

### **Food & Beverage Tax Advisory Commission**

John Hamilton Lee Jones Cheryl Munson Steve Volan Susan Bright Lennie Busch Tony Suttile



# FOOD AND BEVERAGE TAX ADVISORY COMMISSION AGENDA Tuesday, December 10, 2019 9:00 am

Nat U Hill Meeting Room - Courthouse - Third Floor

- 1. CALL MEETING TO ORDER
- 2. CITY OF BLOOMINGTON REQUEST, Jeff Underwood & Philippa Guthrie

  Seeking a recommendation for the expenditure of funds to pay for consulting/design services for the expansion of the Convention and Civic Center and related parking garage.

[This item was postponed from the December 3, 2019 Food and Beverage Tax Advisory Commission Meeting.]

An updated Request Form and Resolution have been included.

## **FOOD & BEVERAGE TAX ADVISORY COMMISSION**



### **AGENDA REQUEST FORM**



ATE ITEM TO BE HEARD:	December 3, 2019	<u></u>			
PE OF REQUEST: (Please noXFunds	ote any requests for funds requ	ire <u>prior</u> approval from Co <b>Discussion</b>	unty Commissioners or Other	r City Council)	
TAILED NARRATIVE:					
Advisory Commission for consulting/design service. The architects, Converge engagement and site plather architects have advisor the estimated construcenter and the associate recommended approval estimated cost at that till \$350,000 for architectur additional \$2, 350,000 regarage. These expenses copy of the Bloomington ongoing standing requestheard and approved on 22nd approval of this Co		com food and beverage to convention and civic cent pleted Phase I of the desep will be to contract for for design of such a project estimated cost of the ion. In January, The F&B uncil of \$4 million for arct \$4 million approval, the are requesting that this nated cost of the project 's Food and Beverage Tations ordinance, 19-03, F&B expenditures as the B-0. We have also include nillion for architecture feather the at the request of the E	axes collected to parking axes collected parking and related parking and related parking axes are typically betwexpanded convention. Tax Advisory Communitation appropriate and the inclusion of a Fund. We have attack which included the ayerose. App Ord 19-ded for your reference as.	y for ing garage. community in portion. veen 5-10% on and civic ission don the priated imend an inthe parking tached a Council's individual was ethe January	
SUBMITTED BY: Philippa	M. Guthrie		DATE:	11/26/2019	
	<><><><>	<><><><>	·<>		
This se	ction must be completed	prior to being added	to the agenda.		
X City Council Approved		Date Approved:	15-1	15-May-19	
County Commi	ssioner Approved	Date Approved:			

Forward approved request to the County Office at <a href="mailto:CouncilOffice@co.monroe.in.us">CouncilOffice@co.monroe.in.us</a>.

January 22, 2019 Approved Requests for Funding.



The Advisory Commission received requests from the County Commissioners and City Council for use of food and beverage tax funds. Each request was approved by the respective Legislative Bodies on January 16th.

The Advisory Commission approved recommending the following fund use from the County Food and Beverage Tax funds:

1. Use for Appraisals, Environmental Review, and Surveys in an amount not to exceed \$60,000. The funds may only be used in the geographic area whose boundaries are 3rd Street, Madison Ave, Second Street, and Walnut Street.

The Advisory Commission approved recommending the following fund use from the City Food and Beverage Tax funds:

- 1. Use for Appraisals, Environmental Review, and Surveys in an amount not to exceed \$60,000. The Funds may only be used in the geographic area whose boundaries are 3rd Street, Madison Ave, Second Street, and Walnut Street.
- 2. Convention Center Expansion Architect's fees. The amount of the fee shall not exceed 10% of the Construction Costs. The estimated Construction Costs are between \$30 million and \$40 million. So the amount will not exceed \$4 Million.

So Approved this 22 Day of January, 2019.

By:

Printed

By:

Food & Beverage Tax Advisory Commission December 3, 2019

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Printed: Lennic Busch
By:
Printed: ANTHONY (Toky) SUMITE
By: Printed: SHELL YODER
Ву:
Printed:

### **APPROPRIATION ORDINANCE 19-03**

TO SPECIALLY APPROPRIATE FROM THE FOOD AND BEVERAGE TAX FUND EXPENDITURES RELATED TO THE CONVENTION CENTER EXPANSION, AND MAKING A STANDING REQUEST FOR RECOMMENDATIONS FROM THE FOOD AND BEVERAGE TAX ADVISORY COMMISSION AS FUTURE NEEDS FOR THOSE EXPENDITURES ARISE

