

10/31/22

Addressing recent questions that have arisen about the convention center expansion:

As we look at new options for developing an expanded convention center space, we thought it might be helpful to share some background information, and that framing the questions/concerns in a “why, why now and why us” framework might work well.

Why:

- A new, larger facility will increase capacity, making Bloomington more attractive and available to larger groups. The current facility can only accommodate 250 seated, which limits the marketability to both local and out-of-town customers. Ideally, we need a space that can accommodate 600 seated guests. So, not on the scale of a large city like Indianapolis or Chicago, but significantly larger than what we can currently offer.
- A large, flexible facility can host a wide variety of events, expanding the market Bloomington could host.
- An expanded convention center space would reactivate a long underdeveloped area in our downtown and stimulate off-shoot businesses that would support and complement the new facility like hotel facilities, restaurants and shops. With Hopewell coming online in the near future, this area is ripe for a variety of development possibilities.
- With greater capacity, we gain the ability to attract those Sunday - Thursday groups that we cannot accommodate now. This would positively impact both the current convention center facility and a new facility by stabilizing the business throughout the week. Visiting conferences tend to look for weekday availability while weddings, arts markets and fundraisers look for weekend dates.
- Meeting planners look at destinations - Bloomington remains a strong destination thanks to walkability, affordability, restaurants, attractions and existing amenities.
- There are 600,000 alumni looking for reasons to return to Bloomington and a larger venue will make hosting larger events possible.
- Indiana University has expressed strong support for, and interest in using, an expanded convention center for a variety of events including but not limited to job fairs, larger academic and professional association conferences and events as well as performances and visiting guest speakers.

Why now:

- The tourism industry is roaring back after the worst of the pandemic. <https://www.crainscleveland.com/economic-outlook/us-convention-center-business-further-bounces-back-pandemic>
- There is pent up demand for travel, making off-site conventions and work related gatherings very attractive. Forecasts for the future of the meetings industry indicate continued recovery in 2022 and 2023 before getting back to pre-pandemic levels in 2024. Event planners are both increasing the number of events they are planning and building back attendance at their events.

- Unless we can provide evidence that we are making progress toward using those funds as intended, the General Assembly may take away the F&B tax option.
- Almost as soon as the existing convention center was opened, planning and land acquisition for expansion commenced. Land has been acquired and we are overdue to expand.
- The current convention center does not meet the ADA, fire, tech and building standards in place for any new, modern facility.
- We have huge tracts of land in our downtown area in need of redevelopment. Those tracts have been assembled over the last 30 years with the intention of a convention center expansion.
- Local hoteliers and restaurateurs coming back from the Covid pandemic welcome the additional business an expanded facility would provide.
- Groups of potential convention center users are jockeying for dates and space, leaving some folks out in the cold. Business has outgrown space over the last 30 years. The current facility faces return business vying for the same dates.
- A larger facility will likely attract another hotel, which would be good for the county (they could sell or lease their land) and good for downtown.
- According to the tourism marketing team at Visit Bloomington, we are losing athletic events, video gaming conferences, member engagement events and others to other communities despite their desire to come to Bloomington because we don't have a large enough facility to accommodate their activities.

Why us:

- The City of Bloomington has committed their portion of the The Food and Beverage Tax to constructing an expanded convention center space since the inception of the tax. City leadership envisions this as a City/County collaboration, not just us. We would definitely have to coordinate with the county on a new facility. The county council controls the F&B tax (they voted it into existence and could vote it out of existence), and the Food and Beverage Tax Advisory Commission will have to approve any expenditures. FABTAC is fully equal between county and city - appointments to that commission must be agreed upon. So definitely we will only move forward with the county's collaboration. The difference would be that we wouldn't rely on current county-owned property or direct approvals from commissioners each step of the way
- We are the second most desired location for meeting planners in Indiana, but we have the smallest venue.
- According to Talisha Coppock and Mike McAfee, the existing convention center has a current customer base of 1800 past users ready to grow if we have the space to host larger events.
- In the last 4 months Innkeepers and F&B tax revenues have hit new highs. Revenue streams are only improving post pandemic. It's good to remember that the Innkeepers tax primarily comes from visitors to Monroe County staying in hotel/motel/Air B&B rooms and the F&B tax is on dining out in Monroe County.

- This project has the support of the tourism, business and restaurant communities including the Greater Bloomington Chamber of Commerce, the BEDC, DBI and Visit Bloomington.

Why a nonprofit instead of a CIB:

- State law requirements for a CIB are cumbersome and would give veto power to the County over board membership, bond issues, and budgets. Given that the Commissioners have demonstrated they aren't fully committed to the project even after six years of negotiations and widespread public support, we do not believe a CIB will allow the community to achieve our goals of an expanded, modern, vibrant, efficient convention center.
- By statute, a CIB is created by action of the county commissioners. They may delegate appointment of some CIB members to other governmental bodies, but that choice remains with them in the first instance. The County Commissioners must approve any bond issue by the CIB, and that is not delegable to anyone else. The County Council must approve the CIB's annual budgets, and this is also not delegable.
- We appreciate that the Commissioners differ in their view of whether further civic space is required. Given that view and the other pressing issues the County is grappling with, like a new jail, criminal justice reform, and public health needs, we understand that they likely wish to focus on those issues. We would like to focus on downtown development (Switchyard, The Mill, Hopewell, Waldron, Buskirk Chumley Theater, etc.), and the county may continue to focus on their projects like the criminal justice campus, county trails and their limestone park project.

A 501(c)(3) structure would still be transparent and accountable. Annual fiscal review and public meeting requirements are both easily incorporated into a 501(c)(3)'s permanently binding governing documents.

The county has suggested a CIB is superior to a nonprofit organization because a CIB and its members could invoke the protection of the state tort claims act, while a private nonprofit and its directors could not. Insurance provides equivalent protection at comparable costs, so we see this as a nonissue.