



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Stephen Lucas, Council Administrator/Attorney

Date: June 14, 2024

Re: [Resolution 2024-15](#) - Requesting the Food and Beverage Tax Advisory Commission to Make a Recommendation for Expenditure of Food and Beverage Tax Revenues

Synopsis

This resolution is a request from the Common Council for the Food and Beverage Tax Advisory Commission to recommend expenditures of food and beverage tax revenues toward a revised 2024 budget for the Capital Improvement Board.

Relevant Materials

- [Resolution 2024-15](#)
- Exhibit A – Proposed 2024 Capital Improvement Board Revised Budget and Memo
- City of Bloomington Food and Beverage Funds Plan for 2024

Summary

This resolution would make a request of the [Food and Beverage Tax Advisory Commission](#) (FABTAC) to provide a recommendation on the use of city food and beverage tax revenues on a revised 2024 budget for the [Monroe County Capital Improvement Board](#) (CIB). This would be the second such request in 2024, after a similar request was made via [Resolution 2024-06](#). After receiving a positive recommendation from the FABTAC, an initial 2024 CIB budget was approved by the Common Council via [Resolution 2024-10](#).

The CIB's proposed revisions to its 2024 budget are described in the memorandum (Exhibit A) included herein, and amount to an additional expenditure of \$350,702, which would bring the total 2024 budget for the CIB to \$600,702.

Background

In 2017, through [Resolution 17-38](#), the Common Council supported the passage of a county-wide food and beverage tax to fund expansion of the Monroe County Convention Center. Shortly thereafter, the Monroe County Council adopted an ordinance imposing a food and beverage tax, which has been collected since that time. The tax is authorized by state law ([Indiana Code 6-9-41](#)) and may be used only to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects ([I.C. 6-9-41-15\(a\)](#)).



City of Bloomington Indiana

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Under state law (I.C. 6-9-41-15(b)), the city is required to develop a written plan before December 1 each year and submit that plan to the state with the following information:

1. Proposed use of food and beverage tax funds for the upcoming calendar year;
2. Detailed use of funds in the current and prior calendar years; and
3. Fund balance as of January 1 of the current calendar year.

A written plan (included in this packet) was submitted by the city in 2023. The plan stated that in 2024 the city anticipated using food and beverage tax revenues for the following purposes:

1. To pay the expenses associated with creating a nonprofit building corporation to issue debt in support of design and construction of the Convention Center expansion.
2. Under an appropriate agreement with the CIB, to pay the CIB's personnel and administrative expenses during the design and construction phase of the expansion project, including the hiring of counsel and a controller.

The written plan also anticipated that the city would use food and beverage tax revenues (including some already-appropriated funds) to pay for architecture and engineering services.

Under an interlocal cooperation agreement with the county (approved via [Resolution 2024-02](#)), the CIB has authority to determine its budget solely with the Common Council, using city food and beverage tax revenues or any other city-designated funds.

The CIB has submitted this revised 2024 budget request for the Council's consideration. However, state law (I.C. 6-9-41-16(b)) also requires the Common Council, as legislative body of the City, to "request the [Food and Beverage Tax] advisory commission's recommendations concerning the expenditure of any food and beverage tax funds". This resolution would make such a request. After the FABTAC is able to meet and provide a recommendation, the Council will be asked to consider the revised CIB budget through an additional item of legislation.

Contact

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