- WHEREAS, the Monroe County Convention Center ("Center") building was built in 1923 for the Graham Motor Sales company and converted to a convention center in 1991; and
- WHEREAS, the Center was upgraded and remodeled, but not enlarged, in 2012, and its current size has limited its ability to accommodate many groups desiring to hold events in Bloomington; and
- WHEREAS, the County and City are collaborating on a project to expand the Center (the "Project"), and have agreed that the Project will be primarily funded through the use of certain county excise tax revenues provided for under Indiana Code § 6-9-41-0.3, et seq. ("Food and Beverage Tax"); and
- WHEREAS, the Food & Beverage Tax was passed by the County in 2017 and has been continually collected since February 1, 2018, with the proceeds for the City transferred by the County Auditor being deposited into the Food and Beverage Tax City Fund, Number 152 (the "Fund"), in accordance with Indiana Code § 6-9-41-12; and
- WHEREAS, the County and City entered into a Memorandum of Agreement dated October 12, 2018 regarding selection of an architect to oversee the Project, and the MOU allocated explicit responsibility to the City for "Contracting and the payment for appropriate expenses for the Architect;" and
- WHEREAS, the architect, bond counsel and financial adviser have now been chosen and have begun the first phase of the Project ("Phase I"), which involves conceptual and design work, a survey, appraisals and environmental work, legal and financial advice related to a bond issue, and such other related services as may be identified during Phase I ("Phase I Costs"); and
- WHEREAS, the City therefore desires to have funds appropriated from the Fund in a not-to-exceed amount to pay for these costs not included in the adopted budget; and
- WHEREAS, the City has estimated a not-to-exceed amount for this appropriation, based on the architect's cost estimate attached to this ordinance, and based on estimates from the City's bond counsel and its financial adviser; and
- WHEREAS, according to Indiana Code § 6-9-41-16(b), the Bloomington Common Council, as legislative body of the City, "must request the advisory commission's recommendations concerning the expenditure of any food and beverage tax funds collected under this chapter... [and]... may not adopt any ordinance or resolution requiring the expenditure of food and beverage tax collected under this chapter without the approval, in writing, of a majority of the members of the advisory commission"; and
- WHEREAS, on January 16, 2019, the Common Council adopted a motion making such a request from the Commission in regard to the expenditures for the Architect, and on April 3, 2019, the Council adopted a similar motion regarding expenditures for the bond counsel and financial adviser; and
- WHEREAS, in Section 2 of this ordinance, the Common Council makes a standing request of the Commission to make recommendations on future expenditures as needs arise; and
- WHEREAS, on January 22, 2019, the Food and Beverage Tax Advisory Commission (Commission) established under Indiana Code § 6-9-41-16, met in public session and recommended the use of monies in the Fund for the Phase I Costs related to the Architect, and met in public session on April 23, 2019 and recommended the use of the Fund for the Phase I Costs related to the bond counsel and financial adviser; and

WHEREAS,

pursuant to Indiana Code § 6-9-41-16(b), the majority of the members of the Commission have issued their written approvals (Appendix A & B) of the expenditures authorized herein;

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. For the expenses of said Municipal Corporation the following additional sums of money are hereby appropriated and ordered set apart from the fund herein named and for the purposes herein specified, subject to the laws governing the same:

A	UNI REQUESTED		
Food and Beverage Tax Fund Classification 3 – Services and Charges:	a.		
Architect and related fees and expenses	\$ 350,000.00		
Bond Counsel and Financial Adviser	\$ 200,000.00		
Grand Total	\$ 550,000.00		
SECTION 2. By this ordinance, the Common Councillatory commission's ongoing recommendations catax funds collected under this chapter as the need formanner consistent with Indiana Code § 6-9-41-16(b)	oncerning the expenditure of any food and beverage r those expenditures arises in the future and in a		
PASSED AND ADOPTED by the Common Councillana, upon this <u>i5</u> day of <u>his ay</u>			
ATTEST:	Bloomington Common Council		
Stychen Mark NICOLE BOLDEN, Clerk Stephen Lucos, Ch. City of Bloomington	ref Deputy Clerk		
PRESENTED by me to the Mayor of the City of Block day of May, 2019.	oomington, Monroe County, Indiana, upon this		
Stephen Mucro NICOLE BOLDEN, Clork Stephen Lucas, Chricity of Bloomington	ef Deputy Clerk		
SIGNED and APPROVED by me upon this 16	day of May , 2019.		
	Sa Hailf		
	TOHN HAMIT TON Mayor		

### **SYNOPSIS**

This ordinance appropriates funds from the Food and Beverage Tax Fund for expenditures related to the Convention Center expansion project, including expenditures for Phase I of the Project, which involves conceptual and design work, a survey, appraisals and environmental work, legal & financial advice on various issues related to the project, including a bond issue, and such other related services as may be identified.

