



Jackson County Missouri

JOURNAL

County Legislature

Jackson County Courthouse
415 East 12th Street, 2nd floor
Kansas City, Missouri 64106
(816)881-3242

Henry C. Rizzo (2nd AL), Chairman, Bob Spence (6th), Vice-Chairman,
Robert A. Stringfield (1st AL), Fred Arbanas (3rd AL), Scott Burnett (1st),
Eugene Standifer Jr. (2nd), Dennis Waits (3rd), Dan Tarwater (4th),
Rhonda L. Shoemaker (5th)

Friday, January 20, 2006

11:00 AM

Special Meeting

K.C. Legislative Assembly Area, Kansas City, Missouri

Henry C. Rizzo, Chairman, called the meeting of the Jackson County Legislature to order.

1 ROLL CALL

Present: Robert A. Stringfield, Henry C. Rizzo, Fred Arbanas, Scott Burnett, Eugene Standifer Jr., Dennis Waits, Rhonda L. Shoemaker, Bob Spence and Bob Spence

2 THE PLEDGE OF ALLEGIANCE

Recited.

3 APPROVAL OF THE JOURNAL OF THE PREVIOUS MEETING

Dan Tarwater moved to approve the journal of the previous meeting held on 1/17/2006.
Seconded by Dennis Waits.

The motion passed by a voice vote.

(APPROVED)

4 HEARINGS

Gary Kemp, Executive Director of the Greater Kansas City Building and Trades, spoke regarding the stadium leases. He said he supports placing this issue on the ballot as he represents area construction workers and contractors. He asked the legislators to ensure certain things were included in the leases such as: the provisions of the construction of this facility will fall under the statutes of the State of Missouri with regards to prevailing wage, MBE and WBE qualifications, competitive bid process for bonds and that the Legislature and Executive provide checks and balances on this project. Finally, he asked who had the final decision when awarding contracts. He asked what role the County, Sports Authority or teams play in the process.

Dan Tarwater, County Legislator, said the Legislature has looked at the same concerns addressed by Mr. Kemp. He said hopefully by the end of the day they will have answers to all questions raised.

Katheryn Shields, County Executive, said she appreciates the time and dedication legislators have given to this issue over the last 6 months to a year. She said they have the framework of good leases but explained that they have not been signed since modifications may be necessary. She thanked Fred Arbanas for his accomplishment of convincing the Chiefs to allow a surcharge on the tickets for all who attend football games. She said the main points that have been achieved upon the passage of the 3/8th cent sales tax are: there will be a 25 year lease with the teams, the teams will cover cost over runs, they have agreed to a cap on the public responsibility and they have agreed on preferences for Jackson County residents. Today they will also have a presentation on the rolling roof. She reminded them that the NFL said they would commit to a Super Bowl if we could make Arrowhead weather tight. She said it is exciting to have the possibility of a rolling roof in Kansas City.

Fred Arbanas, County Legislator, said that he had discussions with Jack Steadman, Kansas City Chief's Vice-Chairman of the Board, Lamar Hunt, founder of the Kansas City Chiefs, Jack Holland, advisor of the Jackson County Sports Authority, and Clark Hunt, Kansas City Chief's Chairman of the Board, and they were able to agree on a figure. He said he talked to Mark Gorris, Kansas City Royals Senior Vice-President of Business Operations, and the Royals are also considering the idea. The proposal is for a \$1.00 user fee on Chiefs tickets and a .50 cent user fee on Royals tickets.

Mike White, attorney for the Sports Authority, introduced Steve Mitchell, lead attorney for Jackson County on the negotiating team.

