RESOLUTION NO. 8731

A RESOLUTION introduced by Councilmembers Elaine Schwartz, Brendan Jensen and Jeffry Coen sitting as the Transient Guest Tax Committee, allocating transient guest tax funding for a period of 12 years for the Historic Jayhawk Theatre.

WHEREAS, transient guest taxes (TGT) may be imposed on individuals who occupy hotel and motel rooms for short durations; and

WHEREAS, the funds generated by such taxes may be used for convention and tourism activities and to promote the general welfare of the city, including the attraction of industry; and

WHEREAS, the City currently imposes a 7% TGT; and

WHEREAS, on August 20, 2002, the governing body, in Resolution No. 7253, allocated 1% of the TGT for a period of 13 years to the development of the Great Overland Station, including Riverfront Park, and the historic preservation fund; and

WHEREAS, that funding will expire on December 31, 2015; and

WHEREAS, the TGT Committee is desirous of extending the 1% for an additional 12 years to provide a funding source for certain projects that the Committee believes will enhance tourism by putting more ‘heads on beds’ and delivering a quantifiable return on the City’s investment; and

WHEREAS, the TGT Committee developed a process to consider applications for funding which were reviewed by a review board comprised of staff and tourism industry representatives; and

WHEREAS, on August 19, 2015, the TGT Committee adopted the review board’s recommendations to allocate approximately $4.7 million dollars over a period of 12 consecutive years to fund certain projects, including the Historic Jayhawk Theatre.
NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE
CITY OF TOPEKA, KANSAS, that:

Section 1. The City shall allocate $680,000.00 over a period of 12 years to
provide funding for the Jayhawk Theatre subject to the terms and conditions contained
in this Resolution and a subsequently executed development agreement.

Such funds will be allocated annually in an amount determined by the City’s chief
financial officer or designee. The commitments will begin in fiscal year 2016 and
continue until December 31, 2027 or until the maximum expenditure amount of
$680,000.00 is met, whichever event is earlier.

Section 2. The City’s funding commitment will be conditioned upon the
occurrence of the following:

(a) Enactment of a charter ordinance extending the current 1% TGT (which
expires on December 31, 2015) for an additional 12 years commencing in fiscal year
2016 and ending on December 31, 2027.

(b) Approval of a development agreement between the governing body and
the appropriate legal entity responsible for the project. Such agreement will contain
provisions addressing the use of TGT funds, including but not necessarily limited to:

(1) A project development budget identifying all funding sources and
the manner in which TGT funds will be spent.

(2) An operating plan for the project identifying various performance
metrics.

(3) A project timeline identifying established deadlines for various
milestones.

(4) A project design document.
(5) The anticipated economic impact of the project.

(6) An outline of the various responsibilities related to reporting, inspections, audits, indemnification, insurance, and fund repayment in certain specified circumstances.

The development agreement will also acknowledge that grant funding may be reduced to correspond to lower than expected TGT revenues.

(c) The development agreement will be submitted to the governing body for its consideration and approval within 180 days from the date of this Resolution; unless an extension is granted by the governing body.

(d) If the entity contracting on behalf of the Jayhawk Theatre is a not-for-profit entity, it will comply with the requirements of K.S.A. 45-240 and amendments thereto regarding recordkeeping requirements for not-for-profit entities that receive public funds.

(e) The entity contracting on behalf of the Jayhawk Theatre shall not owe any debt due to the City, including, but not limited to property taxes and special assessments and shall be in good standing with the Kansas Secretary of State.

Section 3. All financial commitments referenced in this Resolution shall be subject to the Budget and Cash Basis laws and any other applicable ordinances or statutes.

ADOPTED and APPROVED by the Governing Body on October 20, 2015.

CITY OF TOPEKA, KANSAS

Larry E. Wolgast, Mayor

ATTEST:

Brenda Younger, City Clerk