

MEMO

TO: President Gardiner and the Members of the Town Council

FROM: Town Manager

SUBJECT: Quantifying the Impacts of a Potential Food and Beverage Tax

DATE: November 9, 2023

Background

The Indiana General Assembly has from time-to-time authorized legislation that has permitted the creation of local option Food and Beverage taxes. In a county in which there is an Inn Keeper's tax of 1%, a permitted municipal entity may levy up to an additional 1% in increments of .25%.

Guidance from the General Assembly indicates that the legislative body is predominantly interested in authorizing Food and Beverage taxes where the funds would be dedicated to capital projects related to tourism and recreation.

Methodology

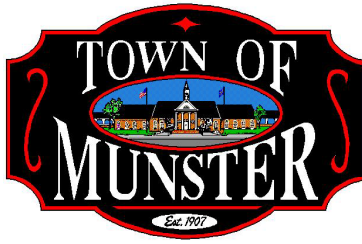
Throughout the prior Parks and Recreation master planning process in 2018, our current comprehensive planning process, and the current Parks master planning process we have consistently heard from the community that there is a desire for addition space for community and recreation programming.

The School Town of Munster is also looking for solutions to an acute shortage of practice space. Town and School staff have had preliminary discussions about the possibility of collaborating with each other to design and construct such a structure.

Additionally, we are currently constructing a new pro shop at Centennial to better serve our golfers and parkgoers. While this is being paid for with dedicated funds, those capital funds could be redirected to other capital projects in service to the Town.

The Town has also conducted a space-needs analysis and preliminary design of a modernized Police and Fire Department facilities, as well as a remodel of the Town Hall interior. All of these structures are furnished and appointed with the original materials from over 20 years ago. Our boilers, plumbing, and electrical systems are all at end-of-life.

Finally, our neighbors to the north in Hammond are planning on pursuing a Food and Beverage tax at the General Assembly next year. Anecdotally, bills that include adjoining municipalities are viewed favorably. While we would present together, Hammond funds would stay with the City and Munster funds would stay with the Town. The partnership is in seeking a legislative solution – not administering the potential revenue.



With all our capital needs and the timing of our neighboring community, there seems to be a distinct opportunity to make a run at finding additional funding that could help us accomplish a number of previously identified goals.

This proposal from Policy Analytics aims to quantify what the impacts of a local Food and Beverage tax may be. This will allow us to better plan for our capital needs, as well as effectively advocate for our community during the legislative session.

There are adequate funds in the LIT – Economic Development Fund for this purpose in fund account:

2209-651-0100-63105000

Recommendation

By motion and roll call vote authorize the Town Manager to execute the letter of engagement with Policy Analytics, LLC to project potential Town revenues from a local Food and Beverage tax for a cost not to exceed \$10,850.00.