

**Memorandum of Understanding**

**Between**

**CITY OF BLOOMINGTON**

**And**

**MONROE COUNTY GOVERNMENT**

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is entered into by and between the City of Bloomington (“City”), and Monroe County Government, by its Board of Commissioners (“County”).

WHEREAS, the Monroe County Convention Center (“Convention Center”) building was built in 1923 for the Graham Motor Sales company and converted to a Convention Center in 1991; and

WHEREAS, the Convention Center is the second most sought after destination for groups seeking to hold events of significant size in Indiana, surpassed only by the Indianapolis Convention Center; and

WHEREAS, people attending events at the Convention Center also patronize restaurants and shops in the City of Bloomington, and the resulting combined impact on the local economy over the past twenty-five (25) years is estimated at approximately \$256 million; and

WHEREAS, the Convention 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, including approximately forty (40) groups in 2016 alone that could not be accommodated; and

WHEREAS, the County and the City agree that an expanded Convention Center would provide civic benefits such as more meeting space and a greater variety of events, as well as significantly enhance the local economy through additional visitors to the area and increased employment opportunities; and

WHEREAS, the County and City agree that a project to expand the Convention Center requires their collaboration, and that a project is unlikely to move forward without the availability 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 is being collected since February 1, 2018; and

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

### Section 1. Project

The City and County agree to collaborate on a Project to expand the Convention Center, attract a related full-service hotel, and provide for related supporting infrastructure (such as parking, water/sewer, connectors, roadways, etc.) (the “Project”) for the benefit of the County, the City, their collective residents and the surrounding region.

Pursuant to Ordinance 2017-51 Section 5, Allocation of Food and Beverage Tax Between Monroe county and the City of Bloomington, both parties agree to distribute 90% of the revenue to the City of Bloomington and 10% of the revenue to the County until such time as the Monroe County Auditor is able to ascertain the location of the collection within the State distribution. Once the Auditor is able to distribute the money based upon collection locations, the County and the City of Bloomington, will correct the 90%-10% distributions as appropriate.

#### Section 2. City Use of Food and Beverage Tax Revenue

The County adopted an ordinance approving a Food and Beverage Tax, with City Council support via Resolution and the City hereby pledges that, subject to Section 5 below and I.C. § 6-9-41-16, the monthly tax revenue distributed under I.C. § 6-9-41-13 (“Tax Allocation”) to the City shall be used in accordance with I.C. § 6-9-41-15 for the following purposes:

- Construction and/or renovation of a convention center
- Financing or refinancing of a convention center
- Operation of a convention center
- Maintenance of a convention center

#### Section 3. County Use of Food and Beverage Tax Revenue

The County adopted an ordinance approving a Food and Beverage Tax, and the County and City have pledged that, subject to I.C. § 6-9-41-16, the County may use one hundred percent (100%) of the Tax Allocation to the County in accordance with I.C. § 6-9-41-14 for related tourism or economic development projects.

Bonds sold for construction of the Project facility may require contingent pledging of annual revenue from the full F&B revenues for appropriate debt-service coverage.

#### Section 4. Other Uses of Food and Beverage Tax Revenue

The County and City agree that the City may use up to 7.5% of its Tax Allocation for related tourism or economic development projects that support the convention center expansion project, as permitted under I.C. § 6-9-41-15. The balance of the City allocation will be used solely to support items stated in Section 2. At such time as the construction aspect of the Project is completed and all costs of the construction aspect of the Project have been paid, the first priority of the funding will be to supplement the Inn Keepers tax for the necessary expenses, as determined by the Advisory Commission, for operation and maintenance of the Project. Any Tax Allocation in excess of that may be used for related tourism or economic development projects as allowed under I.C. § 6-9-41-12 and appropriately authorized under I.C. § 6-9-41-16.

Section 5. Food and Beverage Advisory Commission

As required under I.C. § 6-9-41-16, the parties shall set up an Advisory Commission composed of the members specified in the statute to “assist efforts of the county and city fiscal bodies regarding the utilization of food and beverage tax receipts.” The City executive shall select two (2) of the three members identified in I.C. § 6-9-41-16(a)(1), and the County executive shall select one (1) of the three members identified in I.C. § 6-9-41-16(a)(1).

Section 6 Convention Center Steering Committee for Accountability

The City and County shall set up a Convention Center Steering Committee for Accountability (or Steering Committee) with the following composition and authority:

**A. Membership:** The Steering Committee shall include nine (9) members appointed by both entities. The City and County shall each make their own appointments to the Commission as follows:

- 1) Commissioner
- 2) County council member
- 3) Mayor
- 4) City council member
- 5) County Commissioners’ resident appointment
- 6) County Commissioners’ resident appointment
- 7) Mayor’s resident appointment
- 8) Mayor’s resident appointment
- 9) Resident appointment jointly agreed upon by the County Commissioners and Mayor.

Each Elected Commission and Council member appointment (1,2, and 4 above) shall be appointed by their respective bodies, and shall be subject to the guidelines, if any, imposed by the appointing body, including, but not limited to, the ability to appoint a proxy.

The resident appointments serve at the pleasure of the appointing body.

**B. Duties:**

1. Evaluate requests for incentives and all other appropriate details associated with the hotel and its relationship with the Convention Center, including design, room blocks, use of banquet space, etc., and recommend proposed incentives to the appropriate entity in control of the incentive.

