



Legislation Text

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File #: 240499, Version: 2

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[COMMITTEE SUBSTITUTE FOR] ORDINANCE NO. 240499

Sponsor: Mayor Pro Tem Ryana Parks-Shaw and Mayor Quinton Lucas  
COMMITTEE SUBSTITUTE

Authorizing the City Manager to enter into a Tax Redirection Agreement with Starlight Theater Association of Kansas City, Inc., and its affiliates and assigns (“Association”), for the City to contribute certain revenues from City taxes generated by the Starlight Improvement Project to be credited against the Bridge Loan Repayment as set forth in a separate Funding Agreement between the City and Association until the Loan is paid off.

WHEREAS, Association has proposed improvements to the existing Starlight Theater on the southeast corner of Swope Parkway and 63rd Street (the “Starlight Improvement Project”); and

WHEREAS, the Starlight Improvement Project will include, but is not limited to, development of a new accessible venue entrance, construction of a light bridge and partial canopy and additional food, beverage, and restroom facilities; and

WHEREAS, the Association and the City believe that utilizing a portion of the City's net new revenues generated by the Starlight Improvement Project for such project costs, future maintenance and/or operating costs of the Association will advance multiple primarily public purposes including, but not limited to, (i) increasing employment, (ii) increasing the tax based for all affected taxing jurisdictions, and (iii) furthers City’s policy of encouraging economic stability and growth; and

WHEREAS, the City therefore desires to encourage the Starlight Improvement Project for the purpose of realizing these public benefits by entering into a tax redirection agreement to contribute certain revenues from City taxes generated by the Starlight Improvement Project in an amount needed to cause the Starlight Improvement Project to be undertaken (“Tax Redirection Agreement”); and

WHEREAS, the tax contributions contemplated by this Tax Redirection Agreement are necessary for the purpose of ensuring that the Starlight Improvement Project proceeds, and but for their contribution, the Starlight Improvement Project would not proceed to the detriment of the public interest; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby authorized to negotiate a Tax Redirection Agreement, which shall survive so long as the Association and the City remain parties to that certain Concession and Use Agreement dated as of December 1, 2015, as amended (the “Concessions Agreement”), with the Association. The material terms of the Tax Redirection Agreement shall include the following:

- a. Redirection of 100% of the sales tax revenues (“Starlight Tax Redirection Revenues”) received by the City and generated within the Starlight site from:

- i) the City's 1.0% Capital Improvements Sales Tax,
  - ii) the City's 0.25% Public Safety Sales Tax, and
  - iii) the City's 2.0% Convention and Tourism tax on retail sales of food and beverages.
- (b) The Starlight Tax Redirection Revenues shall be credited against the Bridge Loan Repayment as set forth in the Funding Agreement approved by Committee Substitute Ord. No 240477 between the City of Kansas City, Missouri and the Association, until the bridge loan is paid off on January 1, 2030.
- (c) After the Association reimburses the City for any amount borrowed to construct the Starlight Improvement Project pursuant to the Funding Agreement authorized by Committee Substitute for Ordinance No. 240477, the City Council will then consider at that time whether or not the City shall continue to redirect the Starlight Tax Revenues for the reimbursement to the Association for certified Maintenance Costs and/or Operation Costs.

Section 2. That the City Manager is authorized to enter into a Tax Redirection Agreement with the Association for the City to contribute certain revenues from City taxes generated by the Starlight Improvement Project to be credited against the Bridge Loan Repayment as set forth in a separate Funding Agreement between the City and Association until the Loan is paid off.

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Approved as to form:

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Lana K. Torczon  
Senior Associate City Attorney