

Speaker 1 ([00:00:01](#)):

Really good. Good evening and welcome to the August 19th, 2025 Warren City Commission meeting.

Speaker 2 ([00:00:10](#)):

No feedback?

Speaker 1 ([00:00:19](#)):

Yes. Is that better? Okay. Alright, very good. Welcome to the August 19th, 2025 Lawrence City Mission meeting. I'm going to start the meeting with the rules of the meeting and share, read and will be reading those for us.

Speaker 3 ([00:00:38](#)):

Good evening everyone. If you would please silence your cell phones. The primary format for accessing the meeting is in person at City Hall. Virtual access cannot be guaranteed due to potential technology issues. When the mayor calls for public comment, please approach the podium to indicate you wish to speak. Virtual participants should use the raise hand function. When prompted, select join as panelists. There will be a brief delay as your role changes. Once your name is called, please unmute and turn on your camera to provide your comments. Please state your name and zip code before providing your comments. Comments will be limited to three minutes. The city reserves the right to turn videos off or mute participants. Thank you Mayor.

Speaker 1 ([00:01:25](#)):

Thank you Sherry. Alright. The first item on the agenda is to approve the agenda and the city commission reserves the right to amend, supplement, or reorder the agenda during the meeting. Is there motion to approve the agenda as is move to approve the agenda.

Speaker 4 ([00:01:38](#)):

Second.

Speaker 1 ([00:01:40](#)):

That's a motion by Finkle dice. Second by sellers. All in favor say aye. Aye. Those opposed? The motion passes five zero. Alright, the proclamation First item is item B, the recognition and proclamation to proclaim August, 2025 as Black Business Month and I believe I have Chantel White to receive the proclamation here this evening along with some others. Cheryl, is that right? Shire? I wanted to make sure that's why Shire. Yarborough,

Speaker 5 ([00:02:09](#)):

Nice

Speaker 1 ([00:02:10](#)):

To meet you. And then

Speaker 5 ([00:02:12](#)):

SHI

Speaker 1 ([00:02:13](#)):

Cheryl X. It's nice to meet you too. Thank you for coming tonight.

Speaker 5 ([00:02:17](#)):

Yeah, thank you. Hello, I am Chantel White. I am the owner and founder of Cute and Cut in Balance and I am also a board member at Core. It is an honor to stand here during National Black Business Month celebrating the creativity, resilience and impact of black entrepreneurs in Lawrence and across Kansas. Today is history in the making. National black businessman has been established since 2004 and for the first time the city of Lawrence is officially proclaiming August as black business month. And I just need us to pause on that for a minute because the question is why hasn't this been done?

([00:03:25](#)):

This is not just words on the paper, it's a call to action to shop with us, to partner with us and to make sure access and opportunities are not just talked about but lived out through my own businesses and my role with Core. I remain committed to creating opportunities where black businesses can be seen, supported and sustained. I also want to thank Commissioner Sellers for being here with us today and for being a strong, steadfast advocate for black entrepreneurs in this community. Your leadership helps create the space for this proclamation to happen. So thank you. And this proclamation is a promise that Lawrence sees us, that Lawrence values us and that Lawrence stands with us. So thank you, thank

Speaker 1 ([00:04:37](#)):

You, thank you. Those are some great words and I appreciate you coming. I'm sorry it took so long, but I'm happy to read the proclamation this evening and hopefully this can continue every year this point forward. Thank you very much.

Speaker 5 ([00:04:47](#)):

Thank you. Thank you.

Speaker 1 ([00:04:49](#)):

Whereas the month of August is observed as National Black Business Month recognizing the successes, milestones, and historical progress of black businesses and entrepreneurs. And whereas the National Black Business Month was first established in 2004 by historian John William Templeton and engineer Frederick e Jordan Sr. To highlight and advance policies that support black entrepreneurs and enterprises and whereas black owned employer businesses across the United States have grown steadily in recent years reaching an estimated 194,585 firms, employing 1.6 million people and generating 211.8 billion in annual receipts reflecting strong contribution to jobs, innovation and community wealth. And whereas Lawrence has celebrated and showcased black owned enterprises through vendor markets and community events, including a recent market convening around 35 black owned businesses from Lawrence and the region connecting entrepreneurs with customers and peers. Now therefore, I'm Mike Dever, mayor of the city of Lawrence, Kansas through hereby designate the month of August, 2025 as black business month in Lawrence and call upon the city residents, businesses, anchor institution and the public agencies to one shop and contract with black owned businesses to expand equitable access to capital and coaching. Three, streamline procurement and supplier diversity pathways and four, partner with community and regional organizations that cultivate inclusive entrepreneurship so that black businesses in Lawrence and across Kansas can start scale higher and thrive. Thank you very much.

