

**FOOD & BEVERAGE TAX ADVISORY
COMMISSION**

**ANNUAL REPORT
for
CALENDAR YEAR 2020**

Presented to the Monroe County Council
Bloomington, Indiana

February 19, 2021

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1. MEMBERS OF THE ADVISORY COMMISSION

John Hamilton	Mayor, Bloomington	2018-present
Cheryl Munson	Monroe County Council	2018-present
Julie Thomas	Monroe County Commissioners	2018-present
Ron Smith	Bloomington City Council	2021-present
Lennie Bush	One World Enterprises	2018-present
Susan Bright	Nick's English Hut	2019-present
Tony Suttle	Fourwinds Inn and Marina	2018-present

2. MEETING DATES, AGENDAS AND MINUTES

Due to the length of the report, Agendas/Packets and Minutes are available at the link provided below:

<https://www.co.monroe.in.us/departments/board.php?structureid=156>

Meeting Dates:

January 14, 2020

February 10, 2020

March 24, 2020

March 27, 2020

May 5, 2020

May 26, 2020

June 16, 2020

3. NARRATIVE SUMMARY

This is the second report of the Monroe County Food and Beverage Tax Advisory Commission (FABTAC) and reflects the activity of its third year.

The Monroe County Food and Beverage Tax was enabled in 2009 (PL176-2009) by state legislation (IC 6-9-41) and emplaced on qualifying establishments by Resolution 2017-51 of the Monroe County Council on December 12, 2017, with a tax rate of 1.00% on qualifying purchases. The purpose of the tax is to construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects. The resolution provides for the presentation of an annual report of the FABTAC to the Monroe County Council in February, following a one-year period of tax revenue collection, which describes approvals of FAB tax revenue and expenditures by the County and the City of Bloomington, per the requests of their legislative bodies.

Unlike other food and beverage taxes in the state of Indiana, which are either for a city or a county and administered by the State Board of Accounts, Monroe County's tax is split between the City of Bloomington and Monroe County, depending on whether the establishment collecting the tax is located inside or outside of the city limits. According to statute, the distribution of collected funds to the City and the County is administered by the Monroe County Auditor.

Collection of the one-percent Food & Beverage Tax began on February 1, 2018 from the roughly 700 establishments in Monroe County that serve prepared food and drink. The monthly numbers in Section 3 below demonstrate early challenges in initiating the tax. For example, receipts for February and March 2018 are reflected in the March 2018 numbers. The Food and Beverage Tax Advisory Commission did not meet for the first time until July of that year. The ability to accurately split tax revenues between jurisdictions took until December for the Auditor's office to establish; before then, the county received a flat 10 percent of revenue. It took most of the year 2018 for the new tax to be properly implemented.

In 2018 the tax collected amounted to almost 2.6 million, but no money was requested or expended.

In 2019 when all food and beverage establishments paid a full year of taxes, revenues amounted to more than \$3.4 million. The City administration, which had expressed its intent to spend all of its portion of revenues on the project to expand the Convention Center, requested and received approval of more than \$4.5 million to that end, but expended less than \$300,000, mostly on architectural and financial counsel. The County Commissioners requested and received approval for \$60,000 in anticipation of funding land surveys for the Convention Center expansion project

and \$500,000 to acquire property for an eventual limestone-industry related tourist attraction. Neither of these approved requests was appropriated and expended.

In 2020, total tax revenues decreased by more than \$650,000 or 19 percent, amounting to slightly less than \$2.8 million see Table 1. The marked decrease was due to the COVID-19 Pandemic which forced many food and beverage establishments to limit the number of customers and to provide for social distancing and other protective measures. As a result, some establishments were not able to remain in business and the others faced severe financial constraints on their ability to operate.

A similar pattern of growth and contraction from 2018 through 2020 is evident in the number of tax payers per month. The average number of establishments paying the FAB tax was 293 per month in 2018. Compare that with the average of 332 payers per month in 2019, but only 297 per month in 2020, which is a 12.6% decrease in number of payers.

Given the impact on our local businesses and particularly the businesses that are key to tourism, the County and City requested funds from FABTAC to provide financial support for these impacted businesses.

