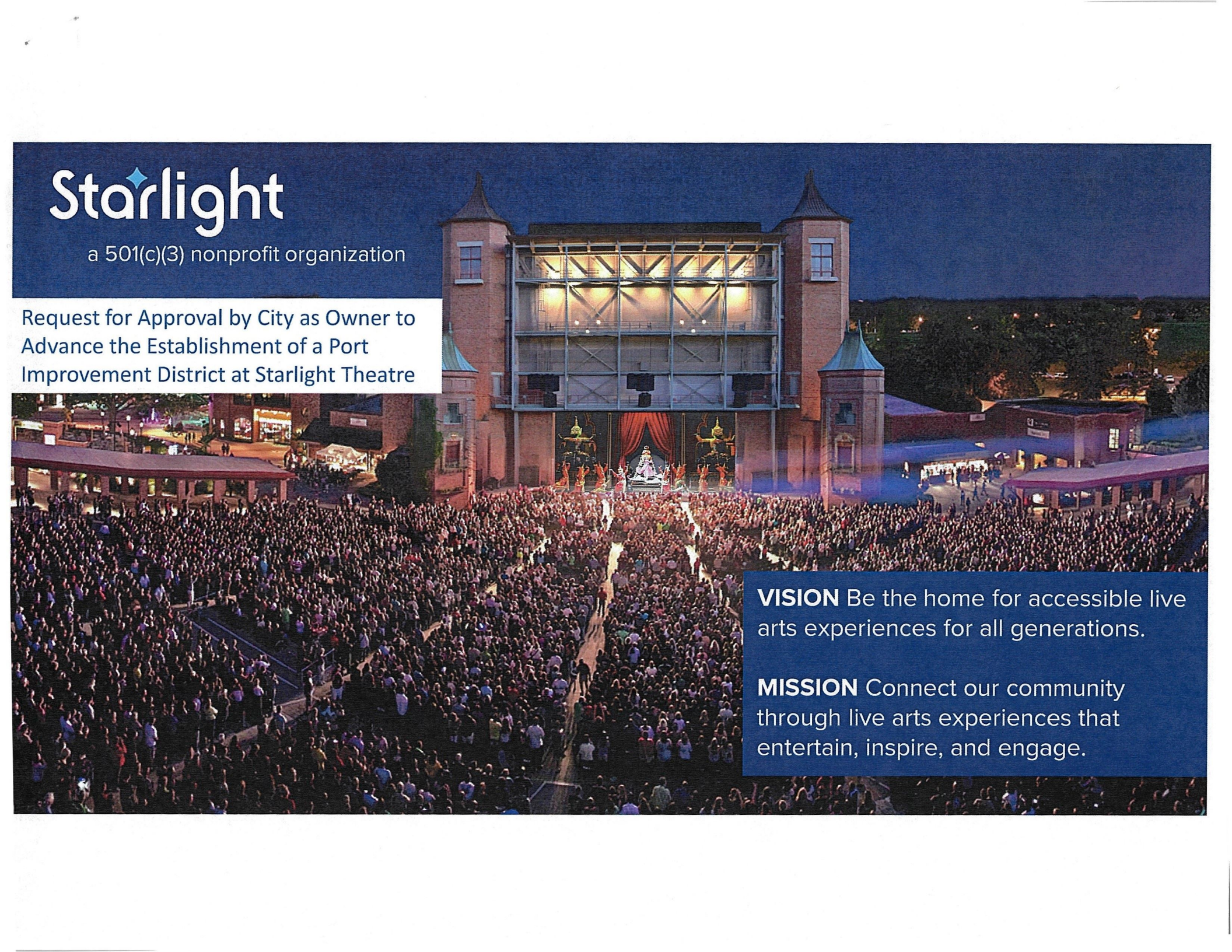


# Starlight

a 501(c)(3) nonprofit organization

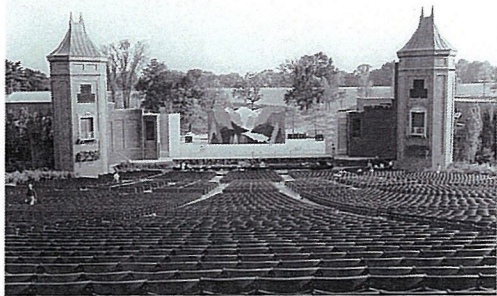
Request for Approval by City as Owner to Advance the Establishment of a Port Improvement District at Starlight Theatre

The background image shows a large crowd of people gathered in front of the Starlight Theatre at night. The theatre building is illuminated, and a stage performance is visible. The crowd is dense and fills the foreground and middle ground. The sky is dark, and some city lights are visible in the distance.

