



Jackson County Missouri

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Legislation Text

File #: 5822, Version: 3

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

AN ORDINANCE submitting to the qualified voters of Jackson County, Missouri, at a special election to be held on April 2, 2024, a question authorizing Jackson County to impose a countywide sales tax of three-eighths of one percent for a period of forty years for the purpose of retaining the Kansas City Royals and Kansas City Chiefs sports teams in Jackson County, Missouri.

ORDINANCE NO. 5822, December 18, 2023

INTRODUCED BY DaRon McGee, County Legislator

WHEREAS, the Kansas City Royals Baseball Club, LLC and the Kansas City Chiefs Football Club, Inc. are County and area-wide assets that have made and will continue to make significant contributions to the economic well-being and quality of life in Jackson County and the Kansas City metropolitan area; and,

WHEREAS, these major league teams have been tenants at Kauffman and Arrowhead Stadiums in the County's Harry S. Truman Sports Complex since the early 1970s; and,

WHEREAS, improvements to and modernization of Arrowhead Stadium for the Chiefs, and development of a new Major League Baseball stadium for the Royals at a location in Jackson County which is acceptable to the County, are necessary to ensure that each of these stadiums are in nationally competitive physical condition in the marketplace of professional sports, for the foreseeable future; and,

WHEREAS, in order to achieve a development plan to make the stadiums nationally competitive and to guarantee the teams' continued presence in Jackson County for the long term, representatives of the teams, the Jackson County Sports Complex Authority, and the County have been working diligently to negotiate and develop a plan for funding the construction of, and improvements and additions to, the existing Arrowhead Stadium for the Chiefs, and to a new Major League Baseball stadium for the Royals in Jackson County, Missouri, at a site acceptable to the County; and,

WHEREAS, as an express condition of negotiating possible financial support of the stadiums, Jackson County, Missouri, requires and is negotiating (a) a lease and development agreement with the Chiefs which incorporates the terms and conditions under which the Chiefs will develop, renovate, furnish, equip, repair, maintain, operate, and occupy Arrowhead Stadium and its surrounds, (b) a lease and development agreement with the Royals which incorporates the terms and conditions under which the Royals will develop, furnish, equip, repair, maintain, operate, and occupy a new Major League Baseball stadium; and,

WHEREAS, the Jackson County Legislature supports and encourages the development of one or more community benefits agreements with the Chiefs and the Royals which set forth the terms and conditions under which the teams will financially support and engage in programming designed to create opportunities that will serve and advance the interests and vitality of, among others, the residents, economies, and communities of Jackson County; and,

WHEREAS, subject to the foregoing express conditions, Jackson County, Missouri, has determined that stadium park improvement funding utilizing a countywide sales tax at the rate of three-eighths of

one percent (3/8%) for a period of forty years from the date first imposed is appropriate and the most effective means of funding the stadiums; and,

WHEREAS, bond counsel has advised that the County cannot use the statutory authority of the existing sales tax to develop and improve the stadium parks because this proposed effort includes two separate projects. Instead, bond counsel has recommended an alternate statutory authority to implement the public purposes achieved by developing and improving the stadium parks and retaining the Chiefs and the Royals in Jackson County; and,

WHEREAS, the commitment from the Chiefs and Royals to forego Park Property tax proceeds could result in an estimated \$140 million in additional funds available to the County during the term of the Royals new lease and the extended term of the Chiefs lease; and,

WHEREAS, existing lease agreements with the Chiefs and the Royals require the County to pay insurance costs associated with the stadiums, and the teams have committed to pay for insurance coverages at their respective facilities for the duration of the Royals new lease and the extended term of the Chiefs lease; and,

WHEREAS, the County has projected hundreds of millions of dollars in future cost savings resulting from the Chiefs and Royals agreement to pay such insurance costs; and,

WHEREAS, the County has determined that, subject to the teams agreeing to enter into lease and development agreements, a new sales tax under the alternate statutory authority to commence upon the expiration or termination of the existing sales tax and to continue for a period of 40 years, for

stadium park improvements to retain the Chiefs and the Royals in the County for the long term is in the best interests of the health, welfare and safety of the citizens of Jackson County; now therefore,