The County Commissioners requested and received approval for a total of \$200,000 from their share of FABTAC revenue on March 24 and another \$200,000 on May 5, 2020. The County Council provided appropriations for a total of \$400,000 for a grant program to aid those business located in the parts of the County outside City limits from which the County's share of FAB tax revenue is collected. Forty businesses received grants (Table 3). The year-to-date balance of receipts and expenditures at the end of 2020 is shown in Section 7. From the County's appropriation, \$8,386 remained unexpended at the end of the year (see Section 8).

Similarly, the City Council requested and appropriated and FABTAC approved \$2,000,000 from the City's share of the revenue for a no-interest loan program for the same purpose. The Commission approved the request. Fifty-one loans were provided to 46 establishments (Table 4). Expended funds from the \$2,000,000 appropriation are \$1,416,600. Additionally, \$475.68 of FAB tax revenue approved in 2019 for the Convention Center expansion project was spent from the balance available at the beginning of 2020. The balance of City FAB funds at the end of 2020 is \$6,067,539.

In sum, despite funding for the 2020 grant and loan programs of the City and County, and the decline in collected FAB revenue, healthy FAB balances remain. Unexpended FAB revenue at the end of 2020 is about 62 percent of the total 2018-2020 revenue received by the County and about 78 percent by the City.

4. HISTORICAL SUMMARY OF REVENUE

Table 1. Food and Beverage Tax Revenue, 2018-2020.

2018 Period	Number of Payers	Tax Revenue Received	2019 Period	Number of Payers	Tax Revenue Received	2020 Period	Number of Payers	Tax Revenue Received
January	0	-	January	344	\$283,483.56	January	346	\$295,742.42
			February	308	\$252,916.41	February	314	\$244,766.10
Feb/March	78	\$89,785.72	March	326	\$261,060.06	March	316	\$268,388.63
April	282	\$225,752.33	April	333	\$291,297.35	April	275	\$204,681.51
May	274	\$307,318.54	May	350	\$343,971.81	May	277	\$173,935.23
June	256	\$210,844.44	June	309	\$271,539.89	June	255	\$163,874.18
July	290	\$267,312.88	July	358	\$293,934.48	July	289	\$208,459.80
August	298	\$253,562.55	August	316	\$229,573.06	August	287	\$202,637.33
September	268	\$232,770.31	September	332	\$267,760.47	September	309	\$273,866.35
October	324	\$396,284.26	October	348	\$340,956.21	October	300	\$244,735.33
November	308	\$273,129.38	November	321	\$289,188.46	November	292	\$247,058.78
December	336	\$302,102.01	December	335	\$321,528.03	December	309	
Average Number of Payers	271.4		Average Number of Payers	277.3		Average Number of Payers	242.4	
Year to Date 2018 Total		\$2,558,862.42	Year to Date 2019 Total		\$3,447,209.79	Year to Date 2020 Total		\$2,528,145.66

Figure 1. County and City Food and Beverage Tax Revenue, 2018-2020.