Steve Mitchell said they have been working hard trying to meet the deadlines imposed by state statute. He wanted to address Gary Kemp's questions. He said he is absolutely confident that prevailing wage law will apply no matter who the contracting party. They have allowed in the documents that the teams may be the contracting party. It works well especially when the teams are taking all the risk of cost over runs because they are motivated to get the lowest and best bid. He said the major goals of Jackson County and the teams were reached in the letters of intent presented to the Legislature on December 22, 2005. The goals were to get 25 year leases, the contribution of the teams is \$100 million, state participation, through the efforts of Jack Craft, are \$50 million, hard caps on public liability for cost over runs, there are also hard caps on any cost over runs for repair and maintenance. They have specified the stadium improvements in the leases and the teams will be required to build according to the exhibit with some flexibility. The Chiefs and the Royals must approve each others stadium improvements on existing common areas. There is some transfer of common areas to exclusive use of the teams which is necessary since the stadiums are getting larger. Some improvements being done is to help the teams be more competitive in major league sports. With regards to the pending and existing master plan items, they are not going to put \$2 million in improvements that need to be torn out in a year if the tax passes, and this allowance has been included in the leases. Regarding the minority participation program, he said the fair share plan from Dallas has been modified to fit the Kansas City market. There are goals set forth for minority and woman business enterprises participating in the project and they have used figures from the Kansas City plan and the Kansas City tax increment financing commission. The figures are 19% for MBE and 11% for WBE. The participations are weighted so if the business is a County business it gets 100% counted toward the goal and if it is a Missouri business it is a lesser amount and if it is out of state it is even less. The lease also requires that each of the teams contribute 50% to hire a coordinator who will be an employee of the Sports Authority and be the watchdog over the renovation. He explained that the development agreement must be signed by March 15th. The teams have agreed to a parking user fee of 10%. One of the big contingencies in the lease is that a law must be passed in Jefferson City to exempt the tax and the use tax from TIF cash, but it does not nullify the leases if it is not accomplished. Other contingencies are: the 3/8th cent sales tax needs to pass, there must be state support and the development agreement must be signed by March 15. Also, to answer a question from Mr. Kemp,

MLB will be signatory to this lease which means if they contract the team there will be an economic damages clause that would cause them to reconsider. The Sports Authority would take over the maintenance and repair of the common areas. The the teams would take care of maintenance and repair in exclusive lease premises. The tenants will pay all utilities. At the end of the term of the leases, any excess funds will go to Jackson County. The County may elect to allow the teams to contract with the parties. A rolling roof has also been provided for in the leases.

Henry C. Rizzo, Chairman, said after the presentation the public will be able to make comments. He invited anyone wishing to speak to sign in at the table outside the legislative assembly area.

Dennis Welner, founding principal of the architectural firm HOK Sport, gave a presentation on the rolling roof for the stadiums. He said it would take approximately 35 minutes to move the roof from Kauffman to Arrowhead stadium. The estimated cost is \$200 million.

Bob Spence, County Legislator, said it is his understanding that a use tax could be used for the stadiums not just for a rolling roof.

Mike White said the use tax is unrestricted revenue that goes into the County's general fund. The proposed ballot language does not tie the use tax to the roof. He said it is the County's option to have a rolling roof. Even if the use tax is passed there may never be a rolling roof, so there has to be flexibility to use it for something else.

Dennis Waits, County Legislator, said that if both tax issues pass the County Legislature, by ordinance or resolution, can earmark the money for the installation of a rolling roof.

Katheryn Shields said if the 3/8th's cent sales tax passes along with the use tax, the use tax money can be used to pay down the bonds so the 3/8th's tax would not have to be over a period of 25 years.

Jack Holland, advisor of the Jackson County Sports Authority, said the proceeds of the use tax will be used for the Truman Sports Complex and it is stated as such in Ordinance #3734.

Fred Arbanas, County Legislator, asked what the projection is on the use tax.

Jack Holland said the use tax will generate \$9 million and with the 3/8th cent sales tax the total would be \$12 million.

Fred Arbanas asked if there was a sunset provision with the use tax.

Mike White said use taxes do not sunset.

Katheryn Shields said Jackson County needs to assure the voters that the use tax will first be used for the rolling roof. But if the rolling roof does not go forward, then the money would be used to pay down the bonds from the 3/8ths cent sales tax, so the tax would end sooner.

Henry C. Rizzo explained that if the use tax passes Jackson County would always have a revenue stream.

Mike White said in the Royals lease they have agreed that they will not withhold their consent for the rolling roof.

Steve Mitchell said there are 5 specifics in the lease with the Chiefs regarding Jackson County preferences: 1.) priority seating privileges 2.) priority privileges as Jackson County residents would have first chance to purchase season tickets 3.) 10% discounts on concessions and/or merchandise at the game 4.) if ordering tickets and parking pass at the same time, it is not subject to the parking user fee (a 10% discount) 5.) priority for 2 days on single day tickets and 10% discount on parking pass if purchased at the same time. He said the Royals have discussed using coupon books. He said the Royals may have a similar plan by this afternoon.

