



Legislation Text

---

File #: 250950, Version: 1

---

ORDINANCE NO. 250950

Sponsor: Councilmember Kevin O'Neill

Amending Committee Substitute for Ordinance No. 230582 by repealing and replacing Sections 1 (b) and (c) for purposes of aligning with the negotiated contract terms with the Convention and Visitors Bureau of Greater Kansas City, Inc. d/b/a Visit KC ("Visit KC").

WHEREAS, the City Council passed Committee Substitute for Ordinance No. 230582 (the "Ordinance") which authorized the City Manager to execute an agreement between the City and Visit KC which contract was effective on August 1, 2023; and

WHEREAS, the City and Visit KC negotiated in good faith Sections 5 B (2) and (3) of the contract which were accurately reflected in the contract but not in Committee Substitute for Ordinance No. 230582 causing the City to underpay Visit KC by an estimated \$2.7 million due to the omission of the Hotel/Motel License Fee in Sections 1 (a) through (c) of the Ordinance; and

WHEREAS, Section 5 C (3) of the contract with Visit KC provides that the City will deduct the Visit KC share of the convention center hotel tax redirection from the portion of the Hotel/Motel tax paid to Visit KC and this deduction has not been made due to administrative oversight resulting in an overpayment to Visit KC of nearly \$4.5 million; and

WHEREAS, the net impact of the City's underpayment and overpayment described herein is an estimated \$1.8 million owed to the City by Visit KC; and

WHEREAS, Section 5 A (2) of the contract with Visit KC allows for the Director of Finance, in consultation with the Convention and Entertainment Facilities Director, to allow for repayment in full over a term not to exceed the remaining term of the contract including interest; and

WHEREAS, the City Council desires to correct Committee Substitute for Ordinance No. 230582 so that the ordinance provisions and contract terms are in alignment; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Section 1 (b) and (c) of Committee Substitute for Ordinance No. 230582 are hereby repealed and replaced to read as follows:

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:

- 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) and the Hotel License Fee (Code Sec. 40-111(b) - only the fifty percent (50%) used for convention and tourism purposes) to be paid in equal monthly installments, subject to verification of FY 2024-25 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-Tenn Rental occupancy fee (Code Sec. 40-168 - only the fifty percent (50%) used for convention and tourism purposes) and the Hotel License Fee (Code Sec. 40-111(b) - only the fifty percent (50%) used for convention and tourism purposes) to be paid in equal monthly installments, subject to verification of FY 2025-26 actual collections.

---

Approved as to form:

---

Lana K. Torczon  
Senior Associate City Attorney