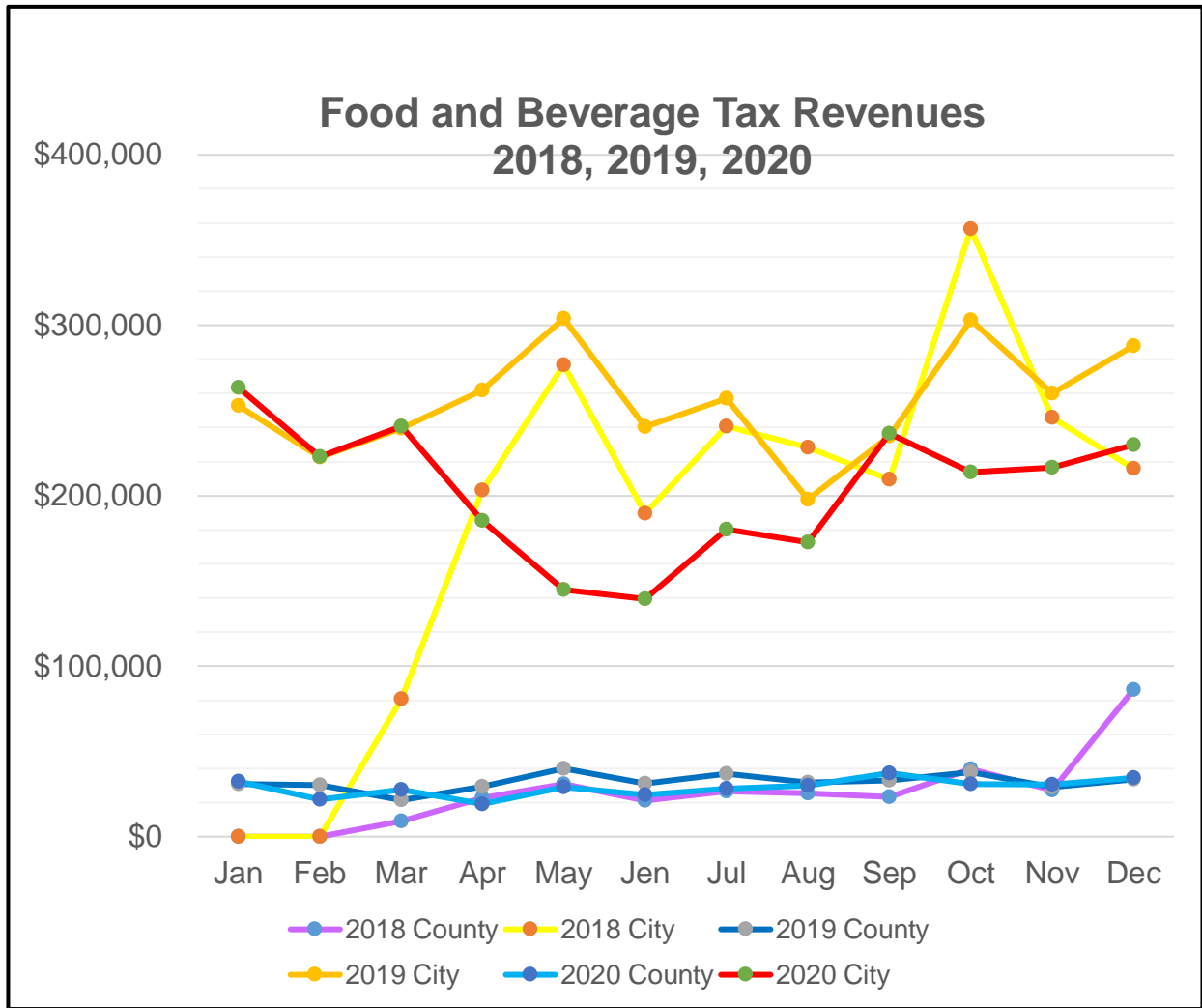
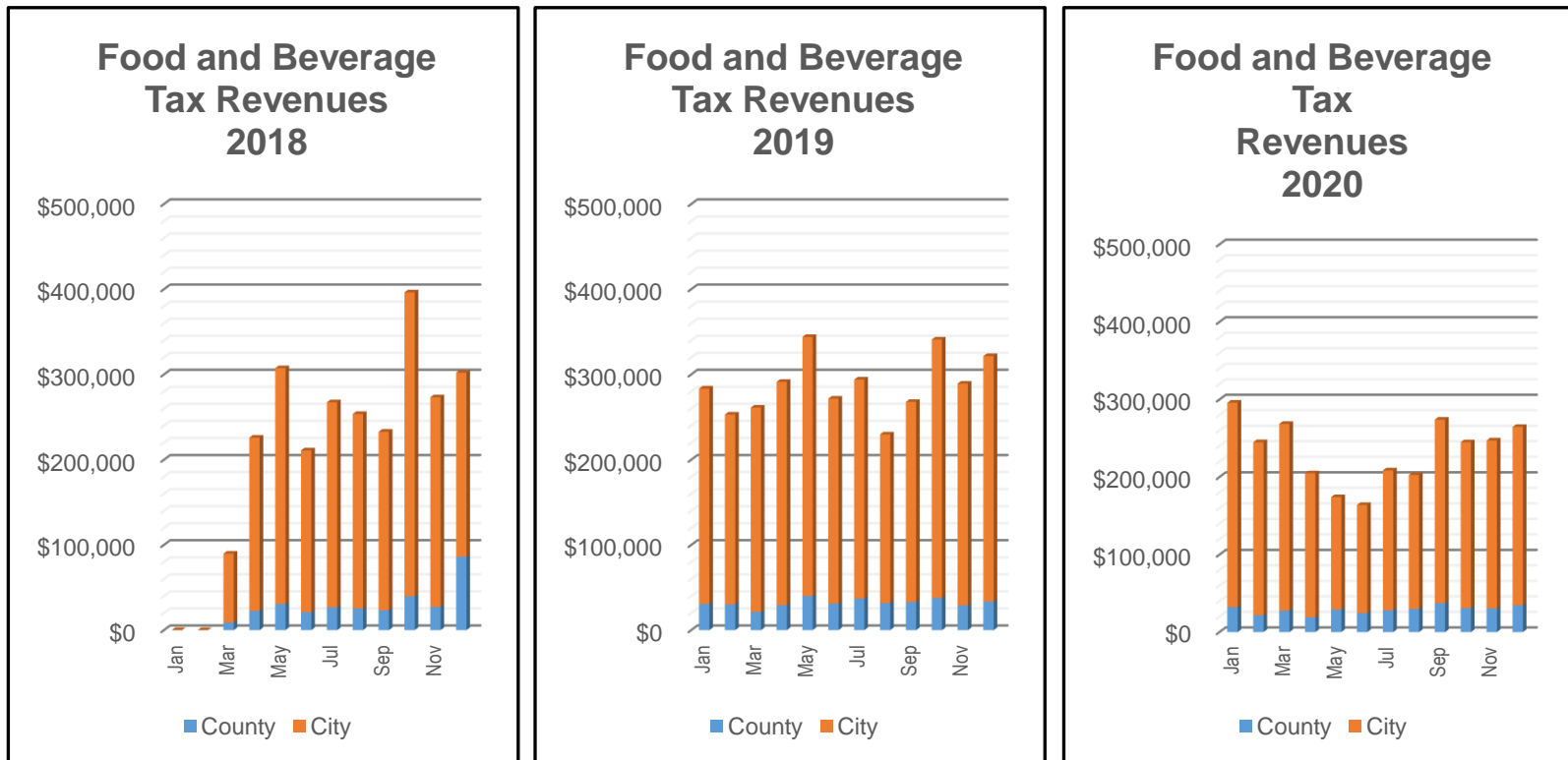