Speaker 5 ([00:06:22](#)):

Thank you.

Speaker 6 ([00:06:31](#)):

Thank

Speaker 1 ([00:06:32](#)):

You very much.

Speaker 5 ([00:06:34](#)):

Thank you.

Speaker 1 ([00:06:40](#)):

Okay, the next item is item C, which is the consent agenda. And items on the consent agenda are considered under one motion and approved by one motion. Members of the governing body may remove items for separate discussion if desired, members of the public may remove items identified as quasi-judicial for separate discussion if desired, members of the public will be limited to three minutes for comments on these items. Is there an item that a member of the commission would like removed from the consent agenda?

Speaker 7 ([00:07:09](#)):

You remove C four C.

Speaker 1 ([00:07:11](#)):

C four C

Speaker 7 ([00:07:12](#)):

For roll call. Vote

Speaker 1 ([00:07:13](#)):

Yes ma'am. Roll call. Anything else? Okay, is there an item that member of the public would like removed? I don't think there's any quasi judicial items. There's one, I think

Speaker 8 ([00:07:30](#)):

C four C3 minutes.

Speaker 1 ([00:07:32](#)):

Great. We got it. Thank you very much. Okay, is there a motion to approve the consent to end of minus C four C? Move to approve the consent agenda with the exception of C four C

Speaker 4 ([00:07:43](#)):

Second.

Speaker 1 ([00:07:44](#)):

Okay, that's a motion by Finkel dye and second by sellers. All in favor say aye. Aye. As opposed, motion passes five zero.

Speaker 7 ([00:07:57](#)):

Just pulling up for roll call purposes since we didn't have a majority vote. I mean we had a majority vote, but we had abstentions on certain nay votes on certain items, so just needed to go through that for procedural purposes.

Speaker 1 ([00:08:07](#)):

Very much so. Would you like me to do each one? All of them? Let's see, there's three. So we'll do each one separately. Any discussion or comments on these items?

Speaker 2 ([00:08:18](#)):

It's public comment now

Speaker 1 ([00:08:20](#)):

From the commission. Okay, public comment on this item,

Speaker 8 ([00:08:34](#)):

John M 6 6 0 4 9. If you build it, they will come is a line from a movie and it seems to be the theme for the KU gateway district. KU admitted during the meeting that there is a decrease in the student population. Their solution is to build the gateway. KU asked the commissioners for incentives. The city provided 86 million, most of it in the form of star bonds. Star bonds do not have a great track record. The Kansas legislative division of post audit found that most star bond projects failed to reach the program's goals. Some of the commissioners seem to know this. Nevertheless, the gateway project plan estimates 33% of visitors will come from outside Kansas. 36 and a half will come from outside a hundred miles of the project. Kansas or KU did not provide background for these estimates. KU projected eight major concerts per year drawing 30,000 or more people to town.

([00:09:29](#)):

No marketing analysis for that number was provided. Some commissioners did not believe these estimates tax dollar projections resulting from increased. Lawrence visitors are the major driver for moving forward with the incentives and phase two development commissioners felt the project is an opportunity to start relying on tax dollars coming from outside the community, using other people's money to make Lawrence a better place. If you build it, they will come. Now that you have voted, the least you can do at this point is insist that the KU complete prior to phase two, their commitment to the 2005 community input process and subsequent report on the disagreements. I also suggest the commissioners meet with business owners on needs to make downtown Lawrence a go-to destination, build it and they will come is just a wish. Thank you.

Speaker 9 ([00:10:30](#)):

Mike Courtney Prairie Park. 6 6 0 4 6 last week. The city of Lawrence showed what a great partner we are to KU by supporting the gateway project with upwards of \$94.5 million. This project will be a win for KU and the state of Kansas, but we also have to talk about the other side of the coin. Less than 12 hours later, it was announced that KU had the financial backing of 300 million for athletics and 75 million specifically for this project in the LJ world. It was said that for KU to try to carry out the rest of its project on an island without municipal support would have been quite difficult. Difficult but not impossible. Let's talk about what is impossible. On that same day, Lorenzen received letters stating that our property taxes will be going up by 10%. Again, these property taxes in a reduction of critical safety services will be used to fill the 2026 budget shortfall of \$6.5 million.

