional?

(Guerrettaz): None at all. And I'm going to show you why.

(McKim): To the bond?

(Guerrettaz): Correct.

(Cobine): Thank you.

(Guerrettaz): So then on page three and page four, I now show you the (we had this discussion) the proposed Food and Beverage Tax city only estimated (I can't say estimated enough) portion, because even the Indiana Department of Revenue agreed there was no better way to estimate the split. As we talked about it, there is no – right now, the database does not collect that information. So we use the estimated that we have come up with on the "City Only" low side, and as you can see, the coverage is below one on both scenarios on the "City Only" portion. So I'm on page 3 and page 4.

(Hawk): Could I interject something here?

(Cobine): Please, go ahead.

(Hawk) I see that you're using the Population Analysis, and that's just a way that you could arrive at this. But for people to understand, this will not be split up according to population.

(Guerrettaz): No, I do not believe it will be.

(Hawk): It will be split up according to where the restaurant is located.

(Guerrettaz): That is my understanding.

(Cobine): Correct, the location of the collecting entertainer.

(Hawk) A lot of people had thought it was the population, and it is not, but that's just the number. You need to use something for your analysis.

(Guerrettaz): That is, again, the agreed upon way that all professionals would believe is the best way to estimate it at this time.

(Hawk) To add to that, just want to make sure people understand. It's not tied to population when they do the actual distribution.

(Guerrettaz): Correct. The next page, page 5 and 6, is –

(Hawk) Did you skip by (page) 4?

(Guerrettaz): Yes, I did. I skip by 4 pretty quickly because I said page 3 and 4 were the proposed Food and Beverage city only. One was high side, one was low side. Both of them were below one times coverage: just cannot be done. Page 5 –

(Hawk): Wait. On page 4, for the notes, you're saying that you're assuming that the Innkeeper's Tax currently used for debt service will be used for operating cost only. Shall I assume you mean operating cost of –

(Guerrettaz): The facility: just like it is currently. The next page, page 5: what we did here is we showed the same thing with the estimated debt. Then what this page shows is the additional 5% Innkeeper's Tax. So this was whether the 5% Innkeeper's Tax at the estimate of \$2.45 million would cover the debt. Now, in this case, you can see that it is below one time's coverage.



(Hawk): And you use the lower amount? You didn't use one with the higher amount?

(Guerrettaz): I thought we did...

(Hawk): that was my question I sent into the office.

(Guerrettaz): Yes, it's on "The Total Innkeeper's Tax", "Estimated Food and Beverage"...

(Hawk): I'm looking for one that will say \$2.75 million.

(Guerrettaz): That was to be included, but I do not believe it's in there. The \$2.75 million would be sufficient to cover that.

(Hawk): Right, so even when you're showing a shortage of \$2.46-\$2.49 million, is the highest under that? The estimated Innkeeper's Tax at \$2.75 million will definitely cover it?

(Guerrettaz): Well, it'd be one time. It wouldn't definitely. It would be one time. And I wouldn't use the word "definitely" because as we've shown on the Hotel Tax, there actually was a dip. And I believe we've shown that history in the original report. But it would be at one times coverage.

(Hawk): If we're successful in this, it will grow. If it's not going to be successful, why would we do it?

(Guerrettaz): The next page, page 6, is the total proposed Food and Beverage Tax on the low side (as you can see, the \$2.45 million). What we did is, in the next column, we have put in the total Innkeeper's Tax on the low side. This is the way that we would propose, and I believe normally whenever we've done this, we believe that your documents should be written to say that the bond holder would have access to the Innkeeper's Tax on the Food and Beverage tax in order to make the debt service payment. The reason is, as you can see, the higher coverage. Now, this stems from the fact that on all redevelopment commission bonds, we have always put together the GO backup, or put the GO back up on the bonds. We would recommend that this point in time that the GO backup would be on this bond if and when it's issued. What this would do is allow us to say with 100% certainty that the GO bond would not require a backup, or (a backup) would not be used, to fulfill this debt payment. Now, you can see that we would be at over 184% or 1.8 times. What we would not expect to be doing is using the Innkeeper's Tax, but we would pledge it. So it's a secondary pledge. Remember, a lot of times when we have the Bond Council write this document (again, I'm the CPA; I'm not the lawyer), what we inform them to do is put the available sources of revenue that you want to pledge against your mortgage payment. It's just like if you were doing a mortgage and you had some interest income or you had alimony payments. You would put that in there and say, "Mr. Banker, this is my monthly income. I don't intend to use it, because I've got to use that for food, but in the event the revenues were deficient, I might use it for a month or two." We also had proposed in the original financing that we would have a debt service reserved and all that too. There're layers of coverage.

(Hawk): If you pledge the Innkeeper's Tax as a backup, just like general obligation bond would be, you're saying you would still use the general obligation as well as Innkeeper's as the backup. But Innkeeper's would pick it up before the general obligation would. Is that correct?

(Guerrettaz): Correct, and it's the full faith and credit of the county, in essence (the GO).

(Hawk): But does that preclude us being able to put any further debt on that Innkeeper's Tax? My concern is when we were looking at it, we do still have furniture, the fixtures, the air equipment, the soft costs, and remodeling of the existing building, and if we would have to do a debt for that, and then if we would try to use the Innkeeper's for a debt payment of that. Would that preclude us being able to do that if you have used that as a backup?

(Guerrettaz): No, it would not because normally, what we would do in any type of public finance revenue related is we would have what is called a parody bond provision. A parody bond provision, just like we do again in the redevelopment commission bonds (and you've seen that), is if revenues are sufficient to pay debt service, and if they're at a certain level, let's say, you would pick that level and that has an impact on the rating. Let's say we picked the common level of 125, then anytime we had revenues over that, we could issue a bond. What the beauty would be is I went to Bloomington and got my CPA degree and got my Business degree from IU, and what I would tell you is there's such thing as debt and equity. So if we had, for instance, the high side Food and Beverage, and it came in at \$2.7 million, and we only needed \$2.5 million for our payment, we would be able to use that in the year subsequent to collection as an equity payment and be able to pay cash for some of that. Remember, I believe in an operable capital structure, and an operable capital structure is usually 64/40 debt and equity. This would allow us to get there and not have to issue bonds. There's a lot of ways of getting there: maybe even more reasonable than issuing additional debt.

(Cobine): Just as a follow onto that too (this not directly related to the financial question), and again, I'm not an engineer, nor am I an architect. Although, it's my belief, and perhaps subsequent when get to more free willing questions about the ordinance and things, we can maybe ask this and have the answer more directly. It's not a question for Mr. Guerrettaz, but my belief is that the concern you have about renovating the existing space and new fixtures and things like that inside there is something that's very much tied up in what the final product is going to be. I'm not saying it's not a good question; I think it is a good question. I have the sense that if an expanded convention center were to be constructed, it very well might make it such that the notion of renovating the existing space doesn't have the quite the discrete meaning that we think. That's something I think will be interesting to hear later, if that makes any sense or not, and if there is a discrete cost that could be attached to that or if it's going to be this new thing. I'm not really sure how to think about that.

(McKim): And on the issue of the furniture, the FFE – that's the sort of thing I would think we would not want to finance over a long period of time. Those are assets that I would think depreciate pretty quickly and that we probably want to be paying cash for. Regardless of how we do this, we would have probably at least a year's worth of collections before we bond.

(Guerrettaz): And just to address that, you've got some excellent banks in Bloomington. Another option is a lease financing for a very short term on something like that (5 years, 2 years). We always have really good interest rates on those types of things.

(McKim): Right, we don't want to be mortgaging furniture for 25 years.

(Hawk): We do have to look at the renovation of the building. We surely would not be trying to pay cash for that. Although it would be lovely, I don't believe in them (I don't have a mortgage).

(Guerrettaz): Next page, page 7, is the same thing as page 6, but we put the high side Innkeeper's Tax and Food and Beverage Tax. Now, as you can see, we're over two times coverage. Again, as I told you, we have not done anything to extend the maturities on 16A and 16B. I just want to continue to point that out. The next page, page 8, we really did try and cover every scenario. I'm going to end it with page 8 and 9 on the different scenarios. What we did here is we said, "What if we only pledge the current 40% of the Innkeeper's Tax, therefore not

raising it?" and including both the high and the low on the estimated Food and Beverage. As you can see, that gets us above the average of \$129 million coverage and an average of \$140 million on page 9. To summarize, I gave you on page 10 the summary of our calculation on the annual revenues and the population. You can see the different governmental units. We did have some outliers there. Shelly knows that I've been the financial advisor to the town of Shipshewana many years, so I had to put that in there. As you can see, there's no relevance to those numbers because I thought what was really interesting is how close Nashville and Shipshewana were together. You can see that we did not use those calculations. We used more of a lower average on the Allen County/ Delaware County/ Hamilton County/ Vanderburgh County, and you can see the estimates that we've used of \$17.18 million and \$20.62 million. Again, that was our judgment of where we wanted to go. We did make some notes at the very bottom, and your revenue was lower for Allen County, Delaware County, and Vanderburgh County compared to 2016. There is some times that even Food and Beverage shifts a little on you. Then we gave some of the breakdown of the IU Bloomington enrollment. I heard a lot from the students, but I would point out that about 33% of the total population of the area is student related. We use Ball State because of Delaware County. The point there is we feel, again, as much research that we've done with the various entities that we've seen - and I've been around Food and Beverage Tax - for instance, Shipshewana has had it for over 15-20 years. There have been a lot of entities out there. I've worked with Avon - a lot of entities that have had it for a very long time that's helped them do a lot. There's all the donut counties have had it for quite a while because they not only benefit from the Convention Center - and that was part of the Convention Center deal. For instance, I represent Hendricks and Hancock County, and they get a spin-off of their 1% and it helps them fund all kinds of things. I think that's the update at this point in time, unless there are any more direct questions.

(Cobine): I do have one about some of the pages you just went over, again sort of a clarifying question. So Exhibits F and G on pages 6 and 7 (again just make sure that everybody understand the Innkeeper's Tax you're talking about there), Exhibit F has the Innkeeper's Tax on the low side, the note assumes using the total current Innkeeper's Tax. I'm making sure that "current" word there is the Innkeeper's Tax without an increase in the rate, right?

(Guerrettaz): Correct, that goes back to page 5 and my original report, which was the estimate at the 5%.

(Cobine): Very good, and that's the same for both pages 6 and 7. And then, pages 8 and 9, Exhibits H and I, are based on the current Innkeeper's Tax rate, but again, using only 40% of that revenue as it's divided currently.

(Guerrettaz): Correct, the 60/40 split now.

(Cobine): Thank you very much.

(Hawk): I hope I didn't miss anything there. I'm not seeing anything in here that says you're including an increase in the Innkeeper's Tax. You're using the \$2.45 million -

(Guerrettaz): Well, the one sheet that I told you I did show you with the low side - remember, my goal is to be objective, and I'm the owner's rep (being you) - I showed the one sheet where there was a the additional 1 5% on page 5. That was assuming we just used the low side additional 5% Innkeeper's Tax.

(Hawk): You're counting if we would put in place a 10%?

(Guerrettaz): No, in this one it was just using the incremental increase.

(Hawk): (Using) what is in place right now? 5% that's in place right now?

(Guerrettaz): We did not use the current 5% because that's obligated. You cannot use an obligated 5% to pay a new debt service. So what I did on page 5 is I used a new 5% on top of the original 5% and merely showed that as a comparison of debt.

(Hawk): And so page 5 is as though we are putting in place an Innkeeper's Tax increase and taking it up to 10%, which has been presented?

(Guerrettaz): Correct, as if it was up to 10%, but I only showed the incremental 5%.

(Hawk): Because you cannot use the 5% you already have in place...

(Guerrettaz): It's obligated. I could use it for bond purposes, but I can't cover my debt with it, because it's obligated.

(McKim): Can you address the long-term stability of Innkeeper's Tax versus Food and Beverage Tax based on your experience?

