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**FINAL**  
CITY COUNCIL  
CITY OF WICHITA  
KANSAS

City Council Meeting  
09:30 a.m. March 11, 2014

City Council Chambers  
455 North Main

**OPENING OF SPECIAL MEETING**

- Call to Order
- Pledge of Allegiance
- Approve the minutes of the regular on March 4, 2014 and special meeting on March 6, 2014

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**IV. NEW COUNCIL BUSINESS**

1. Tourism Business Improvement District (TBID).

RECOMMENDED ACTION: Open the public hearing for public comment on the creation of a TBID, receive public comment, close the public hearing, and direct staff to return with an ordinance if appropriate.

Adjournment

City of Wichita  
City Council Meeting  
March 11, 2014

**TO:** Mayor and City Council  
**SUBJECT:** Tourism Business Improvement District (TBID)  
**INITIATED BY:** City Manager's Office  
**AGENDA:** New Business

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**Recommendation:** Open the public hearing for public comment on the creation of a TBID, receive public comment, close the public hearing, and direct staff to return with an ordinance if appropriate.

**Background:** The Go Wichita Convention and Visitors Bureau receives annual funding from the City of Wichita for the promotion of tourism and convention activities. Due to economic conditions, this allocation has experienced limited growth for the past three years. However, competition for tourists and conventions in the state has intensified. To address the issue, Go Wichita proposed the creation of a Tourism Business Improvement District to promote tourism and provide certain related services within the City. The Mayor authorized and established an 11-member TBID Planning Committee at the September 10, 2013, City Council meeting.

At the January 14, 2014 City Council meeting, the TBID Planning Committee presented its District Planning Committee Report recommending the creation of a business improvement district to promote tourism. The required report proposed the district boundaries be the same as the legal limits of the City of Wichita. The report was received and filed at the meeting. Also at the January 14<sup>th</sup> meeting, the City Council adopted Resolution No. 14-020, set the public hearing for March 11, 2014, and approved the publication of the notice of hearing in The Wichita Eagle. Based on K.S.A. 12-1787, the notice of hearing and resolution of intent were mailed to all businesses located within the proposed district, in this case, the City of Wichita.

**Analysis:** In order to comply with state Statute, a public hearing must be held by the governing body when the establishment of a business improvement district is being considered. The TBID under consideration would have boundaries congruent with the City limits and would impact those hotels within the City that have 50 rooms or more.

**Financial Considerations:** The new marketing program would be completely funded through TBID revenues raised through an annual fee levied on all hotels within the district having 50 rooms or more. The fee would be calculated as 2.75% of the amount of the hotel's subject room rentals. The District anticipates generating over \$3 million annually for this enhanced marketing.

**Legal Consideration:** By statute, the public hearing must be concluded within 60 days following the adoption of the January 14<sup>th</sup> Resolution, and before an Ordinance establishing the TBID can be adopted.

**Recommendation/Actions:** It is recommended that the City Council open the public hearing for public comment on the creation of a TBID, receive public comment, close the public hearing, and direct staff to return with an ordinance if appropriate.

# Peer City Hotel Tax and Fee Comparisons



## 2014

	Omaha	Overland Park	KC	Topeka	Oklahoma City	Tulsa	Wichita
Room Tax city	5.500%	9.000%	7.500%	7.000%	5.500%	5.000%	6.000%
Room Tax county	4.000%						
Room tax state	1.000%						
Salex Tax city	1.500%	1.125%	3.375%	1.500%	3.875%	3.167%	
Sales Tax county		1.225%	1.125%	0.500%		0.850%	1.000%
Sales tax state	5.500%	6.150%	4.225%	6.150%	4.500%	4.500%	6.150%
Other	0.660%		0.625%	0.650%			
Total	18.160%	17.500%	16.850%	15.800%	13.875%	13.517%	13.150%
KC Development Fee			\$ 1.75				

## 2015 - Including Wichita's TBID

### Key Takeaway – Wichita continues to be competitive after TBID implemented

	Omaha	Overland Park	KC	Wichita	Topeka	Oklahoma City	Tulsa
Room Tax city	5.500%	9.000%	7.500%	6.000%	7.000%	5.500%	5.000%
Room Tax county	4.000%						
Room tax state	1.000%						
Salex Tax city	1.500%	1.125%	3.375%		1.500%	3.875%	3.167%
Sales Tax county		1.225%	1.125%	1.000%	0.500%		0.850%
Sales tax state	5.500%	6.150%	4.225%	6.150%	6.150%	4.500%	4.500%
Other	0.660%		0.625%	2.750%	0.650%		
Total	18.160%	17.500%	16.850%	15.900%	15.800%	13.875%	13.517%
KC Development Fee			\$ 1.75				

**Note:** Oklahoma is evaluating the TBID opportunity. Anticipate both OKC and Tulsa surpassing Wichita's 15.9% by 2016