([00:11:27](#)):

The university is now on a much better financial footing than a week ago, and that's why I'm calling on the city commission and the city manager to request that KU returns the favor in our time of need. In the upcoming 2026 budget, there is a 1.5 million cut for fire, medical and ambulance services. There is a 1.3 million cut for police and safety. Part of this negotiation should now require a payment in lieu of taxes from KU to keep Lawrence's firetrucks manned, our ambulances staffed and police and first responders in the community. This will ensure the safety of first responders by avoiding staff reductions that puts their lives in further danger. We depend on them to protect our lives and it is utterly unconscionable to put their lives at further risk. KU has looked for the city to be their great partner and we have delivered time and time again. It is now time to recognize that in this financial climate that the city is also in need of a great partner and KU can help to make sure that our citizens, their staff and students will remain safe.

Speaker 10 ([00:12:41](#)):

Eric 6 6 0 4 6. I am impressed with what Mike Courtney said. I didn't think he had it in him, but I'm impressed. I just want to say since this is about pulling the gateway project that, I mean, yeah, it's going to happen anyway, so I'm fine with pulling it, but I just wanted to say something. I think he's right and that's kind of what I was trying to say last week, just about morality and stuff from it. So the builders can't do anything with morality. That's the people of Lawrence. So if they want to be good people, they can be good people. If they want to live in truth, they can live in truth.

([00:13:27](#)):

I'm sorry, my shirt's unbuttoned. I forgot a year ago today I proposed to my wife, it was August 19th. It was a blue moon last year. You can look it up. So yeah, in the paper it said that I ran up the hill and did stuff at the library and the KU stacks and I proposed to her in one and a half east or it might be one east and those stacks there at Watson Library and I proposed to her from a book by Emmanuel Swedburg and it said two things that keep a marriage together are good and truth and he defines good as useful service and he defines truth. He doesn't define truth because the truth is a truth anyway. So I think that's what we need more of in this city. He sort of married together even though we're not legally married, just kind of be a city and be together and yeah, I'm sorry I'm taking so much time and rambling, but yeah, so I just wanted to, Mike Courtney did a good job. I'm sorry I didn't vote for you, but I'll probably vote for you in the primary because I'm proud of what you said. I'm not the primary, the election, I'm sorry. Good job and thank you. Oh, I have to say one thing before I forget.

([00:14:55](#)):

I pledge allegiance to the flag to the United States of America to the republic for which it stands, one nation under God in de visible with liberty and justice for all. Amen.

Speaker 8 ([00:15:12](#)):

Thank you Eric.

Speaker 1 ([00:15:18](#)):

Any other public comment in the room on this item? Anyone waiting in online? Sherry?

Speaker 3 ([00:15:26](#)):

No ma'am. Mayor.

Speaker 1 ([00:15:29](#)):

Okay. Thank you for those comments. Any other commissioner feedback tonight on this item? Okay, so we're going to do a roll call vote. Should I do it alphabetically? Would that make everybody happy?

Speaker 2 ([00:15:42](#)):

Want me to make the motions? Yes,

Speaker 1 ([00:15:43](#)):

Please

Speaker 2 ([00:15:44](#)):

Adopt on second and final reading. Ordinance number 1 0 1 5 5 approving the stall bond project plan

Speaker 7 ([00:15:53](#)):

Second.

Speaker 1 ([00:15:54](#)):

Okay, that's a motion by Finkel dye and second by sellers. All in favor? Oh, excuse me. That's going to start with item one endeavor. That's an aye. Finkel dye.

Speaker 4 ([00:16:03](#)):

Aye.

Speaker 1 ([00:16:04](#)):

Larson,

Speaker 4 ([00:16:04](#)):

That's 1 0 1 5 5 did you say?

Speaker 1 ([00:16:06](#)):

Yeah.

Speaker 4 ([00:16:07](#)):

Okay, you start at the, okay.

Speaker 1 ([00:16:08](#)):

Yeah.