Figure 2. Comparison of Food and Beverage Tax Revenues by Year.



5. REVENUE DETAIL

Table 2. 2020 Food and Beverage Revenue as Distributed.

Food and Beverage Tax Distribution			
2020	Amount	City	County
January	\$295,742.42	\$263,496.02	\$32,246.40
February	\$244,766.10	\$222,975.00	\$21,791.10
March	\$268,388.63	\$240,853.11	\$27,535.52
April	\$204,681.51	\$185,505.52	\$19,175.99
May	\$173,935.23	\$144,849.78	\$29,085.45
June	\$163,874.18	\$139,438.49	\$24,435.69
July	\$208,459.80	\$180,397.37	\$28,062.43
August	\$202,637.33	\$172,819.86	\$29,817.48
September	\$273,866.35	\$236,524.96	\$37,341.39
October	\$244,735.33	\$213,794.54	\$30,940.79
November	\$247,058.78	\$216,562.11	\$30,496.67
December	\$264,518.53	\$229,965.84	\$34,552.69
Total	\$2,792,664.19	\$2,447,182.60	\$345,481.60

6. EXPENDITURE REQUESTS AND COMMISSION APPROVALS

COUNTY	\$200,000.00	March 24, 2020	Requested; Approved
	\$200,000.00	May 5, 2020	Requested; Approved

CITY	\$2,000,000.00	March 27, 2020	Requested; Approved
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7. SUMMARY OF 2020 CASH RECEIPTS AND EXPENDITURES

A. 2020 Beginning Balance (January 1, 2020)

COUNTY \$ 696,756.33

CITY \$5,037,432.09

B. 2020 Revenue Received

COUNTY \$345,481.60

CITY \$2,447,182.60

C. 2020 Expenditures

COUNTY \$391,613.71

CITY \$1,417,075.68

D. 2020 Year-End Balances (December 31, 2020)

COUNTY \$650,624.22

CITY \$6,067,539.01

8. 2020 EXPENDITURE DETAIL

COUNTY

Table 3. County Expenditures of FAB Appropriations.