2. Review, recommend, and oversee all providers necessary for the design of the project, including architect and other design and related professionals for the Convention Center.

Deputy Mayor shall be responsible for day-to-day coordination with the Project Manager up to and continuing through construction of the Project. Frequent updates will be posted on a communication platform to coordinate and share information with the County (the County Administrator) and with the Steering Committee. In addition, the Deputy Mayor shall confer with the County Administrator for any change made to the project.

In the event a substantial change may be required, in the normal course of business, the input of the Steering Committee would be sought. If a substantial change is required urgently, mutual agreement to the change between the Deputy Mayor and the County Administrator may substitute for additional input from the Steering Committee.

In order to assure accountability to their constituents, the selection of an architect for the Convention Center must be approved by a majority vote of the four elected officials on the Steering Committee.

**D. Contracts:** The Steering Committee shall have the authority from each entity executive to review, recommend, and oversee vendors, such as the architect, and contract activities that are necessary and directly related to the design of the Project.

The funding entity and the governmental entity that controls land shall be responsible for the approval, execution and management of contract responsibilities.

This Section notwithstanding, nothing, including the Commission, shall override or circumvent the authority of statutory entities required to review and approve contracts, financing, petitions, applications, permits, or any other mandatory processes.

#### Section 7: City and County Responsibilities

The City will be responsible for the following:

1. Contracting and the payment for appropriate expenses for the design, construction, construction management, project management and other due diligence steps necessary to complete the construction of the Project. City will obtain approval to use its portion of the F & B tax dedicated for the project by getting approvals from the F & B Commission, City Council or County Commissioners/Council (if County F & B tax is considered for use) for reimbursement of appropriate expenses related to the project.
2. Consider appropriate parking structure connections/upgrades to the City's 4<sup>th</sup> Street garage to serve the hotel/convention center.
3. Providing list of stakeholders and other relevant entities that should provide input during design, operation, and other phases of the Project.

4. Review and, if acceptable, Approval of sale/lease of land for use by hotel partner and/or convention center expansion portion of the Project.

The County will be responsible for the following:

1. Review and, if acceptable, Approval of sale/lease of land for use by hotel partner and/or convention center expansion portion of the Project.
2. Review and Approval of any and all expenditure of F & B Tax from County share, if utilized. (with F & B Commission's approval).
3. Provide list of stakeholders and other relevant entities that should provide input during design, operation, and other phases of the Project.

#### Section 8. Definitive Agreement

The parties have executed this MOU to signify their joint commitment to pursuing and funding the Project in full collaboration on behalf of the entire community and region.

#### Section 9. Notices

Notice given by either party to the other under this MOU shall be in writing and delivered at the addresses provided below:

##### CITY

City of Bloomington Legal Department  
401 North Morton, Suite 220  
Bloomington, Indiana 47404  
(812) 349-3426 (phone)  
(812) 349-3441 (fax)

##### COUNTY

Monroe County Attorney's Office  
Courthouse, Room 220  
Bloomington, Indiana 47404  
(812) 349-2525 (phone)  
(812) 349-2982 (fax)

#### Section 10. Authority of Parties

Each party warrants that it is authorized to enter in this MOU, that the person signing on its behalf is duly authorized to execute the MOU, and that no other signatures are necessary.

#### Section 11. Counterparts

The parties may execute this MOU in counterparts, each of which is deemed an original and all of which constitute only one original.

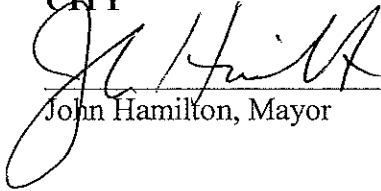
Section 12. Other Considerations

City and County mutually agree that all news/press releases and other forms of communication about the Project will be jointly prepared and released.

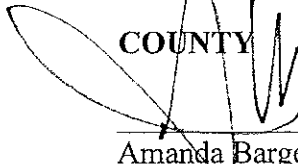
The City and County agree to execute any appropriate use of their property in conjunction with this project including temporary or permanent easement or right of entry.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed for and on their behalf the day and year first hereinafter written.

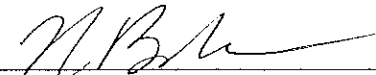
**CITY**

  
\_\_\_\_\_  
John Hamilton, Mayor

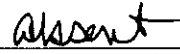
**COUNTY**

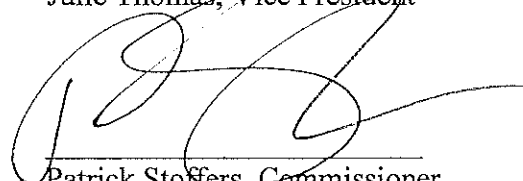
  
\_\_\_\_\_  
Amanda Barge, President  
Board of Commissioners

Attest:

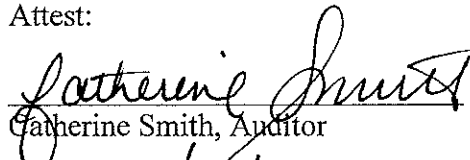
  
\_\_\_\_\_  
Nicole Bolden, Clerk

Date: 7/24/18

  
\_\_\_\_\_  
Julie Thomas, Vice President

  
\_\_\_\_\_  
Patrick Stoffers, Commissioner

Attest:

  
\_\_\_\_\_  
Catherine Smith, Auditor

Date: 7/24/18