Speaker 4 ([00:16:08](#)):

Got it. Yes.

Speaker 1 ([00:16:11](#)):

Okay. Littlejohn?

Speaker 4 ([00:16:12](#)):

Yes.

Speaker 1 ([00:16:13](#)):

Sellers.

Speaker 4 ([00:16:14](#)):

Nay.

Speaker 1 ([00:16:15](#)):

Okay. The motion passes four to one with sellers in the negative.

Speaker 2 ([00:16:23](#)):

Okay, top on second. Final reading. Ordinance number 1 0 1 5 6 approving the TIFF project plan.

Speaker 1 ([00:16:31](#)):

Can I start with the endeavor? It's an aye for me. Yes for me. Finkle Aye. Aye. Larson.

Speaker 7 ([00:16:38](#)):

Aye.

Speaker 1 ([00:16:39](#)):

Littlejohn Aye. Sellers?

Speaker 7 ([00:16:41](#)):

Aye.

Speaker 1 ([00:16:42](#)):

Okay, the motion passes five to zero,

Speaker 2 ([00:16:45](#)):

Adopt on second and final reading. Ordinance number 1 0 1 5 7 establishing the CID and levying the CID sales tax. Second.

Speaker 1 ([00:16:54](#)):

Okay. That is another motion by Finkel Dye and seconded by sellers, Deborah with an aye. Finkel dye. Aye. Larson? No, that's a nay. Littlejohn. Aye. That's an aye. Sellers.

Speaker 7 ([00:17:07](#)):

Nay.

Speaker 1 ([00:17:07](#)):

Nay. The motion passes three two with Larson and sellers dissenting

Speaker 2 ([00:17:15](#)):

Adopt on second and final reading ordinance number 1 0 1. No, we already did. That's it. We did those three. Okay, I did.

Speaker 11 ([00:17:25](#)):

That is all. Yep. I think that's it.

Speaker 2 ([00:17:27](#)):

Okay,

Speaker 1 ([00:17:30](#)):

Very good. Thank you very much everybody. Your time. Okay, the next item is the irregular agenda item considering adopting on first reading charter ordinance number 47 regarding the transient guest tax, thereby repealing charter ordinance number 39 and creating a TGT rate of 8%. Louis,

Speaker 12 ([00:18:03](#)):

Good evening, commissioner, commissioners, and mayor, I'm Luis Ruiz, director of Park Recreation and Culture for the city of Lawrence. At your July 15th meeting, you requested that staff return with a discussion on the transient guest tax or TGT and its connection to preparations for the 2026 World Cup. And tonight I'll be presenting recommendations to adjust the TGT from 6% to 8% through a charter ordinance with the goal of addressing both immediate world cup needs and the long-term structural stability of the fund. Let's see, page down. Okay, so a little bit of background on the TGT. It's established in the state of Kansas through state statute 12 dash 1 6 9 6, which authorize a city to levy A TGT tax of 2%. However, under home rule cities are allowed to increase that TGT and the city of Lawrence has done that on three occasions through charter ordinance changes. So in 1985 they increased it from 2% to 4%. In 2003, effective 2004, they increased it from four to five. And in 2009, effective date January 1st, 2010, it went up to 6%. So that is what it has been now for 15 years at 6%. Also to state that in 1994, charter ordinance 30 established that the TGT funds should be budgeted for term and convention promotion fund for the city transits guest tax revenue and tax revenue, I'm sorry, and a reserve fund to promote, enhance, maintain, and improve tourism visitor or convention business to the city.

([00:20:07](#)):

So another reminder that the TGT tax is a tax that it's paid by hotel two hotels by guests of the hotels. It's not a tax that is placed on residents of a city. All right, so the question is why consider an increase at this point? First of all, we have recognized for several months or more than several months that World Cup will have an impact on Lawrence because of its proximity to Kansas City and the effects that the influx of visitors is going to have on the region. And that impact is going to be felt probably two and a half miles outside of Kansas City as estimated by FIFA and by KC 2026. So we are expecting that it's going to have an impact on us, not just on hotel stays, but also visitation. So we have been planning on this eventuality since October of last year, getting together with unified command with multi agencies including ku Douglas County, the city and other community partners to establish plans on how to execute this.

