



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #: 240452

Submitted Department/Preparer: Conventions

Revised 11/01/23

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in [Administrative Regulation \(AR\) 4-1](#).

### Executive Summary

The legislation will authorize the Director of Convention and Entertainment Facilities to amend and restate the initial Agreement with JOHN GORE THEATRICAL GROUP, INC. (f/k/a KEY BRAND Theatrical Group, Inc., f/k/a PACE Theatrical Group, Inc.). The initial term of this Agreement shall commence on the Effective Date and continue through August 31, 2027 (the "Initial Term") as defined in the Fifth Amendment to Kansas City Licensed User Agreement dated as of February 17, 2022, between City and Licensee.

The term will continue for seven (7) years commencing on September 1, 2027 through August 31, 2034 (the "Additional Term") with option to extend one (1) additional three-year period (the "Extended Term"), through August 31, 2037.

### Discussion

The John Gore Theatrical Group invests millions of dollars each year to promote and produce Broadway shows. Given the long-term outlook for programming and the necessity to plan and book shows well in advance, the parties have negotiated in good faith on a new agreement to book the Facility for Programs, or to present and/or arrange for presentation of Programs at the Facility's Music Hall. The John Gore Theatrical Group will guarantee forty (40) Performances presented annually or a minimum of five (5) Broadway shows presented at Music Hall annually.

### Fiscal Impact

1. Is this legislation included in the adopted budget? ☒ Yes ☐ No
2. What is the funding source?  
NA - This legislation does not expend funds. It is a revenue generating contract.

3. How does the legislation affect the current fiscal year?  
NA - There is no additional fiscal impact for the current fiscal year.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.  
There are no recurring costs. The contract will generate revenue.

During the Initial Term: Pay City a base rent of \$32,783 per program week with a 4% annual increase for each twelve (12) months of term.

During the Additional Term and through the Extended Term the agreement will result in a base rent of \$38,720 per program week with a 5% annual increase for each twelve (12) month term.

An additional user fee (the "Additional User Fee") will be paid on each ticket in the amount of \$1.00 per paid ticket at all times during the Term deposited in the Capital Maintenance Reserve Account for future renovations at the Music Hall.

During the Initial Term, the proposal will generate \$5.00 per paid ticket sold as a share from ticketing revenue at ticketing outlets, internet sales and telephone sales.

During the Additional Term and through the Extended Term, the proposal will generate \$6.00 per paid ticket sold as a share from ticketing revenue at ticketing outlets, internet sales and telephone sales.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?  
This legislation generates annual revenue.

### **Office of Management and Budget Review**

(OMB Staff will complete this section.)

- |   |                              |  |
|---|------------------------------|--|
| 1. This legislation is supported by the general fund. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. This fund has a structural imbalance.              | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3. Account string has been verified/confirmed.        | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

### **Additional Discussion (if needed)**

No account string was identified.

## Citywide Business Plan (CWBP) Impact

1. View the [FY23 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?  
Inclusive Growth and Development (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):
  - ☐ Align the City's economic development strategies with the objectives of the City Council to ensure attention on areas traditionally underserved by economic development and redevelopment efforts.
  - ☐ Ensure quality, lasting development of new growth.
  - ☐ Increase and support local workforce development and minority, women, and locally owned businesses.
  - ☐ Create a solutions-oriented culture to foster a more welcoming business environment.
  - ☒ Leverage existing institutional assets to maintain and grow Kansas City's position as an economic hub in the Central United States.
  - ☐

## Prior Legislation

Ord 060846  
Ord 150525

## Service Level Impacts

Amending and restating the Agreement between the City and John Gore Theatrical Group, Inc. (f/k/a PACE Theatrical Group, Inc) allows for the continuation of the production and presentations of professional Broadway type dramatic and dramatical musical attractions within the Music Hall. This agreement will also generate revenue.

## Other Impacts

1. What will be the potential health impacts to any affected groups?  
NA
2. How have those groups been engaged and involved in the development of this ordinance?

NA

3. How does this legislation contribute to a sustainable Kansas City?

NA

4. Does this legislation create or preserve new housing units?

No (Press tab after selecting)

Click or tap here to enter text.

Click or tap here to enter text.

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

No - CREO's review is not applicable (Press tab after selecting)

Please provide reasoning why not:

Goals have been established.

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

No(Press tab after selecting)

Click or tap here to enter text.

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?

No(Press tab after selecting)