City of Bloomington





November 27, 2019

Dear Food and Beverage Tax Advisory Commission Members,

The City of Bloomington and Monroe County Government are excited about moving to the final design phase of an expansion to the existing Monroe Convention Center. The next step is to contract with the architectural firm, Convergence, which was recommended by the Convention Center Steering Committee, and a firm for the design of the related Parking Garage. In anticipation of these steps, we submit this request.

Per Indiana Code 6-9-41, the Food and Beverage Tax Advisory Commission's primary role is to authorize the use of the Food and Beverage tax receipts. IC § 6-9-41-16 (b) states: "The County and city legislative bodies must request the advisory commission's recommendations concerning the expenditure of any food and beverage tax funds collected under this chapter. The county or city legislative body may not adopt any ordinance or resolution requiring the expenditure of food and beverage tax collected under this chapter without the approval, in writing, of a majority of the members of the advisory commission."

At the request of the Bloomington City Council, we have attached a funding request for your consideration. The request is for funding for the architectural firms. The precise amount of the contract is unknown at this time, as architectural fees are typically a percentage of the total estimated construction cost of a project. Estimates are that the total cost of the project could be approximately \$44 million, plus \$15 million for the associated Parking Garage, for a total of \$59 million.

The City Council will be considering an ordinance to appropriate the funding for the architectural fees for this project, upon receiving written approval of the use from the Advisory Commission. It is anticipated that this request will go before the City Council in early December.

We are happy to answer any questions that you may have.

Sincerely,

Jeffrey Underwood Controller, City of Bloomington Philippa Guthrie, Corporation Counsel, City of Bloomington

## **FOOD & BEVERAGE TAX ADVISORY COMMISSION**



### **AGENDA REQUEST FORM**



ATE ITEM TO BE HEARD:	10-Dec-19			
YPE OF REQUEST: (Please	note any requests for funds r	equire <u>prior</u> approval from	n County Commissioners or Cit	y Council)
X Funds	Report	Discussion	Other	
ETAILED NARRATIVE:				
expenditure of funds from expansion of the converted schmidt, have completed development. The next fees and expenses for duthe project. The estimation convention and civic certain the City Council therefore construction cost of the land in addition, the City request F&B Tax Advisory Communillion for architecture and Council appropriated \$3 for Phase I.	om food and beverage taxes ontion and civic center and red Phase I of the design, which is tep will be to contract for Flesign of such a project are to ted cost of the project is a toter and \$15 million the assore affirms its request for a reproject in the amount of \$50 uests a retroactive recommendation previously recommended \$150,000 of that recommended to the support of the project in the estimated \$150,000 of that recommended to the support of the	s collected to pay for conselated parking garage. The ich included community ephase IIthe design portion ypically between 5-10% of otal of \$59 million, which ociated parking garage. The excommendation for expenditure and approval to the Blood project cost at that time ed amount and it was alrest the edge.	F&B Tax Advisory Commiss ulting/design services for the architects, Convergence an ngagement and site plan on. The architects have advis f the estimated construction includes \$44 million for the anditure of 10% of the estimated of \$350,000 for Phase I cost of \$30-40 million. The Commisted expended for architected 2000. We have included with adation from the Commission from the Commis	ed that n cost of expanded ated s. The of \$4 mon ural fees this n.
ATTORNEY WHO REVIEWS	D REQUEST: Philippa	M. Guthrie		
SUBMITTED BY: Philipp	oa M. Guthrie		DATE:	12/6/201
This s	<><><><><> ection must be complet	<>><><><><><><><><><><><><><><><><><><		
XCity Council A	pproved	Date Approv	ed:	4-Dec-:
County Comn				

Forward approved request to the County Office at <a href="mailto:CouncilOffice@co.monroe.in.us">CouncilOffice@co.monroe.in.us</a>.