([00:21:27](#)):

But there has been no identification of funds for this to happen. So that has resuscitated a conversation around how we are able to fund this and something that is tied specifically to tourism and visitation. So again, we are in our conversations, we're having meetings around community engagement, how we engage with visitors, how we engage with residents to prepare them for the visitors, how we engage with the business community, and then how do we provide occasion and opportunities for visitors here to experience Lawrence both for its assets and its celebrations as well as things tied around the World Cup. So fan experiences tied around games, viewing parties, concerts and things of the nature of that nature. So secondly, the TGT fund is structurally unbalanced. We are diving into our reserves every year in order to cover the expenses that have been associated with this fund for several years and the hole is getting deeper.

([00:22:41](#)):



So we have identified the need to not just increase the rate to potentially get more revenue into the fund, but also look at our programs and see what we're funding and what that return is on those investments that the city is making, either through its own operations or how we support the community and the tourist and hospitality sectors to continue to promote the TGT. So this also addresses that, again, a reminder here, this is paid by visitors and one last point of why increase it now there is in the region the expectation that most cities, if they haven't already started talking about it or executed, that they will also be taking advantage of this opportunity of increasing TGT in their respective cities and we'll go over what those are in a second. But this is also an opportunity for us to look at that, see how we fall within the market and what impact that has.

(00:23:43):

And it gives us an opportunity to grow, especially with the rate that we're proposing without going outside of those boundaries of what is common in the marketplace. That being said, I do want to apologize when this chart was updated, the Red was in Lawrence, it is on Edgerton now, but this gives you an indication of where we land within the current most currently known rate. Cities are changing 'EM for instance, I think Olathe just went to 9% over the last few months and others are considering it. My understanding is that Kansas City, Kansas is considering going up to 10%. I also recently found out that there is no cap in the state of Kansas as to what that TGT rate should be. I think many municipalities in our conversations and even people around the community thought nine was the most the highest we can go.

(00:24:46):

Our legal department researched that and found that that is not the case. So currently we are at one of the lowest cities in TGT. And again, this does not capture any changes that these are as of July 1st, 2025 from the Department of Revenue or any anecdotal understanding that we have of any increases that have happened, but there are other ones in the conversation. So this is a snapshot of what it might be right now, not what it might be in 2026. So the disparity might even be greater after this year's over or as municipalities start to talk about increasing fees. But for the time being, we are among the lowest with Tongan Oxy at 4% only, the only one being lower.

(00:25:38):

All right, so just a little bit of where we are with the TGT collections and we are looking right now where our projections are going to include a 10 year projection, but we do recognize that during COVID, the COVID years where tourism virtually stopped and hotel visitation stopped that we took a big dip the following year we had a huge increase as business started coming back. So we have a couple of outlier years within that, but in 2023 it was a record setting year for collections of 2.226% and in 2024 we almost reach that same number just slightly by several hundred thousand or tens of thousands. In 2025 to date we've collected 1.162 million and that's even though there are fluctuations from quarter to quarter right now it's representing a 5% increase over the 2024 collections the same quarter. So what we are doing is we're projecting a \$2.28 million revenue from TGT in 2025.

(00:26:53):

This number, and I'll show you a table in a minute, has been revised. The initial budget, the adopted budget has us as 2.5%, I'm sorry, 2.5 million. But as we're looking at our longer term year over year growth, we are being more conservative than that original projection had. So as we go through this, you will see, so again, knowing that we're about \$2.28 million in projection lowered from our 2.5 million, we've started our 2025 to 2027 comparison based on rates. And the first number here you see projected growth of 2.279 million or 2.8 million. And if we can use that number, which is lower than our projected in the adopted budget, we're looking at a potential deficit of \$517,000 compared to the expenses that we are currently budgeting in here. Those expenses do include some city costs, some personnel costs, those associated with the downtown area primarily for landscaping horticulture around the downtown area tree lighting for the holidays.

(00:28:14):

It also encompasses some of our special events personnel who put on festivals who do right, who do right of way permits, but it's pretty much primarily not used for parks outside of the linear park, which is Massachusetts on down to New Hampshire and to Vermont. So those areas are what this covers in addition to some of the support that we do for marketing Cultural Affairs commission grants, TGT grants payments to explore Lawrence and things of the nature. So all of those cumulatively will be about two point \$0.8 million is \$2.797 million leaving a deficit this year alone of approximately \$517,000. As you go down that line in the 6% column, you see that we do have a reserved policy of 60 days. So when we look at the differences between the policy, the balance and the deficit, we're looking at a \$26,000 deficit within that operating budget. Now we do have reserves to cover that if that's necessary and that's what we have been doing for the last several years.

