

COMPARED VERSION
COMMITTEE SUBSTITUTE TO ORIGINAL ORDINANCE

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 230580

Directing the City Manager to enter into a funding agreement with KC2026 in the amount of \$15 million over a three-year period for the purpose of providing City services at the 2026 FIFA World Cup; estimating revenue in the amount of \$4,675,000.00 ~~for from~~ short-term rentals; appropriating \$5 million from the Unappropriated Fund Balance of the Convention and Tourism Fund; directing the City Manager to include ~~equal appropriations of \$5 million~~ amounts sufficient to meet the City's financial obligations toward the 2026 World Cup in the Submitted Budgets City Manager's proposed budget for FY 2024-25 ~~2025~~ and FY 2025-26 ~~to satisfy the terms of the agreement~~ 2026; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, through Ordinance No. 170979 and Committee Substitute for Ordinance No. 171005, the City Council declared its intent to fund certain City services in connection with the 2026 FIFA World Cup; and

WHEREAS, in an election held on April 4, 2023, the qualified voters of the City approved a 7.5% tax on the gross receipts of short-term rentals and a \$3.00 occupancy fee on the hotels, motels, tourist courts, and short-term rentals in the City; and

WHEREAS, ~~expected revenue from the new taxes makes possible the use of the Hotel portion of the Convention and Tourism Tax for the purpose of funding the City's contribution to the 2026 FIFA World Cup; and~~

WHEREAS, ~~the economic impact of the World Cup is estimated by the Kansas City Sports Commission at approximately \$652.6 million; and~~

WHEREAS it is estimated that the tax revenue generated for Kansas City from the World Cup will be approximately \$35 million; and

WHEREAS, the City's contribution to the World Cup is not to exceed \$15 million to be funded in equal installments of \$5 million each over three (3) fiscal years beginning in Fiscal Year 2023-24; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby authorized and directed to ~~negotiate~~ enter into a funding agreement with KC2026, a Missouri 501(c)(4) nonprofit corporation, in the amount of \$15 million, for the purpose of providing the necessary City services including police, fire, traffic, EMS and sanitation services, and all other contractual obligations for the 2026 FIFA World Cup games that will be played in Kansas City, as well as all related events and activities, subject to ~~final Council approval and~~ appropriation. The City Manager shall agree, at minimum, to the following terms:

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a) The agreement shall dedicate no more than \$15 million from the City, allocated equally over a three-year period and subject to appropriation;

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a)b) The City shall use funds derived exclusively from the tax revenues collected pursuant to the hotel portion of deposited into the Convention and Tourism Tax (Code Sec. 68-551(a)(1)). Fund.

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c) The final contract shall be subject to approval by the City Council.

Section 2. That revenue in the amount of \$3,100,000.00 is hereby estimated in the Convention and Tourism fund to the following account:

24-2360-120000-454115	Short-term Rental Units	\$3,100,000.00
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Section 3. That revenue in the amount of \$1,575,000.00 is hereby estimated in the Convention and Tourism fund to the following account:

24-2360-120000-452520	Short-term Rental Tax	\$1,575,000.00
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Section 4. That the sum of \$5,000,000.00 is hereby appropriated from the unappropriated fund balance of the Convention and Tourism Fund to the following account:

24-2360-632050-B	World Cup	\$5,000,000.00
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Section 5. That the Director of Convention and Entertainment Facilities is hereby designated as requisitioning authority for Account No. 24-2360-632050-B.

Section 6. That the City Manager is directed to include ~~an appropriation of \$5,000,000.00 from amounts sufficient to meet the Convention and Tourism Fund in each of City's financial obligations toward the Submitted Budgets 2026~~ World Cup in the City Manager's proposed budget for FY 2024-252025 and FY 2025-26 to satisfy the terms of the agreement authorized in Section 1-2026.

Section 7. That this ordinance is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter in that it appropriates money, and shall take effect in accordance with that section.

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I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

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Approved as to form:

Samuel Miller
Assistant City Attorney

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