



Legislation Text

File #: 230582, Version: 2

[COMMITTEE SUBSTITUTE FOR] ORDINANCE NO. 230582

Sponsor: Mayor Quinton Lucas

Authorizing the City Manager to execute an amendment to the existing agreement with the Convention and Visitors Bureau of Greater Kansas City, Inc., d/b/a Visit KC.

WHEREAS, Ordinance No. 200833 authorized the Director of the Convention and Entertainment Facilities Department to enter into a five (5) year agreement commencing on May 1, 2021, with the Convention and Visitors Bureau of Greater Kansas City, Inc., d/b/a Visit KC, a corporation formed and existing under Chapter 355, RSMO, to provide services for the promotion of convention and tourism business within the city with a one (1) year option to renew at the City's option; and

WHEREAS, in an election on April 4, 2023, the qualified voters of the City authorized an additional One Dollar and Fifty Cent (\$1.50) license fee on hotels, motels, and tourist courts, and imposed a like fee on short-term rentals in the City; and

WHEREAS, in the same election on April 4, 2023, the qualified voters of the City also authorized imposition of a Transient Boarding and Accommodation Tax of seven and one-half percent (7.5%) to all lodging establishments, including short-term rentals not otherwise subject to the City's Convention and Tourism Tax; and

WHEREAS, the City now desires to use a portion of its new convention and tourism related funds to enhance marketing and promotion of the City while retaining flexibility to fully fund its obligations for other convention and tourism purposes including the 2026 World Cup during the balance of the contract term; and

WHEREAS, as part of the contract amendment, the City shall provide not less than forty percent (40%) of the funds derived from the hotel portion of the Convention and Tourism tax (Code Section 68-551(a)(1)) to Visit KC, to be effective May 1, 2026 through April 30, 2027; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby authorized to amend the current five (5) year agreement with the Convention and Visitors Bureau of Greater Kansas City, Inc., d/b/a Visit KC for the promotion of convention and tourism business within Kansas City, Missouri by providing additional funding equivalent to the excess revenues collected from the City's Transient Boarding and Accommodation Tax and Short-Term Rental occupancy fee, beyond the City's \$5 million annual commitment to the 2026 FIFA World Cup. The City Manager shall agree, at minimum, to the following terms:

- a) That effective August 1, 2023 through April 30, 2024, the City shall contribute to Visit KC the additional tax revenue collected in excess of \$5 million from the Transient Boarding and

Accommodation Tax (Code Sec. 68-586), as well as the unencumbered revenues collected from the Short-Term Rental occupancy fee (Code Sec. 40-168 - only the fifty percent (50%) used for convention and tourism purposes) to be paid in equal monthly installments, subject to verification of FY 2023-24 actual collections;

- b) That effective May 1, 2024 through April 30, 2025, the City shall contribute to Visit KC the additional tax revenue collected in excess of \$5.325 million from the Transient Boarding and Accommodation Tax (Code Sec. 68-586), as well as the unencumbered revenues collected from the Short-Term Rental occupancy fee (Code Sec. 40-168 - only the fifty percent (50%) used for convention and tourism purposes) to be paid in equal monthly installments, subject to verification of FY 2023-24 actual collections;
- c) That effective May 1, 2025 through April 30, 2026, the City shall contribute to Visit KC the additional tax revenue collected in excess of \$5 million from the Transient Boarding and Accommodation Tax (Code Sec. 68-586), as well as the unencumbered revenues collected from the Short-Term Rental occupancy fee (Code Sec. 40-168 - only the fifty percent (50%) used for convention and tourism purposes) to be paid in equal monthly installments, subject to verification of FY 2023-24 actual collections;
- d) That effective May 1, 2026 through April 30, 2027, the City shall provide not less than forty percent (40%) of the funds derived from the hotel portion of the Convention and Tourism tax (Code Sec. 68-551(a)(1)) to VisitKC.
- e) That effective January 1, 2024, the Board of Directors for Visit KC shall not exceed eleven (11) members with five (5) members to be appointed by the Mayor and six (6) to be appointed by Visit KC.
- f) The amended contract shall expire on April 30, 2027.

Approved as to form:

Samuel Miller
Assistant City Attorney