

ORDINANCE NO. 49-745 110000.

AN ORDINANCE LEVYING AN ANNUAL SERVICE FEE UPON CERTAIN HOTELS WITHIN THE TOURISM BUSINESS IMPROVEMENT DISTRICT.

WHEREAS, the Governing Body of the City of Wichita, Kansas (the "City"), pursuant to K.S.A. 12-1785, has heretofore authorized the Mayor to establish and appoint an eleven member Tourism Business Improvement District Special Planning Committee to study and develop preliminary plans for the establishment and operation of a business improvement district to promote tourism and provide certain related services within the City; and,

WHEREAS, on January 14, 2014, the Tourism Business Improvement District Special Planning Committee submitted its report to the Governing Body, recommending the creation of a business improvement district to promote tourism, further recommending that the boundaries of the proposed district be the City's boundaries, outlining the additional and extended services needed within such district, estimating the annual cost of providing those services recommended for performance during the next three years, and describing the proposed method of financing such costs; and,

WHEREAS, the Governing Body, on January 14, 2014, adopted Resolution No. 14-020, proposing the creation of a Tourism Business Improvement District (the "District") within the City, pursuant to K.S.A. 12-1781, *et seq.* (the "Act"), describing the boundaries of the proposed District, generally describing the services to be provided within the District pursuant to the Act, stating the estimated annual costs of providing such services during the next three years and the method by which the city proposes to raise the revenues to finance such services, setting the time and place of a public hearing to be held by the Governing Body on March 11, 2014, to consider the establishment of the District, and providing for the giving of notice of such intention in the manner required by law; and,

WHEREAS, a Notice of Public Hearing authorized by such Resolution was duly published in the Wichita Eagle on January 17, 2014, and copies of the said Notice, together with copies of Resolution No. 14-020, were sent out by first class mail, at least 30 days prior to March 11, 2014, to all businesses identified as businesses located within the District; and,

WHEREAS, on March 11, 2014, the Governing Body conducted the public hearing noticed for that date; and,

WHEREAS, on March 25, 2014, the Governing Body passed Ordinance No. 49-677, creating the District and providing for the formation of an Advisory Board (the "Board") for such District; and,

WHEREAS, on April 1, 2014, the Governing Body, pursuant to the authority of Ordinance No. 49-677 and K.S.A. 12-1790, appointed the members of the Board; and,

WHEREAS, the Governing Body, on May 6, 2014, received from the Board, pursuant to K.S.A. 12-1790, a recommended program of services and proposed budget for the District; and,

WHEREAS, K.S.A. 12-1791 provides that the Governing Body, upon receipt of such recommended program of services and proposed budget may, by ordinance, annually levy service fees upon Businesses (as defined in the Act) or classifications of Businesses within the District;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

SECTION 1. Pursuant to K.S.A. 12-1791, there is hereby levied, effective on and after January 1, 2015, an annual service fee upon all hotels within the District having fifty (50) or more rooms. Such fee shall be calculated as 2.75% of the amount of the hotel's Subject Room Rentals (as hereinafter defined) (the "Fee"). "Subject Room Rentals" shall mean a hotel's annual gross room rental revenue, reduced by the amount of rental revenues received for rooms rented as a direct purchase by the federal government, its agencies or instrumentalities, and by the amount of rental revenues received for rental of rooms rented to the same guest for more than 28 consecutive days. Such annual Fee shall be payable in arrears on or before the last day of January each year. Deposits toward the Fee shall be paid in twelve monthly installments. Monthly, each hotel will pay a deposit to the City of an amount equal to 2.75% of the amount of the previous month's Subject Room Rentals. In January, a final deposit will be made and the aggregate monthly deposits of the business will be applied to pay the annual Fee. The final deposit will be an amount equal to the difference between the amount of 2.75% of the prior calendar year's Subject Room Rentals and the sum of the eleven monthly deposits previously made. The total annual revenue is expected to be approximately \$2.5 million. In the event a business chooses to pass the Fee on to guests, the Fee shall be disclosed in advance as the "Tourism Fee." The City will contract with Go Wichita to manage the District and to provide services to the District, and for provision of services to any city-owned hotel not subject to the Fee.

SECTION 2. For purposes of the foregoing section, a "hotel" shall include any structure or building which contains rooms furnished for the purposes of providing lodging, which may or may not also provide meals, entertainment or various other personal services to transient guests (meaning persons who occupy a room in such structure or building for not more than twenty-eight (28) consecutive days), and which is kept, used, maintained, advertised or held out to the public as a place where sleeping accommodations are sought for pay or compensation by transient or permanent guests and having more than eight (8) bedrooms furnished for the accommodation of such guests.

SECTION 3. All proceeds from the Fee levied by the provisions of Section 1 shall be deposited and thereafter accounted for and expended for the purposes as provided and set forth in Section 5 of Ordinance No. 49-677.

SECTION 4. Following its passage, this Ordinance shall be published one time in the official City paper.

SECTION 5. This ordinance, which is subject to the protest provisions of K.S.A. 12-1789, shall take effect immediately upon its publication, but shall be subject to subsequent repeal if, within the 45 days following its publication, a sufficient petition subscribed by the owners of a majority of the businesses located within the District is submitted to compel the repeal of this ordinance.

PASSED BY THE GOVERNING BODY at Wichita, Kansas this 13th day of May 2014.

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Carl Brewer, Mayor

ATTEST:

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Karen Sublett, City Clerk

Approved as to Form:

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Gary E. Rebenstorf  
Director of Law