Dan Tarwater, County Legislator, expressed his gratitude for all involved in working on these leases. He explained that they have tried to incorporate all ideas received at the public hearings that were held.

Scott Burnett, County Legislator, asked what happened to the Chiefs discussion of a contribution toward the rolling roof.

Mike White said if a reasonable deal can be made with the team or a business on naming rights then it would be brought before the County Legislature. Jackson County will then need to decide how much we will put towards the roof and the additional money will need to come from other sources.

Scott Burnett asked if the user preference plan will go into effect after the building expansion is complete.

Steve Mitchell said everything was based on building the stadium first which will take about 3 years. However, they can discuss it further and perhaps change it to state that the preference will go into effect after a successful election.

Jim Rowland, Executive Director of the Sports Authority, said he will meet with the teams on March 4, 2006 to work out the details regarding tours of the stadium for the general public per the request of the County Legislature.

Henry C. Rizzo asked Rhonda Shoemaker to work with Mr. Rowland on this matter.

Dan Tarwater said Green Bay allows tours of their stadium throughout the day. He said this would be a good source of revenue and Green Bay charges \$7.00 per tour.

Robert A. Stringfield, County Legislator, asked that the use tax be explained to the public and the media.

Jack Holland said the use tax is currently imposed by every jurisdiction in the metropolitan area, except Jackson County. It is a tax on goods sold from out-of-state vendors to local purchasers. Out-of-state vendors collect it, they remit it to the State of Missouri, then the State remits it back to Jackson County. It is collected in Kansas City, Clay and Platte County and in all Kansas jurisdictions. It is collected by out-of-state vendors on sales that have originated out of state but are delivered into Jackson County. There is also a \$2000.00 exception for individual tax payers and the \$2,000.00 is in purchases. The tax return is a self enforcing mechanism so taxpayers file with the State of Missouri their use tax obligation.

Bob Spence, County Legislator, asked if the legislation is not passed by the Missouri General Assembly by March 30, 2006 will Jackson County be in default?

Steve Mitchell said that provision was changed yesterday, so it is no longer a condition of

the lease.

There was much discussion regarding the lease agreements with the Chiefs and Royals. Refer to audio/video tapes for details.

Henry C. Rizzo allowed the public who signed up to make comments regarding the stadiums issue. Craig Davis, John Pennell and Curtis McClinton made comments.

5 COMMUNICATIONS AND REPORTS OF THE COUNTY EXECUTIVE

None.

6 PERFECTION OF PROPOSED ORDINANCES AND REPORTS OF COMMITTEE

Fred Arbanas moved to waive the reading of Ordinance #3732. Seconded by Dennis Waits.
The motion passed by a voice vote. (APPROVED)

[3732](#)

AN ORDINANCE submitting to the qualified voters of Jackson County, at a special election to be held on Tuesday, April 4, 2006, a question authorizing Jackson County to impose a countywide sales tax at the rate of three-eighths of one percent for a period of twenty-five years for the purpose of improving and modernizing the Harry S Truman Sports Complex.

(Legislature As A Whole - 1st. Perfection)

7 FINAL PASSAGE OF PROPOSED ORDINANCES

None.

8 RESOLUTIONS IN COMMITTEE

None.

9 CONSENT AGENDA

None.

10 INTRODUCTION OF PROPOSED ORDINANCES AND ASSIGNMENT TO COMMITTEE

[3734](#)

Submitting to the qualified voters of Jackson County, Missouri, at a special election to be held on April 4, 2006, a question authorizing Jackson County to impose a local use tax at the rate authorized by law.

(Legislature As A Whole)

11 INTRODUCTION OF PROPOSED RESOLUTIONS AND ASSIGNMENT TO COMMITTEE

None.

12 COUNTY EXECUTIVE ORDERS

None.

13 UNFINISHED BUSINESS

None.

14 NEW BUSINESS

None.

15 ADJOURNMENT

Dan Tarwater moved to adjourn the meeting. Seconded by Eugene Standifer Jr..

The motion passed by a voice vote.

(APPROVED)

Meeting adjourned until Monday, January 23, 2006 at 2:30 p.m. in the Kansas City Legislative Assembly Area. There will be a public hearing at 1:30 p.m. on Monday, January 23, 2006 at the same location.

Also, a regular meeting of the County Legislature is scheduled to be held on Tuesday, January 24, 2006 at 10 a.m. in the Kansas City Legislative Assembly Area.