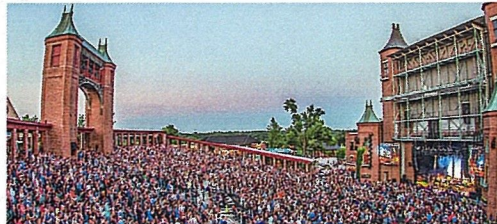
**VISION** Be the home for accessible live arts experiences for all generations.

**MISSION** Connect our community through live arts experiences that entertain, inspire, and engage.





Since 1951, Starlight, a 501(c)3 nonprofit, has provided world-class theatre and music at a historic city-owned landmark in one of the largest municipal parks in the United States.



A nearly 8,000 seat outdoor amphitheater for summer performances with the ability to host more than 460 guests for indoor performances within its enclosed 12,000 square foot stage house, Starlight welcomes more than 300,000 guests annually to more than 150 live events.



Starlight serves more than 30,000 people annually through its community engagement programming focused on arts access, education, and workforce development.

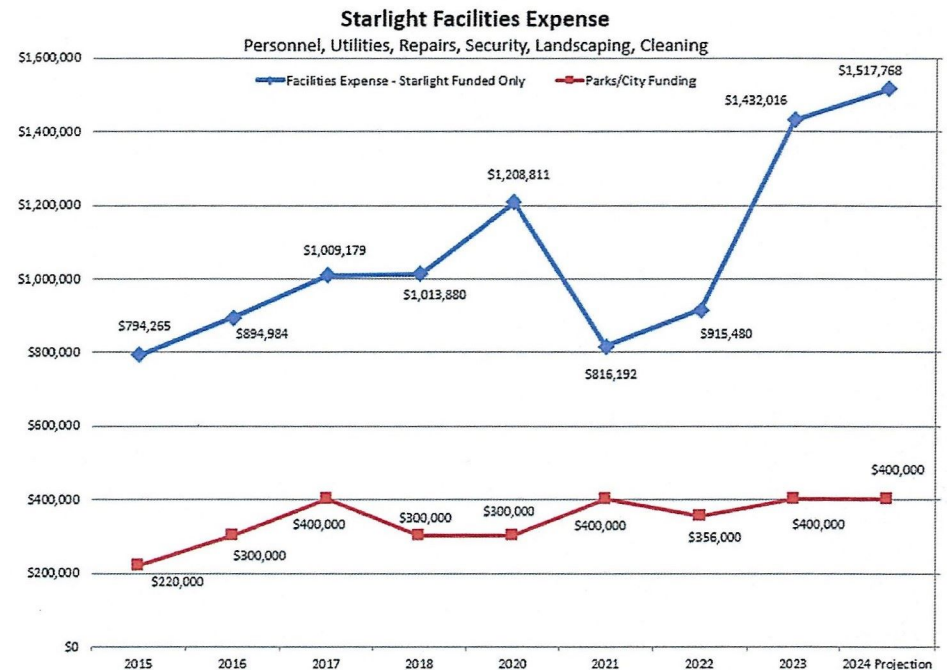
**Starlight**



Unless there is an instance of default, Starlight’s lease with the City of Kansas City, Missouri automatically renews every 5 years in perpetuity.

Starlight’s annual operating expenses exceeded \$24 million in its 2022 fiscal year; its annual facility maintenance and facility-related project expenses exceed \$1.5 million. A part of the Parks and Recreation system, Starlight currently receives \$400,000 annually to support its capital needs from the Parks budget.

In the past 30 years, Starlight has spent more than \$47 million in capital improvement projects and annual facility-related expenses; it received \$12 million in public city funding support for the same.





# Port Improvement District Overview

Port Improvement Districts (PIDS) are created and administered by PortKC. If approved, a 1 percent sales tax is implemented within the boundaries of the district. Only users and tenants within the PID pay the tax. The tax collected is returned to the PID to make improvements.



**Starlight, in partnership with PortKC, would like to establish an additional 1% sales & use tax on sales at the Starlight Theatre for the purpose of funding Starlight's capital improvements and ongoing related facility maintenance. The Kansas City Missouri City Council as the sole property owner must adopt an ordinance authorizing and directing steps to be taken to PID formation by Ordinance. The Parks and Recreation Department approved a resolution supporting this action on 2/27/24.**

**General Oversight:** PIDs are governed and overseen by the Port Authority board.

**Proposed Starlight PID Area:** Limited to the Starlight Theatre property owned by the City of Kansas City, Missouri.

**Sales & Use Tax:** Proposing a 1% Sales and Use Tax – limited to sales within the Starlight PID area



# Port Improvement District Establishment Steps + Anticipated Impact

1. City Council as the sole property owner adopts ordinance authorizing and directing steps to be taken to PID formation by Ordinance.
2. Port KC drafts formal Petition.
3. Consent to the Petition – City Manager to sign consent on behalf of City as property owner.
4. Port KC holds a Public Hearing on Petition and PID.
5. Port KC Board must approve a resolution approving the Petition.
6. Port KC files petition with Circuit Court requesting establishment of the Starlight PID.
7. Notice published by Clerk of Court.
8. Circuit Court holds hearing – role of the Court is to confirm that all statutory requirements have been met. Court does not have discretion to deny the petition if all statutory requirements have been met.
9. Circuit Court issues Order establishing the PID and Certify the ballot language for the proposed Sales & Use Tax.