(Guerrettaz): (Unintelligible) we had this discussion in our office and with others. Our experience is the Innkeeper's Tax will have a tendency to take more of a dive and a downturn (or turn down quicker on a downturn). Why is that? First of all, it's coming from a more limited subset. Its travelers coming in, and they're going to stay at a hotel. I did look at, by the way, all 78 Innkeeper's Tax rates, and there is only one that's at 10%. The majority of them are at 5% (probably 60% percent of them). What you'll have with the Food and Beverage is a broader group paying into it, and what we've seen is it has not been as susceptible to ebbs and tides as much as other taxes like Hotel and Motel. Actually, it's very steady in most of the cases that we've seen. When there's been hard times, it either maintains or (we were surprised in some of the donut counties) it stayed and actually still grew in places like Avon, IN. What it will get in trouble with any of these taxes, if you look at them on a monthly basis, they're all swings and they're all based upon the state fiscal year (which is, remember, June 30). So you can't compare monthly numbers. We do that in a lot of locations, and it's very meaningless. I also will tell you that once any of them are installed, especially the Food and Beverage, there needs to be local compliance. Local compliance is very critical, and a lot of treasurers and county auditors do in the cities and counties where it's installed. But you have to be vigilant and stay on it.

(McKim): And one other question. This may be a little bit outside of your expertise, but you may have experience with it. I've found it remarkably hard to get good data on whether or not communities see a downtick in food sales (restaurant and food sales) when a Food and Beverage Tax is implemented.

(Guerrettaz): I've heard that, and remember I've been doing this 20 plus years, and I cut it off at 20. That data's not available that I've seen. We've tried to research it a little bit because I heard that discussed. Again, by job is to be objective to you, not sway you one way or the other. One person did refer me to the IRS website, and you could do some work there by zip code, but we just didn't have the time.

(Spoonmore): I'm curious about some of the income data on Exhibit J. We've got the IU Bloomington enrolment numbers, and the Ball State enrollment numbers. If you look at Monroe County and Delaware County, they've got the two lowest per capita incomes of all the counties that you've listed. Hamilton County is doing pretty good; they've almost doubled what we have per capita wise. Do those per capita numbers factor in the students at the universities?

(Guerrettaz): No. Well, does it factor in the students at the universities? Yes, it does, I'm sorry. Yes it does.

(Spoonmore): So that would be the reason why those are lower? The income per capita is lower?

(Guerrettaz): Correct. And there may be other reasons, but that could be a factor. Hamilton, (unintelligible) Hendricks, Hancock: everybody's comparing us. That's an outlier as far as I'm concerned. The incomes are very extraordinary.

(Spoonmore): They're getting a pretty good deal on their Food and Beverage Tax.

(Guerrettaz): Yes, and we looked at that. What happens in Hamilton County is when you have bonus times; you'll have 600 million of additional salaries just because of bonus times. So it's amazing.

(Cobine): Council Member Hawk.

(Hawk): On your documents there, you said you had the research on the different counties that have the Food and Beverage Tax?

(Guerrettaz): Or the Innkeeper's. I had a listing for the Innkeeper's.

(Hawk): I thought you were saying the Food and Beverage. Because one of the documents we received that we have in place there was talking about how many of the counties that have the Food and Beverage Tax, but it's used for property tax relief. I assume it's because those counties are hitting the circuit breaker, and they have to do something to try and make up the dollars because of the lost tax dollars. So they're doing it as property tax relief. Did you see that? It was part of our downloaded documents –

(Guerrettaz): Wait a minute, my staff has helped me, and staff has given me the complete print out of this - over \$89 million of Food and Beverage revenue coming in per year in the last analysis that we had, in fiscal year 2017. Actually, Council Member, I've seen some. For instance, Carmel says "Property Tax Levy Reduction", but I don't see where any of the property tax reduction in Lebanon – and I'm not quite sure what they mean by that – but my experience is no. In the past, any time (and I went with Hancock County to get their additional 1%) in these type of things, you had to go for a special legislation, and you always had to tell them directly what you were using for. Now, there may have been one or two, maybe three or four entities out of the 15-20 entities now. They talked about property tax reduction. Some of them chose to sell it that way in order to get the other portion for whatever their need was. I've seen that a lot. I've attended a lot of Chairman Brown's hearings and watched a lot a people come in there asking for Food and Beverage. Because remember, the only way you got it, and also anyone else got it, is by going and asking for special legislation.

(Cobine): And to clarify what is being spoken of, this is a document that I think is available probably from the state website. I'm not sure where it originated from, but it's a list of Food and Beverage Tax. There's just a list of the governmental unit, the particular code citation that enacted the legislation, the rate of the tax, the purpose, and fiscal year 2016 revenue. For example, they're not numbered, but what did you say there were? 27?

(Guerrettaz): I'd have to count them.

(Cobine): So there are a couple of the examples that Council Member Hawk was referring to are, for example, the city of Lebanon in Boone County has 1% rate, and it says, "The purpose is property tax levy reduction or any legal corporate purpose." There may be three or four other, like Zionsville, Boone County, Westfield, and Hamilton County. There's a few of those. They mostly seem to be cities.

(McKim): So the question is (I'm looking at that same document. It's from The State Handbook of Taxes and Appropriation; I think it's called) for all of those in which property tax reductions are listed, it looks like they're all cities that also have a county wide Food and Beverage Tax. Is that right? So essentially, in Boone County, you'd have Boone County as 1% and then Lebanon as an additional 1%, so they would be paying 2%.

(Guerrettaz): Correct, and for instance, in Hancock County because they're part of the Hoosier Dome, they have a 1% right now, but then they were wanting to enact another 1% on top of it.

(McKim): But like in Hamilton County, it's the same way. They have a 1% for Hamilton County. Carmel, Noblesville, and Westfield all have 1% in addition to the county one

(Guerrettaz): Correct. I know for a fact, as Westfield's financial advisor very deep into their budget, that we do not use 1% for Property Tax levy. It's going to defer expenses, and actually is associated some with the Grand Park, and that's a way to not levy more taxes (by having it pay expenses).

(Cobine): Or any city "or any legal corporate purpose" is kind of like "or duties as directed" in a job (inaudible). You have to do these things for sure, but there might be almost any things else that might –

(Guerrettaz): Right. And they ask for several purposes (a lot of people do). What it ends up is maybe a little different. Here, we have a special purpose.

(Cobine): Any more questions at this point?

(Guerrettaz): Ryan, I should point out that what I was looking at was IC 6-9. Likewise, there's the same listing for the Innkeeper's Tax, and I had 2017 collection. That was over \$109 million. You can see the listing there of the many 5% and the one 10%. That's a real good listing. There is Allen County at 7%, but that we toward the new sports facilities they have there at their convention center.

(McKim): I just want to clarify for everyone, because I know not everybody may be aware of this. The Innkeeper's Tax percentages are also added onto the gross retail sales tax. For example, if we see that Indianapolis has 10% Innkeeper's Tax, somebody actually using a hotel actually pays 17% (10% plus 7%). That's just important when you're comparing it with other communities. So if another community has a 12% Hotel Tax, that's essentially equivalent to Bloomington. We have 5% Innkeeper's Tax right now and 7% gross retail sales tax.

(Cobine): That's actually good because I've been looking at things around the country too. For example, one I happen to know because my oldest daughter went there for PodCon recently, Seattle has a 10.1% sales tax 15.6% Innkeeper's Tax. But those, I'm pretty sure, don't fold on top of each other in that particular case, which is different from how it works in Indiana. Although they have an additional fee for hotels, which is more complicated, but that's a good clarification to make.

(Guerrettaz): And I travel around quite a bit, and I'll tell you, I look at my hotel bill all the time. And if I do so if it's excessive, I make a mental note. Maybe I won't stay in that location or I'll stay out somewhere.

(Cobine): (Unintelligible) I've got one question, in total, everything you've put together here. It goes back to the letter there. I guess it's not a numbered page, so it's the page inside the cover.

(Guerrettaz): Is this the original report?

(Cobine): This is December 13. Although, I think this sentence was in the previous one two. It's, again, in reference to your exhibit.

(Guerrettaz): We just expanded the cover letter to include all the different exhibits.

(Cobine): Right, and Exhibit E (unintelligible) it says, "Sets forth the debt service coverage using 100% of a new Innkeeper's Tax. It should be noted that it would take 100% of the new increment, which is to say that additional assumption of 5% of an increase, and coverage would still not be met." That's sort of the take-away. There are various ways that might be better or worse, depending on how close the high or low estimate is. Those are really just to give us a sense of the boundaries. That's kind of the main take-away that I'm getting from this, and so I'm curious to see if you have any comment on that or if there are any particular questions about that particular point from other members of the council.

(Guerrettaz): No, that's what I was trying to show on page 5, and I think what the important thing is that the project cannot grow from the financing standpoint more than what we've already projected. So, sometimes, you have to keep the cost reasonable. Maybe bids come in lower.

(Hawk): Can you repeat what you just said? "This cannot"-

(Cobine): The project cannot grow. That was the beginning, that's your Que.

(Hawk): It can't be higher?

(Guerrettaz): Right, the financing portion is what I said. What I told you was that when I put together the original exhibits, sources, and uses, we can't do a \$50 million financing. I gave you the constraints in the original document. If the project has to grow, we have to supplement it with other sources of revenue. That's why I put the low and the high together: to show you where your boundaries were given the facts and figures we have today.

(Hawk): So if the interest rate went up, then it still would - because you're looking at the interest rates that you're estimating today, but if the interest rates go up before we do the bond, that changes how much (just like mortgage) you're going to be allowed.

(Guerrettaz): Yes, what I told you was I used current interest rate plus, and if the interest rate were to go up over that, then yes, principle would come down. Given a limited source of revenue.

(Cobine): I think this is a good opportunity to point something out that might become a theme, I don't know if it'll be a theme or not. Certainly, at this point, assuming quite a bit perhaps, but if we were to imagine that a Food and Beverage Tax were passed - Mr. McKim asked about if there needs to be a year of collection, it's going to take at least a certain amount of time to actually get things in - there's a great deal of both financial variables at play in terms of we have estimates for a project. What is it really going to cost? Right? There's the possibility in change there in interest rates, as Council Member Hawk mentioned. There are other concerns that aren't strictly speaking financial but would have an impact on the success of the project. Certainly, when our colleges on the City Council discussed their resolution in support of Convention Center expansion/ Food and Beverage Tax to finance it, one thing I heard very clearly from their discussion was that they are - one of the top most factors in their minds is the aesthetic quality of life impact/ integration with the community, to use a cliché phrase, can it be all it can be? Issues like that. It seems to me that if something like a Food and Beverage Tax is passed by this body tonight, there are quite a few things that could derail this and make it such that having that in place is simply irrelevant. For example, if it becomes apparent that at some point it's simply not affordable to

do this (unintelligible) during the recent financial downturn and mortgages, I remember reading articles about the price of construction materials fluctuating remarkably around 2008-2009. There are a lot of variables at play. So, this is something I think everybody here and all this body needs to keep in mind. And granted, the people that say, "Once you pass a tax, you never repeal it," well, sometimes that's true, sometimes that's not. I think, at the very least, if something were to completely blow up a project like this, I'm pretty certain (I haven't pulled my fellow numbers) the people on this body would certainly be willing to look at saying, "Well, if this isn't going to work, why do we have this in place?" That's all part of the ramp-up, so I just wanted to make that point because the nature of some of the conversation we're having here. (Unintelligible)

(Guerrettaz): Any other questions?

(Cobine): It doesn't seem like there are any.

(Guerrettaz): Thank you very much.

## **7. COMMISSIONERS OFFICE**

(Cobine): Next on our agenda, we have an opportunity for our County Commissioners to make a statement about this. I believe there's been some relevant, new development that they took action on earlier today perhaps. Perhaps other things they'd like to say, so welcome to the meeting.

