MAYOR BALLARD OUTLINES PROPOSED SOLUTION TO CIB FISCAL SITUATION

INDIANAPOLIS – Mayor Greg Ballard met today with the leadership of the Capital Improvement Board (CIB) and offered a proposed solution to help the financially-strapped entity correct its current fiscal situation.

“The financial problems related to the CIB did not happen overnight,” said Mayor Ballard. “And this is about more than the CIB. It’s about Downtown Indianapolis, which serves as the economic engine for the county, the region and the state. It’s about 66,000 jobs and $3.5 billion in annual revenue generated by the hospitality industry.”

Mayor Ballard outlined for CIB members and the public a plan designed to both foster continued growth in downtown’s thriving restaurant, hotel and retail businesses industry and also continue to support local sports teams as an integral part of the downtown economy – a balance necessary for the convention and tourism industry to be able to bid for bigger, more lucrative business.

Components of the plan include:

- a $8 million cut from the operating budget of the Capital Improvement Board;
- an increase in the ticket tax on all events at facilities the CIB operates from 6 percent to 10 percent (expected yield: $6 million)
- Contributions from the Indiana Pacers and Indianapolis Colts of $5 million each
- a one percent increase in the Marion County hotel tax (expected yield: $4 million)
- a two percent increase in the Marion County car rental tax (expected yield $2 million)
- the ability to increase the local alcohol tax (expected yield $10-12 million; if county captures 100 percent of local consumption)
- a requested expansion of the PSDA to include the new JW Marriott and expand the scope of the tax to include sales and income (expected yield $8.8 million)
Mayor Ballard also announced that he will join Senator Luke Kenley and several legislative leaders in asking the Indianapolis Colts and the Indiana Pacers to each contribute $5 million.

“We have worked to develop a plan that will preserve the industry we seek to support while recognizing the parameters I’ve always laid out – that the solution should be more reliant on the users of the facilities and those who most directly benefit from them,” said Mayor Ballard. “That’s why we’ve worked diligently to craft a solution that doesn’t involve broad-based taxes like food and beverage, income, or property taxes.”

“I’m committed to continue working with state and city legislative leaders to enact a solution that will bolster our important economic engine that provides 66,000 jobs and revenues that are critical to the county, regional and state economies,” the mayor continued.

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