(00:29:28):

Now we move on to 2026 and we are looking at the 6%. If we were to make no changes that hole, even though we have estimated a bump in visitation during World Cup likely, and you can see the assumptions on the right side of the screen here, you can see that we are expecting higher than average daily room rates during that time. Hotels are waiting on that and the entire region to figure out what the market will bear. So those numbers that we're using are pretty conservative considering we're talking about the three-year growth over time and that will have increased visitation up to maybe a hundred percent certainly of some hotels would be occupied during that period of time.

(00:30:18):

And we're looking at potentially a 60 day period from a home base establishing here till the last quarter final game over in Kansas City. So we're looking at a bump around that time and we're attributing about a \$500,000 bump in that year, only 2026. So if we were to keep the 6% during that time, you can see that we still have a deficit not only for that year, but we're still dipping into our reserves to pay for the deficit in the fund itself. To the right of this, we have put together a couple of scenarios based still on that same revenue that we were talking about in 2025 and 2026 with a bump but with an increased rate. So the second line tells you or the year over year tells you what that increase is, the italics tells you what that attributed net revenue increases for that given year.

(00:31:24):

And you can see as we step into 7.5 and on up eight and a half and nine, that we start to lose that deficit. Now assuming we do nothing and we go into 2027, we are still, even though we have a bump in 2026 and that number of the surplus or the deficit in that year might be smaller, we bounce back up assuming we keep all our expenses flat, all our expenditures that we currently have, we don't revisit any of the programs we do and reduce and increase to have some greater returns, we fall back into deficit and that lasts for years. This is structurally unbalanced and we recognize it. We've just been moving along this path for several years. I think now we are realizing because of this opportunity, we need to look at this in depth and restructure the program so that it is sustainable not just in the short term but also in the long term.

(00:32:25):

We've created different scenarios here. We recognize that 7.5 gets us out of a hole, 8% is what staffers recommending, even though and a half and nine are still on here more for information. But we feel that as we look at the competitive market still keeps us within a competitive realm. It allows us for room for growth in the future when that time is necessary, but it takes us out of the bottom third of the tax rate across the state. So again, three assumptions here, 8% TGT rate effective January 1st, 2026 that we continued on the 3% annual TGT growth pattern, which is the 10 year average and that we have higher occupancy and higher ADR during that term during the 60 days in 2026 and that expenditures are held flat. That is not our intention. We plan on visiting that, but just for comparison purposes, if we were to do

nothing and collect different amounts, different rates, this is how these numbers would appear. And I also want to say that this is not what you've seen in the proposed budget at this point. These numbers have been revised including the projected revenues. So those will be fine tuned in the final budget presentation when you get that. So we will continue to work with budget on making sure that these numbers are reflective in the final budget if approved.

(00:34:04):

Alright, so again, here are recommendations that we raise the TGT from 6% to 8%. The benefits are that we are able to balance structurally our TGT grant not just in 2026 short term, but in 2027 and beyond. It provides up to, and again we are being conservative in some of our estimates based on some of the preliminary numbers we had. We want to make sure that we're providing conservative numbers but up to approximately \$1 million in additional revenue without having to dig into further into the reserves. It builds reserves. If we were to do this long-term for tourism generating initiatives and improvements, and this could be it's initiatives such as marketing with the CVB, with Explore Lawrence increasing bid funds, enhancing our grants programs that we have limited funds for those looking at ways that we continue to generate visitation and hotel bed nights to continue to generate the TGT. And we believe the 8% also still maintains competitive lodging tax rates and I'll show you that in a minute. And then it also aligns with four or five of our unmistakable identity outcomes that have to do with perception of what the city's offerings are culturally and within our system. Unmistakable identity system all the way across.