(Barge): Hello, my name's Amanda Barge, and I'm your county commissioner. (Unintelligible) First, I want to say how impressed I've been with my Council colleagues and how seriously you're taking this vote. I'm slightly offended that anyone would suggest Ms. Yoder or Ms. Jones is the "tie breaker" or is the person that's going to decide, because I really feel like you guys are listening to everybody. What would be the point of even having this if you weren't actually listening to the public and to everybody else and taking in information? So I appreciate the seriousness because I know this is not a small vote for you. I know it's really important, and I know that it's cost you a lot of stress and anxiety. And I know you're thinking a lot about it, so I appreciate the seriousness that you're taking this. So I'm here today to express my support for the Food and Beverage Tax to fund the Convention Center. While I respect the opinions on both sides of this issue immensely, I have listened, read, studied, and come to the conclusion that this community space benefits us all, and I'm asking you all on the Council to vote yes on this measure tonight. I do not support unfettered growth in downtown Bloomington. With this project, in the way I look at it does not fall in this category. This space is needed, and we have waited too long for this project to come to fruition. Expanding the Convention Center is the best thing we can do right now for our downtown. This gem of a community resource must be protected, and it must be improved. This is our opportunity to craft what we want. I want you to imagine a Habitat Breakfast that can bring in double the amount of money than it does today because that Convention Center's too small. Imagine the Soup Bowl Benefit, the Boys and Girls Club, the Youth Services Bureau, or Stone Belt being able to use that space: a space that would really fit their needs. Last September, I learned first-hand with Ms. Yoder when we planned the Monroe County Opioid Summit, we chose the location of the Convention Center because it was downtown and was really the largest space we could find with parking. We wanted a central location for the Summit. This event drew people from all over, including as far as New York and Chicago. We could only register 600 people, and we were full. We could have had three times the amount of attendees. In fact, we had to rent a tent for overflow outside. If you were at that community event, you felt how special it was. Some describe it as a community summit where people came together from all walks of life. And what we learned in planning that event is how difficult it is to try to host a large event like that in Bloomington. I'd also say it was a regional event, so we brought people from all over in other counties. It just simply wasn't big enough, and we had to turn people away. The Convention Center provides a discount to non-profits through their rentals, catering, and through Marky's audio visual services. It's estimated that over a two year period, they've donated a percentage of



rate around \$137,000 to non-profits to help them succeed. I'm going to list off for you some of the non-profits that they've worked with and assisted: Monroe County Habitat for Humanity, Bloomington High School North Habitat: An Evening for Habitat, Backwater Legacies, Stone Belt, Salvation Army, Ireland Home Based Services, Fair Housing of Central Indiana, Hannah House, Head Start, Hoosier Hills Food Bank, City Church, Boys and Girls Club, Rocky Mount Elk Foundation, South Central Community Action Program, Wonderlab, NAACP, IN Adoptee Network, Indiana Problem Gambling Awareness, Indiana Suicide Prevention, the Youth Services Bureau; some philanthropic organizations, Kiwanis, Rotary, Lions Club, Bloomington Hospital Foundation; military, the National Guard Yellow Ribbon Project; educational organizations, Franklin Community Schools, MCCSC, Hoosier Academy, Virtual Charter Testing, Early Learning Indiana, Mandela Fellows, Volunteers of Medicine. 85% of what our Convention Center does is local, and these organizations benefit all of us. Maybe you don't attend these events, but perhaps your family was a recipient of a Habitat House thanks to donations earned in a fundraiser. Maybe your teenager attended the NAACP dinner and was inspired by what they learned there and shared it with their friends at school. More people are fed because the Soup Bowl benefit raised dollars for the Food Bank. Every event has a ripple effect on our community. Why public funding? Because it's a community resource, and large community spaces aren't a great fit with private entities. If we want to be in a position to help provide public gathering spaces, it makes sense to me to publicly fund. We know that this is the norm throughout the state; many are publicly funded, and the tax revenue will benefit both those in the city and the county. My colleges, I know some of you are torn on this, I know some of you are still thinking about it. But I ask you to please do what's right not just for today, but do what's right for the future to better our downtown. Imagine what we can accomplish if we work together and create a beautiful space that benefits us all. I truly believe this project isn't about us; it's about the future of our great town. If we work together, we can make something that we're proud of. Thank you so much for your consideration tonight and your hard work on this issue.

(Stoffers): A few years ago, I stood in this spot and told the County Council that I didn't support a Food and Beverage Tax. The singular reason why was because we didn't have a project that we could apply that kind of revenue stream to. That situation has changed. Now, to get to tonight, it took a whole lot of effort and a whole lot of work. One of the things we had to confront was 250 employee cars parked at the Convention Center properties. There was never going to be an expansion opportunity with all those cars there. Thus was born the parking garage that sits on the west side of the Charlotte Zietlow Justice Center now. Once that project was completed, it was time to get to work on what kind of project we could come up with. So this past April, we announced we were proceeding before an advisory body, led ably by Chairman Wikehart. We solicited quotes, we vetted projects, and we settled on a project, and that project was presented to you at a public meeting I believe in October. Here we are tonight. I wish this project to proceed. A number of the units where Food and Beverage Tax have been mentioned, and I think its worth at least for the record's sake to get the entire list out in front of you. There are 13 counties: Allen County, Boone County, Delaware County (the home of Ball State University), Hamilton County, Hancock County, Hendricks County, Henry County, Johnson County, Madison County, Marion County (the home of IUPUI), Orange County, Shelby County, and Vanderburgh County (the home of University of Southern Indiana and University of Evansville). On top of that, there were 14 municipalities that have their own Food and Beverage Tax: Avon, Brownsburg, Carmel, Cloverdale, Lebanon, Martinsville, Mooresville, Nashville, Plainfield, Rockville, Shipshewana, Westfield, and Zionsville. Now, there are three entities in Indiana that have a Food and Beverage Tax authorized but un-adopted. They are the city of Fishers, Steuben County, and Monroe County. We should make that list of three and make it two tonight. Thank you.

## **8. CITY OF BLOOMINGTON**

Update and comment given by city

(Hamilton): Thank you very much, I'm very glad to be here. John Hamilton, Mayor of Bloomington, and Mick Renneisen, Deputy Mayor, who will speak after me, too. I appreciate the chance to be with you. Last time I spoke, I said I'm a proud, progressive/liberal (whatever word you want). I support this project. I understand there are different views about whether and how to expand our downtown acre, including from IU students we had current IU student's pro and con tonight. And many former IU students, including me, supporting it. I want to say also at this moment, we love Indiana University and the impact it has in our community. This is nothing about dismissing or trying to diminish that incredible relationship between Bloomington and Indiana University. It's trying to make a great future for all of us. As a proud supporter, also myself, of a strong and a just economy, I've spent 30 years working on justice in the economy and affordable housing and a vibrant downtown; I want to express clearly my support for this investment in our community's future. And to reiterate, the strong support as well from the City Council. As you heard earlier tonight from Council Member Jim Sims, and the full throated endorsement of the entire City Council of our community earlier this fall, which are represented, elected representatives of the 85,000 residents of Bloomington, IN. I want to also express our very strong commitment from the city to continue the collaboration with the County and the private sector in moving this project forward as we've been collaborating over the past year on this project. And we look forward to working together in the coming years to oversee the development and opening of an architecturally significant, community welcoming, street scape enhancing, job creating, local business supporting, pedestrian, friendly, expanded civic and conference center to anchor the south side of our beloved downtown. I also want to take a moment to affirm our city's continued commitment to invest in the surrounding areas: to help sustain and accelerate the synergies of the vibrant downtown and local economy, including the \$30 million that we will be investing in a new landmark 65 acre park (Switchyard Park) just down the B-line from the planned expansion. The many millions to be invested in the trades district a few blocks north of the proposed expansion to support more jobs and economic vitality and entrepreneurship downtown, including also the active community process to redevelop, after their move to the east side, IU's current hospital cite and its related properties; literally cattycorner from the Convention Center properties. Our continued investment in the physical infrastructure supporting our community's, your community's, health and prosperity, from roads and sidewalks, to trails, to water and sewer, and digital activity, and also affordable housing and the social services that help all of our residents live decent lives. The expanded Convention Center, in other words, is a critical building block for the future of our community. It works in synergy with many other investments, both public and private, building momentum for stronger, more divers, more inclusive, more creative decades ahead. I am very excited about our prospects together in these many dimensions, and this is one of those building blocks. I'll just note, if I can also, a few differences in the current proposal from those that have been previously considered. A full commitment to living wages for those working at the facility; the dedication of revenue raised outside city limits as available for projects outside the city limits, such as improving Karst Farm Park or the County Fairgrounds or expanding trails or parks, and more. As Commission Stoffers mentioned, improving interest in the project from the Private Sector is different. In addition, strong collaboration between the city and the county in the planning and development of this project, including the commitment of city owned land in the footprint of the planned development. And lastly, I-69, which is creating new connectivity, opportunity, challenge, and some threat to downtown development. So let me conclude by noting the Bar and Restaurant Tax, as I will call it, is the vehicle of choice around the state in supporting downtown civic centers like this. It is the right choice in supporting the tourism and visitor economy without stifling the growth of that sector with other excessive fees. You heard Commissioner Barge eloquently describe the impact of this civic center. We both inhabit beautiful public buildings. This building, city hall, which are wonderful for this kind of meetings. This we have now and which needs to be expanding as our community continues to expand. This is the big civic center where people meet and collide and do great things together. Our future has been built on 26 years of that kind of civic center; we have grown a lot. It is absolutely fundamental and natural that we need to grow that civic space, which is so important for our people. So it is time to enact the Bar and Restaurant Tax in our county and create that expanded civic space for the hundreds of non-profit, civic, corporate, and sporting events that will enliven our downtown, support our local businesses, and nourish those creative collisions of people and ideas that will lead

us in the decades ahead. We can't wait to get working on this with you with the next step. I'm very excited about our prospects, and I thank you for your service and urge your support for this resolution tonight.

(Renneisen): I'm Mick Renneisen, the Deputy Mayor for the City of Bloomington. As you know, I'm a member of the County Commissioner Appointed Advisory Commission, and a 30 year member of the Visit Bloomington Board. I'm also a 42 year resident of Bloomington and Monroe County. (Unintelligible) As the former City Parks and Recreation director, I've seen how investments like those made at the Twin Lakes Sports Park, the B-line Trail, and Karst Farm Park have had a positive economic impact for our community. None of those are profit driven facilities, they're not intended to be, nor is the Convention Center. It spurs economic activity around it and businesses that benefit from the traffic are the one that make the profit. Public facilities are not designed for that. All those experiences have convinced me that this is the right time and the right funding mechanism for the expansion of the Convention Center. We've proven interest from the development and hotel community (we didn't have that 4 years ago). We have the necessary property to expand the existing center, as Commissioner Stoffer has indicated. We didn't have that 4 years ago. We already know we're the second most desirable destination in the state of Indiana and the smallest Convention Center. The City Administration strongly believes in this investment and has an agreement with the County on an MOU (Memorandum of Understanding) to commit the City's portion of the tax if approved for the construction, operation, and maintenance of the expanded Convention Center. You didn't have that commitment 4 years ago either. The percentage of the tax collected in the city limits is estimated to be between 75-85% of the total anticipated tax collection. That's a significant investment on our part to commit all of that towards the project. Note that the City Council, as the mayor indicated, approved a resolution 8:0:1 (1 was a pass, not a no) with two public hearings to both encourage the enactment of the Food and Beverage Tax specifically for expanding the Convention Center and to pledge the City's share of the tax for the project. As you've heard, the mayor has indicated that support and pledge as well. The County share of the tax, collected outside the city limits, should be used as the County sees it to be fit best match the intent of the enabling legislation. We see that as a win/win for residents that live in the city and are county residents and residents who live outside the city and are county residents. Note, as it's been stated by the commissioners that there are 27 other municipalities that already have enacted a Food and Beverage Tax. We're one of the 3 that haven't chosen to do that as of this time. In closing, there will always be opposition to any tax increase. As tax increases go, this one has direct benefit to both the city and county entities, and it impacts those that chose to spend money primarily at local eating and drinking establishments. Yes, others are impacted by this tax, but let's keep it in perspective. Its \$0.01 on every dollar, \$0.10 on every \$10, \$1.00 on \$100, and you can keep going out as far as you want to go. WE think that expanding the Convention Center benefits from that far outweigh any potential negative impact of a 1% Food and Beverage Tax. On behalf of the City Administration, on behalf of the many years I've pour over the information as a Visit Bloomington Board member, as a member of the County Commissioners Appointed Body to look at this project and to bring you a project forward, I urge you to pass the tax, and let's build the project. It's time. Thank you.