DATE	RECIPIENT	AMOUNT
04/23/2020	Back To Nature Cabins	\$7,000.00
04/23/2020	Big Sky Campgrounds	\$8,950.00
04/23/2020	Knightridge, Inc.	\$15,274.00
04/23/2020	Sycamore Farms Bloomington	\$5,000.00
04/23/2020	Terry'S Catering LLC	\$5,000.00
04/23/2020	Trailhead Enterprises, Inc.	\$8,528.00
04/23/2020	Trivia With Skip	\$1,800.00
04/23/2020	Jimmy G, LLC	\$3,000.00
04/23/2020	Wee Willies West	\$10,000.00
04/23/2020	Robert Woodling Rentals	\$3,800.00
05/01/2020	The Beaumont House, LLC	\$10,000.00
05/01/2020	The Golf Club & Eagle Pointe	\$23,000.00
05/01/2020	Westbury Antique Mall, LLC	\$5,000.00
05/01/2020	Cabin Restaurant and Lounge	\$10,500.00
05/01/2020	Sugar Daddy'S Cakes and Catering	\$8,000.00
05/01/2020	The Dance Machine	\$2,500.00
05/01/2020	Whippoorwill Hill, LLC	\$10,000.00
05/01/2020	Rieman Properties	\$6,500.00
05/01/2020	The Porthole Inn LLC	\$20,000.00
05/01/2020	TJV Balloons, Inc	\$4,462.00
05/14/2020	Cleaning Revolution	\$8,900.00
05/14/2020	Wampler House	\$8,900.00
05/26/2020	The Fishin' Shedd, Inc	\$5,000.00
06/17/2020	Whippoorwill Hill, LLC	\$13,500.00
06/17/2020	The Golf Club & Eagle Pointe	\$22,500.00
06/17/2020	Bloomington Pub Quiz	\$1,810.00
06/22/2020	Kenneth Mobley, Inc.	\$7,100.00
06/23/2020	The Porthole Inn LLC	\$20,000.00
06/23/2020	The Porthole Inn LLC Void Docket Chk	-\$20,000.00
06/24/2020	Pilis Party Taco	\$5,000.00
06/24/2020	The Black Sheep Boutique Co.	\$5,000.00
07/01/2020	Mosley, Darran	\$6,000.00
07/01/2020	Fern Hills Club Inc.	\$10,000.00
07/01/2020	Sycamore Farms Bloomington,	\$14,218.00
07/02/2020	Rising Star Gymnastics	\$25,000.00
07/02/2020	WonderLab Museum & Science	\$65,000.00
07/02/2020	Trailhead Enterprises, Inc.	\$10,000.00
07/27/2020	Sugar Daddy'S Cakes And Void Docket Chk	-\$8,000.00
07/29/2020	Monroe County Historical Society	\$23,225.00
09/02/2020	A&A Quick Pump	\$440.00
09/23/2020	First Financial Bank	\$146.71
12/01/2020	A&A Quick Pump Cor 11/20/20	-\$440.00
12/31/2020	TOTAL	\$391,613.71

CITY

Table 4. City Expenditures of FAB Appropriations.

