

Food and Beverage Tax Reallocation Request
Sunday, March 15, 2020

The Effect of COVID-19 On Small, Independent Monroe County Businesses
Monroe County, Indiana small businesses are experiencing unprecedented crippling effects of the COVID-19 pandemic. The ripple effect of canceled athletic events, tourism, business travel, and conferences means less circulation and overall less traffic in our brick-and-mortar stores.

We should pay attention and learn from the hardest-hit areas of the West Coast. According to reports from NPR affiliates in Washington, cafes, breweries and restaurants have seen decreases in revenue by 40-70% with many adjusting hours and some shutting down altogether. Meanwhile, back in Bloomington, many of our small-businesses have already seen a 40-50% reduction in our revenue.

As reported in Seattle, and now here locally in Bloomington, small businesses have been forced to lay off employees and tell staff to collect unemployment.

We are headed towards a downward spiral and without immediate and aggressive relief, we will, unfortunately, see many small and independent businesses destroyed.

Reallocation of the 1% Food and Beverage Tax

The Monroe County Food & Beverage (FAB) Tax is a 1% tax on food or beverage in Monroe County that's consumed at the location where it is purchased. The tax is collected at the point of purchase, primarily at restaurants, breweries, distilleries, and bars.

The FAB tax revenues are divided between the City of Bloomington and Monroe County. Revenues are designated, by ordinance, for a convention center, conference center or related tourism or economic development projects.

According to Monroe County Ordinance 2017-51:

SECTION 6. COUNTY FOOD AND BEVERAGE TAX RECEIPTS FUND; USE OF FUND

The County's share of county food and beverage tax revenue deposited in the county Food and Beverage Tax Receipts Fund may be used only to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects.

SECTION 7. CITY OF BLOOMINGTON FOOD AND BEVERAGE TAX RECEIPTS FUND; USE OF FUND

Money deposited in the City of Bloomington Food and Beverage Tax Receipts Fund may be used only to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects.

WE PETITION OUR LOCAL AND STATE GOVERNMENT REPRESENTATIVES TO MOVE SWIFTLY AND AGGRESSIVELY AND SUPPORT MONROE COUNTY SMALL BUSINESSES BY...

Reallocating 50% of the existing Monroe County Food & Beverage Tax fund to affected Small Independent Monroe County Businesses in the form of grants and/or zero-interest loans.

Deferred business tax payments, without penalty

Immediate suspension of all downtown parking meter fees

The addition of temporary 15-minute "carry-out" parking in front of food & beverage businesses

Reduced restrictions on unemployment applications

Immediate Action Required

There has been discussion at the Federal and State level of relief for small businesses. We very much appreciate this consideration and hope that it comes to fruition.

In the meantime, every single day that we go with reduced revenue means one day closer to shutting down. One day closer to laying off staff.

We ask for immediate resolution and reallocation of funds.

The money is not currently being used, and from the discussions we have been a part of and witnessed, the funds will not be fully deployed any time this year.

On the other hand, a large percentage of local businesses who rely on tourism, food, and beverage sales will likely go out of business within weeks without additional financial support.

Respectfully submitted,

Kurtis Cummings, President, Switchyard Brewing Company

Adam Quirk, CEO, Cardinal Spirits

Jeff Mease, CEO, One World Enterprises

Amanda Armstrong, Co-Owner, Two Sticks Bakery

Ben & Fatima Romlein, Co-Owner, Friendly Beasts Cider Company

Arlyn Llewellyn, Co-Owner, Function Brewing Company

Scott Reynolds, Co-Owner, Crumble Bakery

Michael Shelley, Co-Owner, Trojan Horse

Mike Klinge, Owner, The Orbit Room

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