(Cobine): Thank you both for coming and giving your statements. Are you available for questions that Council Members might have? Let's start on the left.

(McKim): Probably comes as no surprise that I do support expansion of the Convention Center downtown Bloomington, but nothing comes without a cost. So just putting aside the cost of the F&B Tax and just considering Convention Center expansion alone, can you comment what may be some of the costs for residents? Increased congestion? Increased policing costs? Even more tall buildings that many residents find stifling? I kind of want to acknowledge and make sure we all agree that nothing is just an unfettered benefit.

(Hamilton): I think it's fair to comment, Council McKim, that there will be pluses and minuses, and I dare say that the calculation of the pluses and minuses will be different by every individual probably on how they want to

measure those depending on their interaction with the downtown and the Convention Center and the other amenities that may follow. I think the litany that I described in architectural significance job creating, pedestrian friendly, we need to do this project right. This is the start. We will not have this project without the Food and Beverage Tax, but when we do have the Food and Beverage Tax, which I hope you will support, that's the start of a lot of work to think about all those issues. How do we maximize the benefits with the design? With the integration with the community? I think that's going to be a long process that we'll go through together. I think, as some of the speakers earlier said, we're losing a lot right now. And maybe some of those costs are kind of hidden. What are we missing with the lack of the size?

(McKim): Increase policing costs, there are additional demands on city services...

(Renneisen): Yes, there's probably an obvious assumption that with more traffic, more people in town, more residents or visitors, or students, or all of the above, create additional demand of city services. We plan for those things. Incrementally, we have a lot sunk costs. We have so many officers, so many vehicles, so much infrastructure now. Will some of that have to expand around the Convention Center? Probably. It had to 26 years ago. That's a likely outcome and expense I believe we know we will have to take on. We've talked a little bit, for example, with the Convention Center expands about an ambassador program (a downtown ambassador program) much like the city of Louisville has, where they help direct visitors around. How do I get to-? Where do I go? How do I use your kiosk system? Where do I park? We would like to have that as an outreach program if that's something that helps with the increased possible congestion and more people in town. We have entertained that as a potential option. That's not funded now, that would have to come from some source (probably ours.)

(McKim): I was glad to hear about the downtown ambassador. I was kind of curious how that would work.

(Jones): I should imagine that everyone here has witnessed the number of homeless people that seem to be in that area of town. I was wondering, I would imagine that is something that doesn't go well with an expanded Convention Center. I was wondering if you have a plan to deal with that.

(Hamilton): Well, we're certainly working on every day improving opportunities with more affordable housing. I think just two days ago, we opened Crawford to housing for about 40+ chronically homeless people in town, and we continue to work on that. We're excited about that collaboration with some property that the County is making available for affordable housing, and we're working on improving that every day. Monroe County/City of Bloomington has grown a thousand people per year pretty steadily for 10 years. We're seeing a lot more people, and that means we respond as needed. The Convention Center will bring – we have 2 million visitors per year – more visitors which is good, which will generate more economic activity and revenue to support the public services that it needs. Certainly, we continue to look forward to working with the County, which we've been doing very closely this year, on issues of drug addiction, opioid, mental health, homelessness that are pervading and challenging all of us. From my perspective, the economic growth that we're talking about helping happen here is going to help us have resources to deal with that.

(Jones): That's not quite the plan that I was ask about. I'm asking about the actual physical presence of many homeless people right in that area of town. I would imagine that some plan will be needed to be made to change that. I mean an active plan. I don't mean more affordable housing or more jobs or something like that. I'm talking about the actual presence. Is there a plan to deal with that? I don't think that we're ever going to find that we have no homeless. Maybe, there are some communities that have done that.

(Hamilton): I mean, the answer to homelessness is homes. That's the plan is to increase the homes that we have for people. That's a complex issue, and a lot of what we see – for example, during this summer, when we had

some attention and serious issues on Kirkwood, called homelessness, some of that is not really homelessness. It's other behaviors and challenges that come with people. We're certainly committed to working on that part of downtown and all parts of downtown to make them better. But ultimately, the answer to homelessness is more homes and places like Crawford and more affordable housing will be really important.

(Cobine): Any questions down here on the right?

(Munson): Yes, many county residents have asked me what will happen with the County share of the Food and Beverage revenue that may be available for economic development if the city expands to incorporate a larger area through annexation. And we've had a chance to talk about this. Could you share some of our discussion please?

(Hamilton): Well, as you know, annexation issues have been determined by people outside of Monroe County lately. We don't know where that will go, of course. WE believe, from the City when I say we, we have tried to work very closely with the County to ensure that revenue generated outside the city limits is available for activities under the County's control to support parks and trails and that kind of thing. I think we look forward in the months ahead, assuming there is a Food and Beverage Tax to talk about, to thinking about how to get some regularity to that in years ahead so that you have some predictability, as I think Mr. Guerrettaz would probably assert or assure. All of that depends upon the debt service coverage and the bonds, if we do bonding on it, which will have to be first priority. But we look forward to working with how to give the County as much predictability as we can on annual revenue that comes. I can't predict what the boundaries of this city will be like; it's certainly not in my hands or exactly your hands right now.

(Munson): Thank you.

(Spoonmore): Thank you, so if a Food and Beverage Tax does pass through this Council, the majority of that revenue as we know it will go to the City, and you've pledged to apply that to the Convention Center. I'm kind of curious what the City views as the key metrics by which you measure success from this endeavor. And how would those be tracked and then presented back to the public in the future?

(Hamilton): Well first, I'd say it's something we'd expect to work with you on. This is not just a city project; this is a joint project. This is not for us to determine that. I think it's something as the project develops, we do want to articulate what that is. I think we would probably share a view that what we want to see is increase job activity, increase bar and restaurant activity and the spin-offs that we've talked about, and how we want to measure that. We want to see increased private investment around this public investment. We want to see accelerating along the B-line trail. You've heard me call it "a String of Pearls." We've talked about 4 facilities along there, this being one. We'd like to see enhanced opportunity in the current hospital sight as they vacate that as part of this investment. I guess I would look to work together on, as we move forward into fining this project, let's talk about how we want to measure that. I do want to say we are not designing a project now. We have an idea of the project, but the project is going to be determined in the months ahead. It's going to depend on the revenue that's generate. We're projecting revenue, we don't know what that revenue is, and that's going to be a collaborative effort to say what does the revenue support? What are the choices we're going to make? The trade-offs? There will be hundreds of trade-offs about style, impact, all those things, and I think that will help us look at what are we trying to accomplish and how to measure whether we get it. But those basic categories.

(Yoder): I have a question about working with the City and the County passed this year. What happens with a new City Council? What happens with a new Mayor? What can the County expect? It's unlike 2013 when we went through this discussion. We do have strong support. It is different. I'm looking ahead about the time when

we have the money to actually do something. What now? We're residents here, and we want to make sure does that relationship continue with such strong support?

(Hamilton): Well, you have my commitment so long as I'm in this seat, and of course, one never knows how long one will be in it. (I have a) commitment to work closely with the County on this. We are in the county. Every resident of the city is a resident of the county, as you all know. And I think this is a fantastic opportunity for this city and the county to work together on this very important project for our collective future. That's what happened 26 years ago with a very collaborative effort, Private and Public Sector, 102 signatures required (unintelligible) and it's a lot of work ahead of us once the Food and Beverage Tax is put in place. And I don't think it will work unless we're collaborative on it. That's what I'm committing here. Future generations, future councils, future commissioners, and future mayors: I guess it's our job to build the momentum that they're going to want to keep carrying on. We can certainly look to put in place whatever we can to make that work, but our community works because people work together to save buildings like this and to leave a legacy that we won't mess with because it's so valuable and so important.

(Renneisen): Council Member Yoder, I would just add that while this example is not directly related to city/county, I've been through three different administration changes at the City, and projects that started under one actually made it through all three. And that goes from conceptualization to approval by all the bodies to bonding to construction to ribbon cutting. They take a long time, most of the ones I've been involved with average about 7 years from the concept stage to you cut the ribbon stage. So, that indicates that there will be different people in elected positions over that period of time, like there was 30 years ago when this was a concept to do the first Convention Center and then it had to go through a bunch of legislative bodies with people changing every couple of years and that example. And I know there's people in the room that can tell you exactly how that change happened; they've been here and lived through it. As the mayor indicated, if it's a good project, and the community is behind it, it works. It goes through, and the momentum that drove those decisions continues through to new elected officials. It's unlikely that it would be stopped if it were supported, and we have that support this time, certainly, from all the elected involved in the discussion, and hopefully, enough of the community, that makes it seem like and feel like it is the right investment to make. And it should stand the test of any new election results for the years to come.

(Cobine): I've got two questions for the both of you. One is a bit of a softball, but I think it's important and it's something I have to be interested in specifically. Could you please characterize what you see is the relationship between a project and that's been not as many years in the making as this from if we think how far back this might go, but something that's been around now on the plate for the while is the Certified Technology Park. What's the relationship between something like that and hopes for that area and what you can accomplish there, and a Convention Center?

(Hamilton): (Unintelligible) The trades district which is a project that I as mayor came in (when it) was a long working project from the administrations before me and city council, and redevelopment conventions and others. Indiana University is a major anchor (a new anchor) downtown that we will be working very hard to accelerate the new economy. We have great existing businesses here, some of which you've heard, but there are hundreds of start-up businesses going on in Bloomington, and we need a better space for that new economy to evolve. It's going to change and put more employees downtown, which is a good change. I do really think of the B-line, which is this incredible spine of our community that you've got these four major nodes along the B-line, which will, I believe, really help each other. From the Trace District to the Convention Center to the hospital sight to the Switch Yard Park and a new development that we have opportunities to do around all four. I think they're all important. I think this is an important building block of that. The continued growth of our economy, which lets us all do what we want as government officials to help use this strong economy for the opportunity

for people with more affordable housing, better jobs, better social services and others. I really think of them as a piece.

(Renneisen): I would just add that when the B-line trail was constructed in two phases over several years, we had a study done about the real estate values within a half a mile of both sides of the trail. Our assumption was we would see economic development occur, that the backs of buildings that faced the railroad tracks would become the fronts of some and new businesses would spring up along the B-line. Cross your fingers, fast forward 5 years after the completion, \$76 million of investment has happened with a half of a mile of the B-line trail. It's exactly what you wanted to see. Will the Convention Center, a revitalized, expanded Convention Center, do the same thing on that section of the B-line in the downtown? I hope so. We could ask the Kelly School Real Estate Class to do a study now. What's the current condition? (They're great at this by the way) and then let's measure it again if an investment's made and see what happens. They can forecast some of those things and suggest that "here's what we would anticipate happening." And the mayor's indicated some investments that are once in a generation opportunities in our community up and down the B-line just happens to line up with that, fortunately, for us in our community. We hope that all of those do each in their own way, a way that helps spur the economy forward and creates new jobs and creates new investments and has this momentum. I can only say from the experience I've had with the trail project that did, and I would hope that we would see something similar. But without that alone, I think the project stands alone as a job creator and a revenue producer, and it helps us in gaps where we have moments of struggle. We do softball tournaments in the summer. We bid on national softball tournaments to bring people here when the students are gone. That's intentional. We don't make money. We're not a profit driven entity, but we sure are glad that we help \$2 million flow through the community to the restaurants and the eating establishments and the retail that struggle when the students are gone. We would hope that the traffic that we don't have during the week now from convention business, an expanded Convention Center would drive that. That's the rising tide and sailboats that several people have been quoted saying.