Annual revenue from Food, Beverage and Merchandise based on 2023 actuals	\$4.5 million
Annual anticipated minimum revenue generated from PID	\$45,000



# Food, Beverage, Retail Partnership Model Change



*Levy Restaurants*

Management model

Starlight only partner in KC area

Food and beverage sales tax exempt as all food and beverage purchases ran through Starlight

Flat fee to partner + operating expenses; no performance incentives

Solely managed tour retail with did include sales tax; Starlight received no financial benefit

Starlight managed Starlight-branded sales tax exempt merchandise

Mixed management/split proceeds model

Starlight one of many local partners, including KC Zo & Aquarium; anticipated labor advantages

All food, beverage and retail sales managed by Levy, subject to sales taxes, and subject to proceeds split

Performance incentives; anticipated continuous improvement

Reduced Starlight administrative burden of managing costs of goods/financial administration



### 2022 EVENTS

269,132 guests  
 152 live events  
 8 Broadway shows  
 39 performances  
 26 Concert Events

### 2022 ENGAGEMENT

6 programs centered on arts education + training, arts access, community-building, and workforce development  
 30,140 people engaged with community programs  
 13,697 FREE Broadway tickets distributed to 175 nonprofits  
 88 Kansas City-area school partnerships  
 6,400 workforce development internship hours

Typically, ticket sales and ancillary revenue fund more than 90% of Starlight’s budget with philanthropic contributions supporting community engagement programming, unanticipated budget gaps created by weather events, and facility projects and maintenance.

In the past 10 years, rising expenses in all categories have outpaced ticket and ancillary revenue creating an operating deficit despite philanthropic annual revenue *doubling* in the same timeframe, demanding both an adjustment to the business model that maintains a commitment to Starlight’s mission and diversification of revenue streams and opportunities.







# Starlight

**A \$40 million campaign to secure a Kansas City landmark  
and better serve the community for future generations**

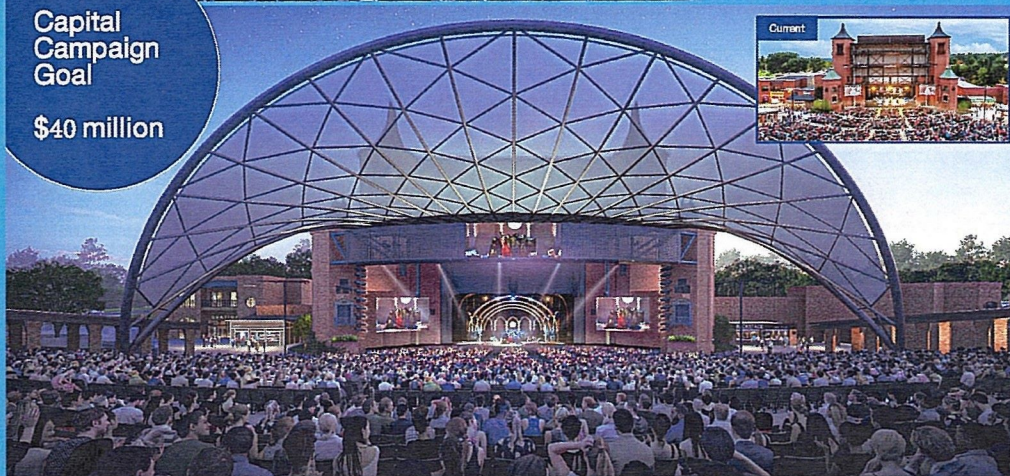




Every year, spending from Starlight Theatre, its employees, visitors and performers supports \$81 million of economic output including nearly \$16 million in household earnings.

Capital Campaign Goal

\$40 million



#### FUTURE IMPACTS OF IMPROVEMENTS

**+40**  
shows

**+70,000**  
attendees

**+150**  
jobs

**+\$3.7 million**  
wages

## Renovation Economic Impact Study

Starlight

### Annual Economic Impacts Post-Renovation

- \$101.7 million economic output
- \$26.7 million earnings
- 1,096 jobs

The \$30.0 million Capital Project consists of the renovation and significant upgrade of the theater facilities. Though well-maintained over the years, Starlight has not had a major capital investment for more than 20 years and its outdated facilities make it less competitive to attract major touring Broadway productions. The proposed renovation will allow for expanded performance schedules and programming resulting in an increase in attendance.