(00:35:46):

Alright, so what are the short term uses of this? And I have to say that the time has been condensed in which we would have developed a lot of these things, but what we do recognize is that in 2026 the funding needs to be targeted toward World Cup. So that gives us some funding to execute what we know is coming very soon without a funding mechanism. So this includes targeted marketing and promotion funding for cultural events, fan zones, visitor infrastructure, community awareness and engagement and volunteer recruitment training and support and a lot of other things that the World Cup unified command will get together. And now we've been accumulating what resources are necessary, what the cost of those are. We can start having the conversations about allocating. Up until now it's been pretty much here's the plan, but how do we execute it? So this gives us that additional, I guess, fuel to be able to execute what we've been planning.

(00:36:57):

And then of course the long term, and I mentioned these already, expand funding for the CVB so that they can have further reach in their marketing initiatives both regionally and nationally. Increased convention center bid funds to bid competitively with groups that were getting outbid. They're choosing other cities to incentivize them to come support unmistakable identity grant programs. As I mentioned, investment placemaking. One of the things that we've heard is like, well what about additional fields which will bring more tournaments? We don't have the funds right now in the capital expenditure and the capital improvement plan. This is the kind of tourism generating activity that can be done in the longterm if there's sufficient funds to be able to fund that type of thing. And of course then just placemaking and way finding in the general areas that we are with high visitation. And then of course build reserves for major events such as this or any other one that might come up in the future where we're not having to necessarily seek the funding from scratch at that point.

(00:38:09):

So what does it look like if we were to increase to 8% compared to other cities? So this table here shows what in the colored column cost of what dollar 50 room. This shows a total of the lodging tax burden, which is sales tax including any CIDs or any other tax districts as well as the TGT. So right now, and this is a heat map going from green being the lowest cost to red being the highest cost. So right now we would compare \$150 room across these markets that are listed on here. You can see that we're mostly in the green section and if we look at a little closer, we are only lower, only higher than Bonner Springs at 1.72.

Every other number here is higher. So as we stand right now on \$150 room based on the taxing sales tax, including some CID areas or some CID districts, we're still pretty reasonable within the range and toward the bottom of the range as we move up.

(00:39:27):

And I have to apologize, this should say 8% up here instead of 8.5, the calculations are based on 8%. We can see that if we go to 8% we are still in that yellow and starting to go into green yellow and starting to go into the orange, which is a little warmer. And that's a future development. I'm sorry if that happens with anything at the crossing. So that one we just put in here for that being the highest tax rate that we would see if anything were to happen there. But otherwise we're concentrating on those numbers. And then for comparison purposes, we also went to 9%. Now I also want to state here that these also are the most currently known rates. These may change in a month, two months, or as we progress through the year as those cities start to make these changes. But again, for comparison purposes, we see that increasing to 8% still keeps us in the realm of market competitiveness when it comes to other hotels with their most recently known rates.

(00:40:37):

Alright, so what are the next steps? If the commission approves? It does require two third majority vote. So four of you, then we need two readings would be this week and next week there would be publications and two consecutive weeks, a 60 day referendum period, which a petition can be filed and protesting. And then 1% of the population would have to sign that petition in order to bring it to a referendum and a ballot. If that happens, everything the timeline stops and that process needs to make its way through. Now I don't know that there would be time for that in November election. I'm sure that we're probably getting close to any deadlines, but if that's not the case, do we have a 61 day waiting period and on the 61st day after that petition period is over, it becomes effective and then we are able to notify the Department of Revenue and they start collecting the first day after the first quarter after this has passed. So we're looking at potentially a January 1st implementation and collections to start. I will say that collections are by the state are well the taxes collected at the hotel, they remitted to the state. The state pays that out about a quarter in arrears and they also keep 2%. So we get 98% currently of that 6%. The state keeps 2% for administration and all that of that tax.

(00:42:18):

So we wouldn't see the first dollars in 2026 even if this went into effect January 1st until about April. So I just want to make that publicly known that there is a lapse in the remittance back to the city. So I do want to say just one more thing here. This is the schedule based on this ordinance change, but between now and January 1st and especially over the next several weeks and months, we'll work closely with the unified Command, the World Cup to establish exactly the resources needed and what funding is needed in a detailed plan to be able to figure out how to use those funds in 2026 to best support World Cup. I also want to emphasize accountability, and I talked to the hoteliers and they're here today with much respect for them. We hear from them that they want to see a direct connection between the TGT dollars and results. So that's our intent as well as a city. So for 2027 and beyond, we are committed to involving Explore Lawrence and our hotel partners or their hotel partners in setting priorities, being transparent with how the funds are spent and tracking the results. I think by doing this, we ensure that TGT investments truly grow visitation. They strengthen our local community and benefit the very business whose guests are paying those taxes.