(Cobine): Some of the comments from Ms. Coyne from BEDC, and I think it was the events person from Cook, and actually Mr. Trozki that got me thinking about the Technology Park. There isn't a lot there yet, we've got the Tascus coming in, like the companies you want to attract in addition to these incubation type situations. I think it was something Mr. Trozki said, maybe it wasn't tonight but at the City Council meeting, about he wants to be able to bring these technology groups here. That's sort of the genesis of that. So what I'm characterizing is not the softball, we'll call it the baseball question, it has to do with covering gaps. I think you were both here for Mr. Guerrettaz's discussion and our thread about how if interest rates go up or if the cost estimates end up getting too far beyond a certain point, then that means this isn't going to cover the necessary debt service that's required. And I'm very much for something that's architecturally significant, right? There's a very strong reaction amongst many members of the public and certainly among members of this body when we saw the orange and purple box. (Unintelligible) that's not the goal for this project. That means that the materials that you use, what kind of architectural process and costs are involved. It could be higher, right? Very well could be higher. So point blank I would like to ask you, and again, with respect to the other sources of funds that you have that have gone through many open democratic processes. You mentioned the Technology Park money from the consolidated tiff is essentially pledged to that. There are amounts pledged. For example, you also mentioned the hospital. We don't know what that is yet, but I think everybody here certainly recognizes that something that's going to need some funds to do whatever the next thing is that happens there. These are all things that have been talked about, have gone through multiple administrations, so those commitments are serious and have been vetted through the democratic process. I'm not asking for a blank check here, but are you willing to offer a commitment to say, if there are some overages, if there are some things that are a little bit higher and there are gaps that form, that the City would be willing to find some funds to cover those sorts of things? And again, I'm not requesting a blank check. There's nothing specific.

(Hamilton): I appreciate the question. Any major project like this in the city, whether it's at the hospital sight, whether it's this kind of Convention Center expansion, whether it's a new hospital, whether it's a new industrial facility, we expect as a community, as a city government, to work to make investments that will make that ; of project possible. This being a civic and conference center where we're municipally funding together as a community, those conversations, together, are going to be what are the tradeoffs? We expect to invest more money in this sight than what is going to be generated by a Food and Beverage Tax. We're not here to negotiate with an hotelier who's going to invest \$30+ million in a sight. They're probably going to look and need some infrastructure investments and some insularity improvements, and that's typical. And we stand ready and committed to work very diligently to make those kind of public investments. We don't put a dollar amount on - that upfront, but I support this project because I want to leave something that I'm going to be really proud of and that our community will be really proud of. We're going to have to work together to decide what's it going to look like? Not orange and blue box! What's it going to look like, and we're going to have to make tradeoffs, right? None of us gets a blank check, but we are a full partner. We expect to make additional investments in this projects.

(Cobine): Let's see if there are any other questions from Council. Thank you again very much for your time tonight, and for answering our questions.

(Hamilton): Thank you very much, I appreciate it.

## **9. ORDINANCE**

Council Member Yoder moves approval of Ordinance 2017-51, an ordinance adopting Food and Beverage Tax in Monroe County. Council McKim seconds.

(Cobine): The way that we have this structure, I believe Mr. Flory will be able to provide a pretty thorough overview of the elements of this ordinance for us, and then what I'd like to do is have rounds of questions from the Council in relation to the specifics of the ordinance. I think this would be an appropriate time if there are questions that relate to the ordinance as well for those to come back up. There was something earlier in the meeting having to do with the costs of possible renovation. I'm not sure if there are members in the audience that are in expert knowledge of this, perhaps they'd be willing to address this, I'm not sure, I think that would be appropriate time for questions like that to come back up if there's something that has been unanswered from earlier. Then, once questions are over, we'll have an opportunity for Council comment and then we'll have our vote. Mr. Flory, if you would please tell us about the ordinance we have here.

(Flory): (Unintelligible) I've kind of given a quick breakdown by section of the ordinance that would give a good succinct picture of what's going on. It almost, verbatim, tracks the enabling legislation, with is IC 69-41. And within 69-41, you have two choices of how you would want this tax to be collected. It would either be by the state Department of Revenue or the County Treasurer. In places where the County Treasurer has collected this tax, the cost associated with that eat up too much of the revenues. It's just not a good choice, so this actual proposal goes with collection by the State Department of Revenue. It's a tax that is imposed on food or beverage furnished, prepared of server consumption, at a location or on equipment provided by a retail merchant within Monroe County, by a retail merchant for consideration. Things included are transactions included served off premises, sold in a heated state or heated by the retail merchant, utilizing two or more mixed ingredients, or sold with eating utensils. It does not apply to transactions that are exempt from sales tax. So one of the easiest ways to assume people ask, "Is this included or not?" If you pay a sales tax on it, it will be subject to the Food and Beverage Tax. This would become, if passed this month, effective on the last day of February in 2018. The rate of the tax is 1% of the gross real income, but that does not include the sales tax. The tax is collected by the State Department of Revenue and distributed to the County Treasurer on a monthly basis. Legislation requires us to establish a non-reverting fund to hold the Food and Beverage Tax receipts. The County



Treasurer will set up a non-reverting fund receipt of the county share (the revenues). Once they do that, they inform the city that they've taken the next step and ask the City Controller to inform them when they've taken those same steps to set up a city fund to hold the City's receipts. It's my understanding that there may be a proposed amendment to that section of the ordinance. Allocation of the Food and Beverage Tax between Monroe County and the City of Bloomington, as we've discussed. The Auditor will monthly distribute revenues that are collected within the City of Bloomington to the City. If they're collected outside the City of Bloomington, those revenues are distributed to the County. The permissible uses of the fund include the broad things that are permitted by the statute, even though we've talked about certain limitations and amendments to use them in a certain way. The County's use to the funds is to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects. It's the exact same language for the City's permissible uses of the tax receipts. The statute requires us to set up an advisory commission. The purpose of that advisory commission is to coordinate and assist the efforts of the County and the City fiscal bodies to utilize the receipts. Here's how it's made up. There are three members, (and they) are people who own retail facilities in Monroe County that are subject to the tax. Those three people are appointed jointly by the Mayor and the County Commissioners. The President of the County Commissioners is a member of the advisory commission. There is a County Council member who is appointed by the County Council. The Mayor of the City of Bloomington is a member, and there's a member of the City Council that the City Council appoints. So that makes up your entire advisory commission on this. If either group, fiscal body, County Council, or the City Council wants to spend money, they have to seek recommendation of the advisory commission, and there must be an approval, in writing, given by the advisory commission before that money can be spent.

(Cobine): Thank you, Mr. Flory, and I'm going to jump right in with one quick distinction, just to make it very clear to everyone. The section 8, the advisory commission, this is an advisory commission that would need to be created in the event that a Food and Beverage Tax was passed. It is distinctly different and not in any way directly related to the Convention Center Advisory Commission that kicked off the process of the RFQ that the Commissioners appointed earlier this year. (They are) two completely separate advisory commissions.

(Flory): The Convention Center Advisory Commission was an ad hoc group set up with a specific charge.

(Cobine): Thank you. I do understand that you have an amendment. Perhaps this would be the opportunity to introduce that.

(Munson): I do. Council, I wish to make the following amendment to the ordinance. I move we designate the funds set out in 4A (unintelligible) as the tax receipts fund. That we re-designate the fund set out in 4B as the City of Bloomington Food and Beverage Fund, and that we add a separate fund in 4C with the following language: "Monroe County Food and Beverage Fund. Following the establishment of the tax receipts fund, the County Auditor shall establish the Monroe County Food and Beverage Fund for revenue deriving from tax receipts collected in the part of the County that is outside of the City." The changes resulting in the tax of the ordinance, due to this amendment, are noted in the redline copy distributed as Exhibit A, and shall be included in the ordinance. That's my motion. So for explanation, I will say that I proposed this amendment to increase the transparency of the County's Food and Beverage Revenues. In addition to the receipts called for in the enabling legislation, I urge that we add a separate Monroe County Food and Beverage fund parallel to the City's named fund. The purpose of that County fund would be only to hold the Monroe County portion of the Food and Beverage Receipts. This will allow for greater tracking and transparency regarding the use of the receipts rather than leaving the County receipts in the so called "tax receipts fund." I hope that's not too confusing. This fund in 4C would also be a non-reverting fund. The red writing version of the proposed amended ordinance has been distributed to all of you for easy tracking of the changes that would be incorporated into the ordinance provided that this amendment is accepted. I would not, though, that the new subsection C in the redline version has a word omission. Scribner's error. That would be my Scribner's error. Please reference 4C, the first line where it

says, "Following the establishment of the receipts fund", it should say "the tax receipts fund" because we have three funds that we're talking about, and it's important that we use the proper language in referencing each of them.

(Cobine): Thank you, do we have a second for that motion?

McKim seconds the motion.

(Flory): At this point, I would suggest we add the phrase "a non-reverting fund" and "Monroe County Food and Beverage Fund." "Following the establishment of the receipts fund ,the County Auditor shall establish the Monroe County Food and Beverage fund, a non-reverting fund" so it's specifically spelled out in that amending language that this is to be a non-reverting fund.

(Cobine): I ask unanimous consent to amend the amendment to include that language.

Amendment approved with no objection.

(Cobine): (Unintelligible) This fundamentally doesn't change the ordinance at all, so let's see if there's any questions for Council Member Munson or any discussion of this amendment, and then we'll go onto our general questions about the ordinance itself.

(Hawk): I would just like to ask of our financial advisor how this will affect our reserve fund that you suggest we have. I'm trying to follow where the money's going to be sitting in the reserve.

(Guerrettaz): Any type of bond funds will be separated and set out within the bond ordinance. So, that would be an additional fund that you would create along with the bond funds. The easy answer is it has no impact.

(Hawk): Ok so it would definitely still be protected, the reserve fund.

(Guerrettaz): Yes, ma'am.

(Cobine): Any other questions?

(Flory): One quick point to add, changing the language that we've added have certain ruling effects throughout the rest of the ordinance. Council Munson prepared a good redline version so you can see. Something was mentioned by a certain name at some point and needed to be changed. That is going through. So the actual statement of the amendment is, "The amended resolution will read as it now reads in the redline version."

(Cobine): Thank you. Any other questions for Council Member Munson about this amendment? I think we shall proceed with this amendment to accept the redline version with a voice vote. So those in favor of this amendment, say "aye." Those oppose say "nay."

Ordinance is amended with no objections.

(Cobine): We are ready for general questions regarding the overall ordinance as amended. Who has them?

(McKim): I think the ordinance is correct, but there's a fairly major error in the bullet points that we've heard that I believe there's a fairly major error. That's the effective date of the Food and Beverage Tax.

(Munson): I noticed that too.

(McKim): So if you read Section 1D, "Application of Tax. The tax imposed by this ordinance," and this tracts the statute, "applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance codified in this chapter is adopted." So my understanding is if this were to be adopted in the Month of December that would mean that the tax would begin the first day of February, not the last day.

(Munson): Not that I'm objecting to that, but my question would be, will those restaurants and the grocery stores and so forth have the equipment necessary to be able to collect those taxes by February if we pass this? That was the last go-around. There was a lot of concern from restaurants, grocery stores, so forth, that it would take them a while to get whatever equipment changes they needed or to train folks so they know which products that they should be charging this tax on.

(McKim): I have one response to that, and I agree, I would rather it be able to be forward dated more than the statute allows, if it were my preference. But, remember that this isn't changing the taxable status of anything. Everything that a grocery store or a restaurant serves that would be susceptible to this Food and Beverage Tax is already taxable. It's already flagged in their system; they're simply changing the rate from 7% to 8%.

(Munson): Some of the smaller establishments don't have all of those whistles and bells.

(McKim): Right, but they still have to know what they currently charge tax on. Wouldn't they?

(Munson): I don't own a restaurant, I just have heard from restaurant owners and from grocery stores.

(McKim): And I don't want to trivialize that concern. I understand what you were saying. I'm just saying that this doesn't actually change the taxable status.

(Flory): When we went through this several years ago, this was a concern that we had and we checked with the Department of Revenue. Their statement was, essentially, they get this word out to people that they collect these types of taxes from and let them know that they need to expect to start paying that.

