



City of Grand Island

Tuesday, December 1, 2015

Study Session

Item -2

Presentation – Food and Beverage Tax

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FOOD and BEVERAGE TAX

Improving the Lives of our Families

It's Good for Grand Island



WHAT DO WE KNOW?

- ▶ The current food & beverage tax will end in July of 2016.
- ▶ Nebraska Legislature tells us that in order to continue the tax for an amount over \$700,000 per year, it requires a vote of the people.
- ▶ The current tax is successful in part, because it's a shared tax by Grand Island residents and all who visit Grand Island from out of town.
- ★ The continuation of the tax will allow Grand Island to grow and prosper without being as dependent on the City's general fund.
That's Good for Grand Island ...

HISTORY:

Year	Significance
2008	A 1.5% occupation tax was initiated for the construction of the Community Field House which doubles as the 4-H, FFA Building during the Nebraska State Fair.
2009	Council added an additional \$1.6 million for the Veteran's Athletic Fields displaced by the Nebraska State Fair moving to Grand Island.
2011	State Law mandates that, as the home of the Nebraska State Fair, the City must contribute 10% of Nebraska Lottery funds received by the State Fair. (2014 = \$350,223)
2012	The Legislature passes LB745 which prohibits communities to tax above \$700,000/year without a vote of the people.

2016

Our goal is to put before the voters, a continuation of the existing 1.5% tax on all food and beverage, that begins following the sunset of the current tax.

The Vote: May 10, 2016

We believe that the tax -- shared by residence and all who visit Grand Island to dine and drink -- will allow the City of Grand Island the resources necessary, to undertake needed community improvements that have a clear focus on the quality of life for our Grand Island families.

The primary differences between the current & the proposed tax:

- ▶ The new language includes taxing the sale of alcohol, along with food and non-alcoholic beverages. The current tax does not.
 - Communities that tax the sale of alcohol as part of their food and beverage tax include:
 - Omaha (2.5%)
 - Lincoln (2%)
 - Norfolk (2%)
- ▶ While the original tax was used to finance the fieldhouse, the continuation of the tax will be used to invest in projects, programs and events that are important to our families—while attracting more visitors to Grand Island → sharing the tax with folks from out of town.

Tuesday, May 10, 2016 -- A vote of the people

Sample Ballot Language:

Shall the City of Grand Island enact a tax of one and one half percent (1 ½%) on the sale of all food and beverages presently subject to sales tax in commercial establishments such as restaurants, bars and clubs?

-FOR said proposal

-AGAINST said proposal

Summary Detail ...

The proceeds from this tax shall be used for one or more of the following community enhancements:

The annual financial commitment to the Nebraska State Fair as required by state law; (\$350,223 in 2014)



Community Enhancements:

Promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island;



Examples:

- The continuation of more livestock shows in the State Fair/Fonner Park buildings (7 shows/sales in 2015; 4 of which had an economic impact of \$1.6M)
- The continuation of more agricultural and trade shows in the State Fair/Fonner Park buildings and Heartland Events Center
- An investment in more entertainment options, not only at the Heartland Events Center or Heartland Public Shooting Park, but throughout Grand Island

All of these bring visitors to our community, which is good for Grand Island.

Community Enhancements:

Ongoing enhancement and development of recreation and athletic facilities such as hike, bike and recreational trails, ball fields and other community activity needs;



Examples:

- Expansion of the Veterans Athletic Complex with additional baseball/softball & soccer fields
- Continued improvements at Island Oasis Water Park
- Continued development of City Parks
- Improve water quality at Pier Park & Sucks Lake
- Continued investment in hike, bike & recreational trail system

Community Enhancements:

Invest in community development projects and activities that stimulate progress and growth for Grand Island.



Grow Grand Island:

With the input of thousands, 5 pillars were identified (*Existing Businesses, Entrepreneurs, Image, Workforce, Community Assets*). The glue that holds the community's pillars together - collaborative, cooperative and effective partnerships, including 500+ volunteers, to date.



Summary Detail cont.

The City of Grand Island is authorized to collect the tax, unless termination thereof is approved by the voters.



Overview:

Shall the City of Grand Island enact a tax of one and one half percent (1 ½%) on the sale of all food and beverages presently subject to sales tax in commercial establishments such as restaurants, bars and clubs?

-FOR said proposal

-AGAINST said proposal

SUMMARY DETAIL:

The proceeds from this tax shall be used for the following community enhancements:

The annual financial commitment to the Nebraska State Fair as required by state law;

Promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island;

Ongoing enhancement and development of recreation and athletic facilities such as hike, bike and recreational trails, ball fields and other community activity needs;

Invest in community development projects and activities that stimulate progress and growth for Grand Island.

The City of Grand Island is authorized to collect the tax, unless termination thereof is approved by the voters.

THOUGHTS???

SAMPLE FOOD AND BEVERAGE TAX BALLOT LANGUAGE & SUMMARY DETAIL

Shall the City of Grand Island enact a tax of one and one half percent (1½%) on the sale of all food and beverages presently subject to sales tax in commercial establishments such as restaurants, bars, and clubs?

-FOR said proposal

-AGAINST said proposal

SUMMARY DETAIL:

The proceeds from this tax shall be used for the following community enhancements:

The annual financial commitment to the Nebraska State Fair as required by state law;

Promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island;

Ongoing enhancement and development of recreation and athletic facilities such as hike, bike and recreational trails, ball fields and other community activity needs;

Invest in community development projects and activities that stimulate progress and growth for Grand Island.

The City of Grand Island is authorized to collect the tax, unless termination thereof is approved by the voters.

Updated 11/25/15