#### Net impacts include:

- Increased patron spending at area restaurants, hotels, retailers, and other amenities in the Kansas City region
- Increased operational spending by Starlight
- More performances, which means more hotel nights from performers and performance company staff

### Economic Impact Overview

Economic impacts manifest themselves in a number of ways. They are triggered by initial direct spending by Starlight to support its operations and programming as well as from its patrons who spend money off-site in the local and regional economy that can be attributed to their visit. Non-local performers and theater companies also trigger impacts through their spending during rehearsals and performances. In turn, this spending becomes income for other businesses and employees who use that money a "second time" to pay for goods and services which, in turn, continues a multiplier effect as that money continues to be re-spent through the economy (indirect impacts). To calculate these indirect impacts, multiplier coefficients are applied to the direct impact dollars. Multiplier coefficients are obtained from the U.S. Department of Commerce's Regional Input-Output Multiplier System (RIMS-II).

In this case, the study area is the Kansas City metropolitan statistical area (MSA), which consists of the 15-county bi-state region.

**Output** is a measure of the economic activity generated from the spending and re-spending triggered by business and household spending within the Kansas City MSA. Output is a more robust and larger indicator of economic activity than Gross State Product (GSP) or Gross Domestic Product (GDP).

**Housing Earnings** is a measure of how much of the total output is attributable to new income generated for households living in the Kansas City MSA including direct compensation paid to staff of Starlight as well as the multiplier effects.

Jobs that are supported in the Kansas City MSA as a result of the multiplier effects, in addition to employees of Starlight as well as jobs supported by visitor and performer spending.



# Uniquely KC: A \$40 million campaign to improve an iconic Kansas City landmark to better serve the community and future generations

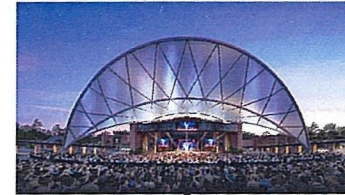
Starlight's \$40M campaign goals are more than venue improvements:

1. **Attract and develop live arts audiences**
2. **Enhance arts access + youth education**
3. **Positive economic impact and national renown**
4. **Support the KC arts & culture sector**

To meet these goals, Uniquely KC will fund the following projects:

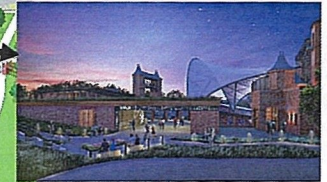
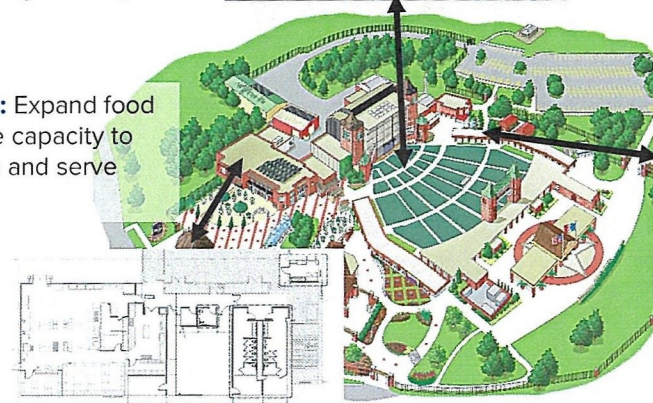
- **Capital improvements** in Starlight's central, west, and east campus.
- **Five new or expanded programs** focused on arts access and enrichment, workforce development, and community-building.

**Central Campus:** Enhance guest experience for patrons and production capacity with new light bridge and partial canopy supporting expanded summer performance programming

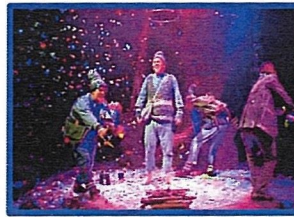


**West Campus:** Renovate restrooms to increase capacity and accessibility; new accessible venue entrance

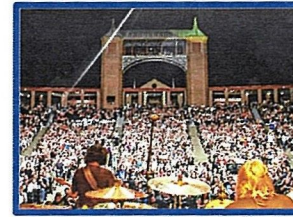
**East Campus:** Expand food and beverage capacity to attract guests and serve more groups



**Elementary School Musicals**  
A free musical theatre residency for under-resourced elementary schools to produce their first musical.



**Performances for Young Audiences**  
Includes school matinee performances, family shows, and sensory-friendly programs.



**Community Tickets**  
Expands existing program to reduce barriers to participation and more entry points to arts experiences.



**Technical Theatre Training**  
Technical theatre training to show high school students the often-hidden career paths in the arts.



**Arts Bridge**  
Leverage the power of the arts for community building in Kansas City by activating Starlight's historic facilities.