(McKim): Are we in agreement though that the date is – I just want to make sure that we tell the public the correct date if we're going to pass this.

(Cobine): I believe that is correct as well. The day after the last day of the month that succeeds the month, in which the ordinance is adopted. If we adopt it tonight, the month of adoption is December. The month succeeding that is January, and the day after the last day of that succeeding month would be February 1, so I'm completely in agreement of your interpretation of the statute.

(Spoonmore): So going back to that same topic and maybe Mr. Flory can help answer this question. So the responsibility for noticing the restaurants and different businesses that will be having to submit this additional sales tax, that falls on the State of Indiana, that's not any kind of public education campaign that the local units have to do here?

(Flory): It's my understanding, and speaking with them, that is correct. That, again, then you get the audit write later on. As I told you, most municipalities – town of Avon's Clerk Treasurer actually audits it and gets the information after the fact. Also, the Department of Revenue's website has been upgraded. It includes Food and Beverage now, and you can see that when you do a deduction on the website if you're there. So things have improved quite a bit.

(Cobine): Any other questions about the ordinance? Are we ready for more general types of questions if there are any?

(Hawk): On the off chance this passes tonight, and you go through months, and you put the budgets together, and something happens that maybe this doesn't all come together, if the revenue doesn't come in where we're thinking or cost projections go up a great deal, for whatever reason, I don't see anything in here that says in that case, this Food and Beverage Tax will go away. It looks to me like we could pass this Food and Beverage Tax, it'd be in place, and if 10 months from now, or whatever the date is, that numbers are put together and the project doesn't work for whatever reason, then we've already put it in place. Should there be something in here that addresses that so that we, the County Council, if that should happen that we would review it to determine whether or not we want to leave that in place? Because by that time, we will then know whether or not the new legislation gives a better transaction for the County, which is what I rather would have waited to see anyway.

(Cobine): I'll jump in with my opinion on this, and that this is sort of in line with what I was saying early. If things go awry in some fashion or if the financial circumstances change significantly enough, I think the answer to that is I would be hard pressed to figure out a set of language that would account for these possibilities. I think that's just our job. I think that we would have to be alert to this, and I'm sure we're all going to be directly involved in any potential bonding that might come out of this. The vast majority of the work of a project like this is something that will not directly involve the County Council as a body, except obviously one of our members would be on this advisory commission. But I'm pretty sure we would all be attentive to and be engaged, and that would be our job to keep an eye on that. If things seem to be that it's time to pull the plug, that's what we have to do. But it's very hard for me to imagine structuring some sort of language that could say, "Well if this weird thing happens, or if that weird thing happens" –

(Hawk): Well I think it would be quite simple to say within a year from now, if that seems like a reasonable length of time, if we have not moved forward toward making this happen – if it's determined that, for whatever reason, that cost protections are off, the operational numbers are off, we could then, as a group, readdress it. Otherwise, you've just put in a Food and Beverage Tax that everybody here is talking about that is going to go for tourism and for the Convention Center, and that's what people buying into. And if that doesn't work, then remember there's that little thing in there that says, it could be for economic development. It could be for these other things. And oh, we've all bought into one thing and we get something else. You know? If you think you paying for a Cadillac and you end up getting a Chevy, well, I hope you like the Chevy.

(Cobine): Well I think that's a perfectly legitimate concern and I actually have a question for Mr. Flory about this. Certainly, I think we've been willing to entertain a motion to that effect this evening. However, if more deliberation or if something more carefully crafted, would it be a problem - again, got two hypotheticals here – if the Food and Beverage Tax were to pass this evening as it is amended and there was an interested event after that, putting in some more carefully crafted language that would have some kind of deadline of sort. Would that also be an option? And that's not to say we couldn't entertain something tonight, I'm just curious to know if that is also a possibility

(Flory): We can always go back and amend and ordinance that we adopt.

(Hawk): You think that we can pass this Food and Beverage Tax today, and then in January, we can just say, "Whoops, we want to change it"?

(Flory): My concern would be amending it tonight, not putting in some sort of a trigger that forces you to rush through some sort of decision because a deadline is coming up when you have to – revisiting isn't necessarily so

bad. But if it looks like you're ready to go seek a bonding or anything else, then it seems like there are triggers where it seems like this is going to go back for revisiting in a month or so. It could have an inadvertent effect that makes the bonds less desirable.

(McKim): The best thing is the less recession language, the better off you are. You rescind it when you deem appropriate.

(Cobine): I was asking Mr. Flory for the universe of possibilities here. Clearly, we could amend it this evening, if that's the will of the body, but I wanted to see if perhaps, future changes were desired that it would be an option as well. And again, I'm certainly willing to entertain a motion about this, but in lieu of that, I'll see if there're any other questions or if there's somebody who wants to try and craft something like this.

(McKim): I guess I wanted to ask Mr. Guerrettaz about the timeline. In similar projects that you've seen, how long does it take to actually make substantive progress in moving forward? In other words, were we to set a deadline, even informally, even if we didn't put it in the statute? If we said amongst ourselves, "We want to conduct a review," what would be an appropriate timeline to conduct that review?

(Guerrettaz): It's really tough to say. I think the Mayor spoke very well about we've got to put this group together, it's going to be a collaborative effort, and we move forward. But there's design changes in any of these type of projects. There's a lot of design changes. And it's my understanding you don't even have the design architect yet. So, that would be a very tough call.

(Cobine): I'll just add again, this is just my opinion about this. But my sense is just as this is potentially a first step on a fairly lengthy process, something like that it strikes me would be a pretty definitive final step if at some point this body stepped forward and said, "It's not working, we're going to rescind the tax because there's nothing that's going to be funded this way." It would be pretty apparent to us if it came up, but again, I don't know what a time frame that would be, so again. I'm willing to entertain a motion, but –

(Hawk): If you've already established commission, then – I'm just trying to protect - what I fought for 20 some years ago was that Convention Center. Wouldn't be in place if I hadn't put my life on the line for it. And I would hate to look at these folks thinking, "They have made the step to getting that growth of the Convention Center" and something happens, and what we actually do is do something else entirely with this money because it is written that it could be. And we all know when something could be, you better cover it. But if you're all comfortable with this, then, fly with it.

(Cobine): I think of those of us who have spoken about this, we've only expressed sympathy for this point of view. I'm simply saying I'm not willing to offer a motion, because I don't know how I'd craft it. But I'm certainly willing to entertain it from somebody else, and that's sort of an open question at this point. If somebody decides to offer one, this isn't the last chance. We're going to continue discussing things for at least a few more minutes here. That's perfectly alright, and we can work it out there, if that's the desire, but again, I think as a fallback, certainly, our attention and addressing of this would be pretty obvious. If something like this is not going to happen, that would be the very next question. I'm just not sure how to pin a time frame on that. Maybe we should say, two years? Maybe that's too long? I really don't know.

(Hawk): That's the questions we asked our financial advisor. 2 years makes logical sense. We've all worked real hard to try and put it together. If it doesn't come together, then we as a council body would have the opportunity to go in and remove that tax or leave it in place. But it would then give us a time frame that we would work toward to try to make sure this work. Because obviously, it looks to me like there's a majority that wants to see it work.

(Flory): I think one question is, I wouldn't be as concerned about the time frame that you put on this as to what sort of triggering events you're supposed to be looking at when that time frame hits. Are you going to say you want to review the progress to determine whether it's reasonable, whether it's acceptable, whether it's –

(Hawk): Whether a bond is to be issued. Do we expect in 2 years, or whatever the number is that's reasonable, to have issued a bond to move forward, and if we have not done it within whatever time frame everybody thinks is fair, then we would have an opportunity to look at this again. I'm just thinking that we ought to do something to protect the citizens of this county that we're saying, "We want to put in place a Food and Beverage Tax because we're committing it to a convention center." And if all those numbers come in, and it doesn't work, then it's still in place and the majority of that money goes to the City and it could continue to be used forever for economic development. I can understand, if I was the city official, I'd like that a lot. But that's not what we're telling the citizens that we're working on.

(Flory): Let me toss out a suggestion. What if you plugged in that there shall be annual review, a report by the advisory comity made to the Council on the anniversary of the adoption of this just to tell you where things stand rather than so we can determine whether or not we're going to repeal it or not. That's my concern, I don't know what kind of triggering events you're supposed to be looking for at any time. –

(Hawk): Well I just told you, whether or not we had put in place a bond to move forward with the Convention Center. That's a pretty big trigger. Tell us what a fair date is! Two years? Three Years?

(Yoder): Council Member Hawk, my concern about that (I would like to lean into this a little bit) my concern is so then, what happens? Is there another vote?

(Hawk): Yes!

(Yoder): But are we going to rush through something? What if we are days away from issuing a bond, and we put forth this vote and we've collected this money, and then it doesn't pass. We're sitting, having collected the money. I am wondering if this is along the lines of what Mr. Flory is suggesting. What would be the parameters of what is being suggested and what you're offering as a motion or –

(Hawk): You could say three years, and honestly, if we haven't figured out the budget and the vote.  
(Unintelligible)

(Cobine): Council Member Munson, did you have a comment you wanted to make?

(Munson): It's my understanding from, what Mr. Flory said in our discussion, that this Council has the option at any time to repeal an ordinance that we have set out. With the trigger/ without a trigger, two years/ one year/ 6 months/ 20 years/ whatever, we have that option. It is part of the responsibility of this Council to know what they have to do to take care of the tax payer's money.

(Hawk): That's lovely, except that if somebody pledges any portion of the revenue to some other project, you can't repeal something that you've already pledged.

(Flory): Two points to make: I think we want to be certain that you don't put any inadvertent trigger in here that forces you to act. If you're hammering out the final design of the way this is going to look, and you think you're pleased with it, but you want changes made to it, back to the drawing board on some things. You've got a review deadline by which you're supposed to have issued bonds. As long as you don't have an immediate killing

provision in that, it's not necessarily fatal, but it might make you say, "Let's accept the lesser desirable design order to move on so that when we have our review in 6 months, or something, we can say we are on our way to issuing bonds." That's a possibility. And again, remember that in response to Ms. Yoder's question earlier, once you set down a path, you will start taking certain actions that are going to have terrible consequences if you back away from them. This is one reason, with a change in administration of a mayor/ a city/ a council/ commissioners/ anything else, if you have bonded for something; you're pretty much locked into that course of action for the next 25-30 years. Now, to say that you can repeal it at that point in time: if you want to completely trash your bond rating, you can take that step. Nobody would. Cities declare bankruptcy rather than do some action that is going to purposefully damage their bond rating. We've got a great bond rating; we want to make sure it stays that way. That's the answer to that.

(Cobine): Thank you, Mr. Flory. Unless somebody is actually willing to make a motion, I'd really like to move on from this topic. This is all just very theoretical. We've at the discussion of some sort of triggering mechanism, we've had a discussion/suggestion of putting in a review requirement, but unless somebody's actually willing to make a motion, let's please move on.

(McKim): I like the idea of just requiring a report to the Council from the Advisory Commission, which could trigger some action of ours if we so choose it. Maybe nobody would go for that.

McKim moves to add Section 9 Status Report: "Annually, the Advisory Commission is required to make a formal report on the status of the Convention Center Expansion Project to the County Council."

Hawk seconds motion.

(Cobine): Any discussion or questions about this Amendment?

(McKim): Any issues?

(Flory): My only question is do you want to limit it to report on the Convention Center Expansion or just report on its activities for the preceding year? Because if you have funds that you are wanting to spend on some project in the County, you'd have to ask their written permission to do it. So why not include something like that in their annual report to the County Council.

(Hawk): Since legislation says that we cannot pass an ordinance or a resolution that would work around this Commission, if we put it in the adoption, will that be considered an ordinance or a resolution to work around the commission?

(McKim): Now, if you read that, it says the County or City legislative body may not adopt an ordinance or resolution requiring the expenditure of Food and Beverage Tax. It doesn't say we can't make a rule-

(Flory): Without written permission.

(McKim): I would certainly accept that as a friendly amendment to make it all projects, not just the (Convention Center Expansion). Make it all projects, not just all projects for with Food and Beverage Tax is spent or planned to be spent.

