



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 240499

Submitted Department/Preparer: City Manager's Office

Revised 10/23/23

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

Authorizing the City Manager to enter into a Tax Redirection Agreement with Starlight Theater Association of Kansas City, Inc., for the City to contribute certain revenues from City taxes generated by the Starlight Improvement Project to cover a portion of the costs required to make improvements to the existing Starlight Theater at Swope Parkway and 63rd Street.

Discussion

Starlight Theater Association is seeking a Tax Redirection Agreement to assist with costs to improve the existing Starlight Theater. The proposed tax redirection would redirect 100% of certain sales taxes to be received by the City and generated within the Starlight Theater site. Proposed sales taxes to be redirected are as follows:

1.0% - Capital Improvement Sales Tax, 0.25% - Public Safety Sales Tax, and
2.0% - Convention and Tourism Sales Tax.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No
2. What is the funding source?
3090 120000 451101 - Redirection - Capital Improvement Sales Tax;
2320 120000 451101 - Redirection - Public Safety Sales Tax
2360 120000 451201 - Redirection - Food & Beverage Tax
3. How does the legislation affect the current fiscal year?
The estimated tax redirection for FY25 is \$161,250.
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

Yes; the estimated tax redirection will continue through the duration of the Concessions Agreement. Over the initial 30 years, the estimated tax redirection is \$5,023,547.

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

Starlight and its affiliates will begin voluntarily collecting sales taxes on prepared food, which will generate new revenues for the City for the sales tax rates not redirected. It is estimated that the new revenues for the sales tax revenue not to be redirected will generate \$90,000 in FY25 and \$2,990,182 over the initial 30 years.

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 type="checkbox"/> No |
| 3. Account string has been verified/confirmed. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Additional Discussion (if needed)

This legislation impacts the Capital Improvements Fund, the Public Safety Sales Tax Fund, and the Convention and Tourism Fund.

Citywide Business Plan (CWBP) Impact

1. View the [FY23 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?
Finance and Governance (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):
 - ☐ Reform the City's economic incentives to meet the policy objectives of the City Council
 - ☐ Ensure the resiliency of City government
 - ☐ Engage in workforce planning including employee recruitment, development, retention, and engagement
 - ☒ Ensure a responsive, representative, engaged, and transparent City government

- ☐
- ☐

Prior Legislation

Ordinance 240477 - appropriating \$3.5 million from the Unappropriated Fund Balance of the Parks Sales Tax Fund for a City Bridge Fund to Starlight Theater.

Service Level Impacts

The additional revenues will benefit the non-redirected sales tax funds.

Other Impacts

1. What will be the potential health impacts to any affected groups?
The renovations will include improvements to restroom facilities as well as a new accessible venue entrance.
2. How have those groups been engaged and involved in the development of this ordinance?
N/A
3. How does this legislation contribute to a sustainable Kansas City?
The renovations will rehab an existing City outdoor amphitheater.
4. Does this legislation create or preserve new housing units?
No (Press tab after selecting)
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:

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

No(Press tab after selecting)

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

No(Press tab after selecting)