BE IT ORDAINED by the County Legislature of Jackson County, Missouri, as follows:

Section 1. Contingent upon the Chiefs and Royals agreeing to enter into lease agreements and development agreements acceptable to the County, subject to plans of development, improvement and construction of Arrowhead Stadium and a new Major League Baseball stadium at a location in Jackson County acceptable to the County, and further subject to approval by the voters of the County, the levy of a sales tax in the amount of three-eighths (3/8) of one cent (.375%), is hereby authorized for and within Jackson County, Missouri.

Section 2. The current tax levy, as approved by voters on April 4, 2006, will expire on September 30, 2031. Subject to the approval of the voters of the County, the new levy will begin upon the date first imposed and continue for a term of 40 years, inclusive of the duration of the proposed lease with the Chiefs which governs the Chiefs' long-term use, repair, maintenance, operation, and occupancy of Arrowhead Stadium, and the duration of the proposed lease with the Royals which governs the Royals' long-term use, repair, maintenance, operation, and occupancy of a new Major League Baseball stadium in Jackson County, at a location acceptable by the County.

Section 3. Subject to the foregoing and pursuant to the provisions of Section 644.032, RSMo, there is hereby submitted to the qualified voters of Jackson County, Missouri, at a special election to be held on April 2, 2024, a question authorizing the repeal of its countywide capital improvements sales tax of

three-eighths of one percent (3/8%) and the imposition of a retail sales tax of three eighths of one percent (3/8%), for the purpose of providing funding for park improvements consisting of Arrowhead Stadium and its surrounds, and a new Major League Baseball stadium in Jackson County, at a location acceptable to the County.

Section 4. The qualified voters at said election shall vote by ballot and the ballots to be used at said election shall contain the following language:

**JACKSON COUNTY, MISSOURI
QUESTION # 1
SPECIAL ELECTION
APRIL 2, 2024
OFFICIAL BALLOT**

Shall the County of Jackson repeal its countywide capital improvements sales tax of three-eighths of one percent (3/8%) authorized by Section 67.700 of the Revised Statutes of Missouri and impose as a parks sales tax of three-eighths of one percent (3/8%) authorized by Section 644.032 of the Revised Statutes of Missouri for a period of 40 years, to provide funding for park improvements, consisting of (1) site preparation and clearance, developing, constructing, furnishing, improving, equipping, repairing, maintaining, and operating both Arrowhead Stadium and its surrounds, and a new baseball stadium and its surrounds, to retain the Kansas City Chiefs in Jackson County, Missouri and the Kansas City Royals in Kansas City, Jackson County, Missouri pursuant to long term leases; and (2) refinancing debt obligations previously incurred to finance or refinance improvements to the Harry S Truman Sports Complex?

Section 5. This Ordinance shall be published as required by law.

Section 6. The Clerk of the Legislature is hereby authorized and directed to notify the Jackson

County Board of Election Commissioners and the Kansas City Board of Election Commissioners of the adoption of this Ordinance no later than January 23, 2024, by 5:00 p.m. and to include in said notification all the terms and provisions required by Section 115.125, RSMo 2016.

Section 7. The County is hereby authorized to be reimbursed its costs incurred in connection with the April 2, 2024, election out of the proceeds of the tax once authorized.

Effective Date: This ordinance shall be effective immediately upon its signature by the County Executive.

APPROVED AS TO FORM:

County Counselor

I hereby certify that the attached Ordinance, Ordinance No. 5822 introduced on December 18, 2023, was duly passed on January 8, 2024 by the Jackson County Legislature. The votes thereon were as follows:

Yeas 8

Nays 1

Abstaining 0

Absent 0

This Ordinance is hereby transmitted to the County Executive for his signature.

Date Mary Jo Spino, Clerk of Legislature

I hereby approve the attached Ordinance No. 5822.

Date Frank White, Jr., County Executive