(Cobine): So I'm asking his consent to amend the Amendment to make it inclusive of all Food and Beverage Tax projects in the annual report. I think we're ready for a voice vote on that then. Those in favor of the Section 9 Advisory Report Annual Requirement, say "aye."

(All Council): Aye.

(Cobine): The ordinance is so amended. Any other questions about the nature of the ordinance? I have good sense that, perhaps, we are ready to move on to comment. Are there any other questions about the nature of the ordinance?

## **10. COUNCIL COMMENT**

(Cobine): Let's see if there's any general comment about this. Starting on the left, I'll see if there's anything.

(Hawk): Is this comment if we're voting?

(Cobine): If there are any comments, then yes, the next thing to do would be to vote on the ordinance.

(Hawk): (Unintelligible) Just for those folks who are here that might have missed my statements about this for a very long time. I have said for a very long time that I would definitely support an increase in the Innkeeper's Tax. I at first was pushing hard for an 8% Innkeeper's Tax, which would have raised about \$1.5 million, if the city would come up with about a million out of their downtown tiff. That would have given us the money to proceed with the project. We couldn't get the City to say, "We'd be happy to do that," and then at the last meeting, when Representative Ellington had said he would be willing to work toward getting the Innkeeper's Tax raised to 10%, which would average \$100/night room (which is what it says when you Google room rates for Bloomington, it would be a \$5 additional/ night tax. Now that is something I would support. I love the Convention Center; it's close to my heart. I would love to be able to vote in favor of the Convention Center expansion. But, 20 odd years ago, when we put in place the increase in the Innkeeper's Tax to have that Convention Center, we made a commitment. I know I'm the only Council member here that was here at that time, but I made the commitment, along with other Council members, and many of the people who were putting this together, that it was not going to be a local tax. It was going to be a tax on visitors. I will honor that and represent my district by making sure that they understand where I am on that. It isn't that I don't support tourism, because you all know I have. Thank you.

(McKim): We've been talking and thinking about this for (some of us) four years now; some of you for a lot more. Some less. At the end of that process, four years ago, I supported Convention Center expansion, and I still do. I don't want to make it sound like a no brainer, but we should expand. As has been pointed out by many in the community, bigger isn't always better. I think just about everybody in this room can point out a building in the downtown area that wasn't designed in the public's interest. We need to do better. But I also believe in a strong and vibrant downtown Bloomington: a downtown Bloomington that's welcoming to visitors and restores some of the balance among locals, students, and visitors. (It is) a balance that has shifted too much in recent years. I want to see an expanded Convention Center that we can all be proud of, and I think if this passes, when we look back five years hence, we'll be glad we made that decision. By keeping this expansion in public hands, we can make sure that the community plays a substantive role on the design. We can create a livable streetscape that we can extenuate the virtues of the B-line trail, and we can work with surrounding neighborhoods. And that we don't leave the design to a private developer who'd rather build something a lot less expensive and a lot less in the best interest in the community off of I-69. Perhaps, most importantly, we have a Civic and Convention Center that can bring people together, local and distant; permanent and temporary. And the types and sizes of events that are appropriate for our community. We're not Indianapolis, and we aren't trying to be Indianapolis. This is the goal that motivates me. We've certainly spent some time talking about the numbers of jobs created and the dollars brought in from the outside into our community, but that isn't the primary argument that sways me. The dollars and the jobs are simply what are necessary to make the business



model work: to support the investment that allows us to continue to have a well-balanced, vibrant downtown. Like I said before, I don't want for a moment to pretend that expansion is pure good. There will be costs beyond the monetary costs of the construction. There might be additional traffic (there will certainly be additional traffic), congestion at times, maybe waits at restaurants (although of course the goal is to balance out the already maxed out weekends with more weekday business). There could be additional policing and other defense of costs. And the City will have to be even more vigilant about making sure that we don't get a bunch of formula restaurants downtown. I respect my colleges and others in the community who come to the conclusion that the costs simply aren't worth the benefits. But after spending years now, listening to input and hearing many good arguments for and against, I've come to the conclusion that expansion is in the best interest in the community and should remain in public hands. Once that more challenging decision is made of whether to expand the Convention Center, I do find the Food and Beverage Tax to be an appropriate funding mechanism. First of all, it is a tool that we have available to us right now. It's straightforward. It has been used throughout the state. It balances revenues from locals with revenues from visitors. Third, it follows with best practices in taxation, which is to use the lowest rate possible with the broadest base. This makes it the least susceptible to downturns in the economy, which we've heard our financial advisor talk about. It raises enough revenue to complete the project. And, finally, the Commissioners agreement with the city allows us to use the county share of the revenue on tourism and economic development projects outside of Bloomington. I'm particularly excited about that as well. I'm excited about the possibility, for example, of moving forward on paving the trails in Ellettsville. So, with this I will be supporting the tax.

(Jones): Well, in my opinion, it's very late now and I'm quite tired. I could probably talk for quite a long time about my opinions about this, but I'm not going to. I'm going to be pretty brief. First of all, I do want to make it clear that I am not a "taxiphobe." I have voted for every other tax that has come before us. But this tax is different. It is not a Restaurant and Bar Tax; it is an extra tax on all foods that are already being taxed. This is a flat sales tax, which has always been defined as regressive. The fact that one can choose whether or not to pay it doesn't change that. That has always been true of all sales taxes. But it's a little different when it comes to food. I never have felt that any kind of taxes on food were appropriate, because this is one area where people may often not really have a lot of choices. I'm also aware that taxes don't occur in isolation. When a local tax is really important, it's been my experience that there's been relatively little controversy over it. It was just little over a year ago when we passed the Public Safety Tax. I was happy to vote for that one and felt solid community support. But the public does not have an endless appetite for taxes. I worry that piling one tax on top of another could make it that much more difficult to pass a tax that was truly necessary. In this instance, it feels to me kind of like we're being asked to tax a necessity to pay for an amenity. I realize that many supporters believe that the amount is so small it becomes insignificant. That may well be the case. But most of the people who have been speaking in support of this look to me like they have probably never really experienced serious financial difficulties during their lives. People who are suffering from financial disadvantages tend to look at this kind of thing from a very different point of view. We've heard a whole lot about how the benefits coming from a greatly expanded Convention Center would trickle down throughout the community. I find this rather difficult to believe. I am sure some downtown businesses will benefit, but I doubt that it can reach all parts of the community that will be paying for it. I also wonder if it will be quite the windfall that restaurant owners are hoping for. I haven't been able to find out just how much of the new dining business will be captured by the hotel's restaurant. But I'm guessing it will be significant, especially if it is a well-known franchise, which is likely to compete with our local restaurants. Ultimately, my decision is based on my concept of right and wrong, and none of the data we've heard – none of the very compelling discussion over this – has actually caused me to change my concept of what's right and wrong. I've been hearing that nowadays, many liberals, or progressives, are choosing to call themselves "tax and spend liberals." I'm afraid I'm pretty old fashioned. I'm a bleeding heart liberal, so I will be voting against this.

(Cobine): Just working down the line here. I definitely support expansion, because it will have significant and broad benefit to our community and with truly negligibly, an impact on individuals. If I thought the negative impacts were ominous, or the benefits restricted only to a few, I would not support it. During comments at one of the City Council meetings, where their resolution urging support for expansion and Food and Beverage Tax was considered and passed, City Council Member Chris Sturbaum had gotten the nature of the benefits exactly right. He likened tourism and conference business to what he called one of the big box factories on the west side. He correctly made the claim that if a business was promising, the numbers we will see with an expanded Convention Center that we'd all jump to offer aid to do this. The legal mechanisms are different. They usually tax abatements instead of, in this case, levying any tax. The effects are the same. The tax expenditure is effectively the spending of public funds, just like the actual spending of tax revenues is spending public funds. When asked about the Convention Center expansion by the Herald Times and by the Greater Region Chamber of Commerce during the 2014 campaign when I was running for this office, I said essentially the same thing. I've learned quite a bit since then about a difference of the funding mechanisms and how this can work. I have had opportunity to research these, and of course we've received a good word from Mr. Guerrettaz and from Financial Solutions Group to provide specific estimates and the details that lead into these financial options. I've come to the view that a Food and Beverage Tax is the best option available. It's not just settling for something; it's really, actually the best option to do something like this with. Again, this is the way my mind works, there are few things that have come to mind while I've been thinking about this, especially considering alternative options of funding this and why to do it. Why to do it kind of comes from some marketing people that I know, and that's the notion of pouring more gasoline on the fire. When you have something that works, keep doing that and do more of it. That's what we see with the information about the economic opportunities and the civic opportunities that will be provided by an expanded Convention Center. In terms of looking at the funding mechanisms, to me there are a few of these things. A bird in the hand is worth two in the bush. We've been talking about this for a long time. Innkeeper's Tax has been something that people have talked about as an option that can fund this in terms of expanding it. That's not within our control, and people on this Council have contacted some of our state legislatures and asked about what they think of the chances of something like this passing. It has been attempted in the past; it has failed. They don't think it's particularly high. What we can work with and what we know I think is more valuable than something that's just an idea. Also, don't put all of your eggs in one basket. That's essentially what we're talking about when we say we want visitors to pay for all of this. All of this community benefit, all of this stuff that we ourselves are going to use and reap benefits, we say, "We don't want to pay for any of that! No. But we want everybody from the outside to pay for that." Now, I have no problem somebody from the outside pay for some of it. That's been happening with the Innkeeper's Tax; that will continue to happen with the Food and Beverage Tax. In fact, disproportionately so because those people are a captive food audience, right? There's this other notion, too, that sort of goes along with that, which I really don't like this phrase, but I don't know how else to say it. You need some skin in the game. This is something that is for our community primarily. It's a mechanism to bring other people's money into this community. People have referred to it as a multiplier effect. I also very strongly believe that's not the primary reason. The primary benefit from that I think, as somebody termed it earlier, is the opportunities. Both the opportunities that people will have for interacting with each other; for trading ideas; for meeting people; for people from outside to come to here and for the people that are here to meet the people from the outside; we've heard about how the Indiana University uses this Center quite a bit (how often do those of us out in the community that aren't working or teaching or something like that are actually taking classes?); have the opportunity to get onto campus (there are lots of opportunities to do it. How often do we do it? Well, sometimes they're coming out into our community more directly. Of course, they're a part of it all the time, but I think you see what I mean.) Those are the ways that I think about this. Just to get a little bit in the weeds about this, I've been thinking about the way these things are funded. I remember when I was not in public office (this was even before I contemplated doing it) following the story in 2012 and 2013 and thinking about that. What's fair? What makes sense for people to fund something like this? One of the main complaints that I've heard from people that are opposed to Food and Beverage Tax is that the tax is regressive. I think some people would debate that