DATE	RECIPIENT	AMOUNT	EXPENDITURE TYPE
04/03/20	Barnes & Thornburg LLP	\$475.68	Convention Center, Legal Services
04/21/20	The Atlas Ballroom	\$50,000.00	RRF Loans
04/21/20	Nick's English Hut, Inc	\$50,000.00	RRF Loans
04/21/20	The Ritz Hair Studio	\$15,000.00	RRF Loans
04/21/20	MJSB LLC DBA: B-Town Diner	\$32,000.00	RRF Loans
04/21/20	Backdoor Bloomington DBA: The Back Door	\$50,000.00	RRF Loans
04/21/20	Penguin Enterprises LLC DBA: The Chocolate Moose	\$40,000.00	RRF Loans
04/21/20	A.E.A. Design and Apparel	\$3,600.00	RRF Loans
04/23/20	Fraternal Order of Eagle's 1085	\$7,000.00	RRF Loans
04/23/20	K&P Global LLC DBA: O'Child Children's Boutique	\$15,000.00	RRF Loans
04/23/20	Bloomington Stitchery	\$7,000.00	RRF Loans
04/24/20	Bloomington Playwrights Project	\$20,000.00	RRF Loans
04/24/20	Cajun House DBA: Dats Cajun Food	\$16,000.00	RRF Loans
04/28/20	Vibe Yoga	\$50,000.00	RRF Loans
05/04/20	Unveiled	\$25,000.00	RRF Loans
05/04/20	Uptown Café	\$50,000.00	RRF Loans
05/04/20	Lotus Pilates	\$16,500.00	RRF Loans
05/05/20	Landlocked Music	\$10,000.00	RRF Loans
05/06/20	Gather	\$18,000.00	RRF Loans
05/07/20	WonderLab	\$30,000.00	RRF Loans
05/08/20	Cherry Canary	\$12,500.00	RRF Loans
05/08/20	Bloom Eats	\$15,000.00	RRF Loans
05/08/20	Razor's Image	\$15,000.00	RRF Loans
05/08/20	The Art Venue	\$14,000.00	RRF Loans
05/08/20	Under consideration	\$25,000.00	RRF Loans
05/08/20	Wild Orchid	\$10,000.00	RRF Loans
05/12/20	Half Baked	\$50,000.00	RRF Loans
05/12/20	The Farm Bloomington	\$50,000.00	RRF Loans
05/15/20	Cardinal Stage	\$50,000.00	RRF Loans
05/20/20	Bloomingtontea, LLC	\$15,000.00	RRF Loans
05/22/20	Bloomington Salt Cave	\$10,000.00	RRF Loans
05/22/20	MK Shelly LLC	\$50,000.00	RRF Loans
05/26/20	Diamond & Sweets	\$18,000.00	RRF Loans
06/11/20	Switchyard Brewing	\$50,000.00	RRF Loans
06/11/20	Cup & Kettle	\$35,000.00	RRF Loans
06/12/20	Little Tibet	\$50,000.00	RRF Loans
06/12/20	PopKorn Kernels	\$15,000.00	RRF Loans

DATE	RECIPIENT	AMOUNT	EXPENDITURE TYPE
06/18/20	Midway Music Speaks	\$5,000.00	RRF Loans
06/25/20	Wonderlab	\$20,000.00	RRF Loans
07/07/20	The Art Venue	\$8,000.00	RRF Loans
07/07/20	PopKorn Kernels	\$15,000.00	RRF Loans
07/07/20	MJSB LLC DBA: B-Town Diner	\$18,000.00	RRF Loans
07/07/20	Qaisir Oriental Rugs	\$40,000.00	RRF Loans
07/08/20	Samira	\$40,000.00	RRF Loans
07/08/20	By Hand Gallery	\$15,000.00	RRF Loans
07/08/20	Hoosier Barbershop	\$16,000.00	RRF Loans
09/04/20	Soapy Soap	\$50,000.00	RRF Loans
09/04/20	That's a Rub	\$50,000.00	RRF Loans
10/20/20	Unveiled	\$25,000.00	RRF Loans
10/20/20	BBQ Soul	\$25,000.00	RRF Loans
10/20/20	Bluebird	\$50,000.00	RRF Loans
10/22/20	Blockhouse Media	\$\$50,000.00	RRF Loans
SUBTOTAL	Rapid Relief Fund Loans	\$1,416,600.00	
TOTAL		\$1,417,075.6	

9. STATEMENT OF THE COMMISSION’S APPROVAL

This Annual Report is, hereby, accepted as amended and shall be presented to the Monroe County Council as required by Ordinance 2017-51, Section 9. The signatures affixed hereto reflect unanimous approval of the Food and Beverage Tax Advisory Commission.

“AYES”

“NAYS”

Cheryl Munson, Chair

Cheryl Munson, Chair

Ron Smith, Vice Chair

Ron Smith, Vice Chair

Susan Bright

Susan Bright

Lennie Busch

Lennie Busch

John Hamilton

John Hamilton

Tony Suttle

Tony Suttle

Julie Thomas

Julie Thomas