### **RESOLUTION 19-19**

TO AFFIRM A REQUEST FROM THE COMMON COUNCIL FOR THE FOOD AND BEVERAGE TAX ADVISORY COMMISSION TO MAKE A RECOMMENDATION FOR EXPENDITURE OF FOOD AND BEVERAGE TAX REVENUES TOWARDS PHASE II OF THE CONVENTION CENTER EXPANSION PROJECT

- WHEREAS, the Common Council, in consultation with the Mayor and upon a written recommendation from the Food and Beverage Advisory Commission (Commission), intends to consider an appropriation of Food and Beverage Tax revenues before the end of the year; and
- WHEREAS, Appropriation Ordinance 19-09, in particular, would authorize use of Food and Beverage Tax revenues for the costs associated with Phase II of the design process for the Convention Center expansion project; and
- WHEREAS, according to Indiana Code § 6-9-41-16(b), the Bloomington Common Council, as legislative body of the City, "must request the advisory commission's recommendations concerning the expenditure of any food and beverage tax funds collected under this chapter... [and]... may not adopt any ordinance or resolution requiring the expenditure of food and beverage tax collected under this chapter without the approval, in writing, of a majority of the members of the advisory commission"; and
- WHEREAS, in the last week of November 2019, the City's Controller, Jeff Underwood, and Corporation Counsel, Philippa Guthrie, made a request for a recommendation from the Commission on behalf of the Common Council; and
- WHEREAS, at its meeting on December 3<sup>rd</sup>, the Commission postponed action the Common Council request in order to confirm the intentions of the Council and clarify the request; and
- WHEREAS, in response, the Common Council notes that this request: 1) sought a recommendation for the expenditure of funds to pay for consulting/design services for the expansion of the Convention Center and related parking garage, 2) was made on behalf and accurately stated the intention of the Council, and 3) appeared under Item 5 of the agenda for the meeting of the Commission on December 3<sup>rd</sup>; and
- WHEREAS, in addition, the Common Council clarifies the request in response to discussion at the meeting of the Commission on December3<sup>rd</sup> in the attached Exhibit A to this Resolution, which requests a recommendation for expenditure of a total of \$6,250,000, including \$5,900,000 for Phase II costs, and a retroactive affirming recommendation of \$350,000, which was previously approved, appropriated and expended for Phase I costs;
- WHEREAS, the City Council and Mayor intend that the expenditure shall only be made after the contract for design has been transferred to, and accepted by, a governing entity agreed upon by the City and County;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

The Common Council, under Indiana Code § 6-9-41-16(b), hereby affirms its request for the Food and Beverage Tax Advisory Commission to consider and adopt written recommendations regarding the expenditure of Food and Beverage taxes as set forth in the attached Clarified Request (Exhibit A).

DAVE ROLLO, President Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk City of Bloomington

NICOLE BOLDEN, Clerk City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_\_

01 41 11

JOHN HAMILTON, Mayor City of Bloomington

### **SYNOPSIS**

This resolution affirms and clarifies the request of the Common Council for the Food and Beverage Tax Advisory Commission to recommend expenditure of Food and Beverage Tax revenues toward Phase II of the design process for the Convention Center expansion project.

Note: This resolution was amended to insert the last Whereas clause.

Distributed to Mayor, Council Attorney, Clerk, Controller, Legal, County Commissioners, County Council, County Auditor, County Legal

### EXHIBIT A

### **RESOLUTION 19-19**

TO AFFIRM A REQUEST FROM THE COMMON COUNCIL FOR THE FOOD AND BEVERAGE TAX ADVISORY COMMISSION TO MAKE A RECOMMENDATION FOR EXPENDITURE OF FOOD AND BEVERAGE TAX REVENUES TOWARDS PHASE II OF THE CONVENTION CENTER EXPANSION PROJECT

The City of Bloomington Common Council seeks a recommendation from the F&B Tax Advisory Commission for the expenditure of funds from food and beverage taxes collected to pay for consulting/design services for the expansion of the convention and civic center and related parking garage. The architects, Convergence and Schmidt, have completed Phase I of the design, which included community engagement and site plan development. The next step will be to contract for Phase II—the design portion. The architects have advised that fees and expenses for design of such a project are typically between 5-10% of the estimated construction cost of the project. The estimated cost of the project is a total of \$59 million, which includes \$44 million for the expanded convention and civic center and \$15 million the associated parking garage. The City Council therefore affirms its request for a recommendation for expenditure of 10% of the estimated construction cost of the project in the amount of \$5,900,000.

In addition, the City requests a retroactive recommendation for expenditure of \$350,000 for Phase I costs. The F&B Tax Advisory Commission previously recommended approval to the Bloomington Common Council of \$4 million for architecture fees based on the estimated project cost at that time of \$30-40 million. The Common Council appropriated \$350,000 of that recommended amount and it was already expended for architectural fees for Phase I.

The total request for recommendation for expenditure, therefore, is \$6,250,000.