characterization perhaps on technical grounds. I think that, though, on the face of it, there's a certain appeal to this, and I think it's correct at this level that the utility of that extra dollar to somebody who has fewer dollars is higher if you don't have as much money. So, in that sense, it is. But, the thing that's often not mentioned about this is that essentially, with the sole exception of the Federal Income Tax (which is actually progressive), every single tax that local government relies on is regressive in the same way. Property taxes, income taxes, sales taxes, the Innkeeper's tax: these are all regressive in the same way. Some may be a little more so, some are a little less so. For example, property taxes are a little bit less so (unintelligible) and this is not a super close correlation, but there's generally a correlation between owning greater value properties and having a higher income. There's kind of a natural indexing. It tends to be the case that if you own a highly valued property, you also have higher income, and therefore the impact of that property tax is less on you. That's not always the case. You could be somebody who has a very small income, but owns a very highly valued piece of property. Then that property tax is a great burden for you. All of these taxes are regressive. This is more so like a property tax in that way, because the people that pay more money and eat out more frequently tend to have a higher income. So again, there's a natural indexing of the amount of money that you spend on food and beverages and these prepared foods. People that have higher incomes tend to spend a greater percentage of their income eating out. This is true across the country. You can look this up on the Bureau of Labor statistics. This is the sort of thing that becomes relevant to making an actual decision about this. So, the way I would characterize this is property tax, a sales tax, an Innkeeper's Tax, and Food and Beverage Tax (essentially being a sales tax): these are all moderately regressive compared to something like an income tax that's flat (which is more regressive). The most regressive of all would be the flat fee (a fixed dollar amount). So in this sense, it's not really any different from any of the other taxes that we rely on. The primary benefit of the Food and Beverage Tax is that it is highly stable. We've heard discussion of this from our consultants, and we've also heard from the consultant that presented to us from HVS, Mr. Hazinski. He (in addressing the question of whether or not convention business is something that is going away) said was that convention business is something that is a mature industry. That means that it tends to track the economy. If there's a recession, it tends to go down pretty quickly, and then it tends to rebound rather quickly. When we're funding an endeavor like this, we don't want the source of the funding to track in that same way. So Food and Beverage Tax is more stable than something like an Innkeeper's Tax. And again, this is the only other tax aside from the Innkeeper's Tax (the only way of funding it) where some non-residents pay. I would contend that they would pay a disproportionate amount, but we're not relying solely on people from outside the community to pay for something that primarily is going to benefit all of us. I would just like to point out a couple of other things briefly. The people that have been involved with this from the beginning (in which) we've heard some references to them: Convention Center management people, Talisha Coppock and the folks that she works for. One of the things that this Council was interested in finding out was what the degree of the public subsidy of this is. It's about 12% currently. While the dollar amount would increase with an expanded convention center, because of bringing in more business, the expectation is that the actual proportion of the funding would reduce to about 10%. Again, the consultants have indicated that this is a very healthy way for a Convention Center like this to operate. The notion that a Convention Center like this is supposed to be a for profit business in and of itself is simply mistaken. Also, the Visit Bloomington folks, Mike McAfee, the Convention Center Visitor's Bureau and Board, Downtown Bloomington, Inc.: these are people that are supporting this not because they are going to receive a direct financial increase from any of this. Again, some people refer to slush funds and things like that. Look at the statements. Look at the accounting reports from these entities. Look at the County budgeting process. These public funds are handled just like the public funds that pay for your police, your fire, your roads, and any other public service. These are people that are members of the community, they're committed to its success, they're committed to the people that come here having a good impression of it and experiencing a good time. Finally, I'd like to point out (I don't think this is coincidental) except for tonight (although we had some references to Cook), each tie this has come up on the County Council's agenda in our last couple of meetings, it's been in conjunction with something having to do with Cook. I think that's an interesting coincidence, but I think that's significant because of the type of vision that Cook has displayed throughout history in this community. This is the type of thing that has gotten us to where we are. I

feel very strongly that making this choice tonight, as Council Member McKim said a moment ago, a few years from now, we're going to be really glad that we did this. I've heard it said that if the Convention Center expansion is a good idea now, it will be a good idea after the next legislative session. That is a fair point, but to which it must added, if it's a good idea now, it has been a good idea for the last 20 years. Please, let's do get started on this good idea. Thank you.

(Yoder): I want to thank all of those who engaged in a really important discussion over the last (that I've been on the Council) four and a half years, but I know that the conversation started long before that. The actual consideration for this started in 2009. I consider myself fortunate to have been a part of the debates since 2013, and over the last four and a half years I have heard good arguments, both in support and in opposition. We've heard them tonight. I was accused of being ambivalent right up until tonight, really wanting to come in here and hear from everyone. I have to tell you, it's not an easy vote to take. But it is an easy vote to take, because after hearing the arguments, what's clearer than not is the struggle is how we fund the expansion and not necessarily if we fund the expansion of the Convention Center. A year ago, I was driving downtown, and I happen to notice the signage on the Convention Center had changed. It said, "Monroe Convention Center." I felt myself getting a little ticked off. I was like, "Monroe Convention Center?! That's the Monroe COUNTY Convention Center." I'm sure Monroe was a super nice person and accomplished many wonderful things, but this is our Convention Center. And this is our Monroe County gathering space. More importantly, this is a community resource, and it's Monroe County's community resource. I started thinking; Isn't it funny that I've been to weddings, receptions, the Opioid Summit, the BEDC Annual Outlook, Kiwanis Club award banquets, fundraisers, handmade markets, dozens of career fairs and network opportunities for IU students, the Women's History Luncheon, and I've never once been to an actual convention at the Convention Center. I think we call it this, but really we use this like it's a giant living room, the heart center of our Monroe County community. It's a gathering space to share ideas, experiences, conversations, knowledge, and milestones. Having a space where people can come together is a really important quality in a thriving community. Our county is changing. I used to say, "Everything is going to be okay." I stopped saying that. I have no idea if things are going to be okay. What I do feel comfortable saying is, "This will change." And that is a true statement. Everything will change, and part of the opposition has been out of the real frustration and disgust at the development that's happening in Downtown Bloomington and in fear that the community that we love will change. This is our opportunity to bring a different emphasis to our community: one that does value strength that is created when we come together. One that values civic engagement. One that sees the beauty of our community and looks for opportunities to share our beautiful home to the region. So tonight, I come in here considering the mechanisms of how we're going to fund this expansion. When we consider the 85% of the activities of our Convention Center, it is a FULL engagement. I appreciate my students being here, and it really was moving. I know how much we have utilized our facility in engaging and bridging that gap of the wonderful community we have at IU and how it's a part of our broader community. To suggest that I don't look at my students as full residents of our community is just simply not true. I pour my heart and soul out to my students and will continue to do that. We have heard different mechanisms for funding this expansion, and upon hearing that (unintelligible) the 1% tax on prepared foods and beverages is the approach that makes the most sense. With the mechanisms that we have considered and researched, it is a reasonable and a measured approach to invest in the strength and vitality and future of the community. So I will be supporting this.

(Spoonmore): Thanks everybody who attended tonight, provided input, and stuck with us for a very long meeting now (five hours). Thanks also to all the folk who have contacted me by email and phone over the past several weeks. I know I haven't replied back to everyone yet, and I apologize for getting behind on some of the messages, especially over the last week. Hopefully, my remarks here will clear up a lot of the questions that people had for me. This will be a close vote tonight. I don't think it's a bad thing when an elected body is on both sides of important issues in a community. We don't always have to agree with each other on every single issue, and I very much respect that. There are legitimate arguments on both sides of this debate, regardless of what

your political inclination is. While the outcome tonight won't be unanimous, I know without a doubt that each of these seven Council members have put an extraordinary amount of time and effort into examining this issue. I have every confidence that our individual votes are all based on what we feel is truly in the best interest of Monroe County and the districts which we serve. Having said that, I do think a vote tonight is a little premature. And just real quickly, I also do appreciate the students showing up here during their final exam week. I just want to make sure to recognize that. I have the privilege of making a living by working with students, and I certainly understand where they're coming from on this. I can remember when I was a graduate student here at Indiana University, and from an economic standpoint, that was undeniably the most challenging period of my life. I can attest that not all students have the luxury of receiving well-funded scholarships or have wealthy parents paying their way. Even the small things in life can seem very expensive when you don't have a whole lot of resources. Getting back to my remarks on this vote, I do believe that in light of some of the recent developments from just a few days ago, I think it's worth the time it'll take to fully understand all the options available to us. We know that one of the state representatives here has recently filed a bill to expand the Innkeeper's rate, and I consider that to be a new material development in the Convention Center funding discussion. This is something that's never been considered before or paid much attention to because we've always thought it would be impossible to do. That's what everyone always told us. Based on a lot of the feedback I'm receiving, and what we heard here tonight, I think people would like to see how this particular bill is going to pan out before we make a \$60 million decision on a Convention Center. If Mr. Ellington's bill does clear the legislature, we could easily evaluate the merits about the Innkeeper's option and the Food and Beverage option at that time. And if the bill fails, we can go back to square one with what we're discussing here. Regardless, we know exactly what all the options are in a few short months, and there'd be no question at that time. So, I guess I'm struggling with understanding what the harm is in wanting to take a relatively short amount of time to see if another option for funding the expansion could be available. Based on what we've heard here tonight, and over the past several months, there's clearly an interest in exploring other options. I know that some are worried about a private developer that maybe could at some point construct a less desirable conference facility out on I-69 or 37. I understand those concerns, but I don't really think that's going to happen any time soon given the current state of things out on the highway. It is still very much a work in progress out there. It's about two steps above a war zone in some areas. It'll continue to be for a while. Again, I think it is a little premature and I'll be voting no tonight because I still think there are some very relevant questions that remain to be answered. I do want to be clear; my vote is not in any way meant to deprive expansion of the Convention Center. I'm voting this way because I don't want to deprive the public of having an opportunity to consider and debate an alternate funding mechanism that at this point appears to have potential to become available to us. I totally understand there's desire to get some closure here tonight on this. Regardless of the final tally, I'll be ready to move on to the next important issue in Monroe County. Thank you.

(Munson): Well, I believe I have the last word. When the Food and Beverage Tax was discussed by the County Council four and a half years ago, there was no provision for the county to be able to use the 1% tax receipts deriving from businesses located outside the city limits for tourism or economic development projects located outside the city limits. This is a major change now for city and non-city residents, since the County has hopes and dreams for our parks and trails that could be supported by the County share of the Food and Beverage Revenue. The biggest difference from 2013, though, is that this time, the City and County had been working collaboratively and are committed to this. You've heard from the mayor, and you've heard from the commissioners. They are fully being the Convention Center expansion and the Food and Beverage Tax as a source of funding. In particular, the expansion and this funding source have been endorsed by the City Council and the Board of Commissioners. Deciding on a new tax, any new tax, weighs heavily on me. I feel that I've been very careful with the taxpayer's dollars, not only in our annual budget deliberations but in each of our decisions on additional appropriations. I believe all my Council Colleges have worked carefully, too. With a vote on the tax ordinance immediately ahead of us, I want to say that I truly appreciate the many letters, emails, texts, and phone calls from people. From people I've never met and people I've known for a long time and have greatly

respected. Thank you all for sharing your views. Some of these communications have opposed the Food and Beverage Tax and the expansion of the Convention Center. Opposition to raising the Innkeeper's Tax has been particularly strong. I wish to note that the public communications directed to me are overwhelmingly in favor of the Food and Beverage Tax for an expanded Convention Center. I have decided to support the ordinance for the Food and Beverage Tax as amended for the many positive economic and positive civic reasons previously noted by my colleagues. I see the positives as outweighing the negatives. Further, I see the expansion of the Convention Center into the Monroe County Civic and Conference Center as a significant investment in our city that will also have payoffs for the county. Thank you.

## **11. COUNCIL VOTE**

President Cobine calls Kim Shell for the roll call vote.

(Shell): Cobine

(Cobine): Yes

(Shell): Yoder

(Yoder): Yes

(Shell): Spoonmore

(Spoonmore): No

(Shell): Munson

(Munson): Yes

(Shell): Hawk

(Hawk): No

(Shell): McKim

(McKim): Yes

(Shell): Jones

(Jones): No

(Shell): Motion passed.

## **12. ADJOURNMENT**

President Cobine adjourned the meeting at 10:39 p.m.

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The Minutes from the Food & Beverage Tax Special Session of the Monroe County Council held on December 17, 2017, were approved on September 25, 2018.

Monroe County Council

Aye

Nay

  
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Shelli Yoder, President

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Shelli Yoder, President

  
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Geoff McKim, President Pro Tempore

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Geoff McKim, President Pro Tempore

  
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Ryan Cobine, Member

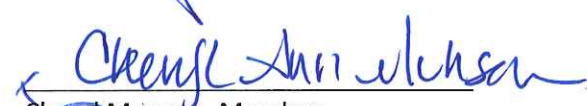
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Ryan Cobine, Member

  
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Marty Hawk, Member

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Marty Hawk, Member

  
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Lee Jones, Member

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Lee Jones, Member

  
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Cheryl Munson, Member

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Cheryl Munson, Member

  
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Eric Spoonmore, Member

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Eric Spoonmore, Member

Attest:

  
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Catherine Smith  
Monroe County Auditor