(00:43:56):

With that, what we're asking today, action requested is for the commission to adopt on the first reading chart ordinance in 47 regarding the trans guest tax, thereby repealing ordinance number 36 and creating a TGT rate of 8%. And with that I will gladly take any questions on this presentation. I do have representatives from our legal department budget and from finance in case there are any technical questions I may not be able to answer.

Speaker 1 ([00:44:29](#)):

Thanks Louise, appreciate that. Questions for Louise on this matter.

Speaker 11 ([00:44:34](#)):

I've got one on the municipalities on the higher end of TGT. Do you have any idea, for instance, Topeka or Shawnee or Overland Park, how long they've been at those rates?

Speaker 12 ([00:44:49](#)):

So in this table that you're seeing, if you can share that, Kurt, the year in parentheses is the year that that rate was effective.

Speaker 11 ([00:44:57](#)):

Cool. Sorry about that. I missed

Speaker 12 ([00:45:00](#)):

No, that's fine. I should have said that.

Speaker 4 ([00:45:05](#)):

A question. So it looks as, as you've said, there is a structural deficit right now for 2025, we're looking at about \$26,800. Are we going to make any adjustments to the current year budget to address that deficit?

Speaker 12 ([00:45:23](#)):

And that will be a conversation with budget. We expect to have to make some in this coming year. The conversation has because of the amount of the deficit and some of these advanced cost of World Cup, we may need to look at the reserve to cover some of that. So it'll be a holistic approach at this point as to what adjustments are made and what additional revenue we may need to gather to pay for some of those advanced expenses. Marketing, website, development material, any celebration. So there will be a combination and that's what the conversation will be not just with the World Cup, but also with city manager's office and our budget department between now and August. I'm sorry, September 2nd when the budget hearing and then certainly the final budget comes in before you.

Speaker 4 ([00:46:24](#)):

So is there going to be any attempt made to try to address this for this year, 2025? The structural deficit as it is right now,

Speaker 12 ([00:46:31](#)):

We will make some modifications to that. The budget that was approved already had the deficit in there to the tune of \$269,000 I believe, and it became greater when we adjusted the anticipated revenue that would be coming in. So we do need to address those directly. A lot of those funds have already been committed. Those that go to outside agencies have already been paid out. So there are some other places where we can save the major areas that are pending still are final payments to explore Lawrence because they get 'em quarterly as we receive them, some of the things. So we will look at making some adjustments. We absolutely have to make cuts in 2025, but the cuts we make will not be the entirety of that deficit.

Speaker 4 ([00:47:27](#)):



Okay, thank you. One more question. So going forward, if this passes and we go to 8% or whatever the commission decides on, what are you going to put in as far as safeguards to make sure that structural deficit does not happen again?

Speaker 12 ([00:47:40](#)):

Well, we will start from scratch. I mean we have the commitment, we've been talking to the city manager's office that we will, well, we need to make sure that we're not adding things in that they do not have a return on investment specifically to the TGT. So the analysis will be different. And I know that the deficit has just happened slowly and then quickly. It's been things that have been added in there saying we have money in here, we don't have money in the general fund. So they have migrated into there. So it'll be an evaluation of everything that is funded out of that to make sure that it's being used intentionally. Now the other thing that I will say is as we have more money in that fund to support initiatives that bring tourists, that generates more money and it generates more visitation. So that 3% growth that we've seen on average, if we're investing this money, we should see a growth in that as well. We should see a growth in average daily rates. We should see a growth in demand and competition and that generates money. So that's how you turn this around. You can't stay at 3% and say, well, we're going to keep expenses the same every year because that doesn't help our organizations that receive funding from us. It doesn't help our grant recipients if we're still have \$150,000. So it's about regenerating money through increasing the initiatives that that money is intended to execute.

Speaker 4 ([00:49:11](#)):

Okay. So you'd mentioned that some things had come into the TGT that hadn't been in there before because of general fund issues. So what will you be doing in the future to make sure that creep does not happen?

Speaker 12 ([00:49:24](#)):

Well, one is that we will be more realistic about our projected revenues. I think we've used what the increase was one year to the other, and that has just not necessarily always matched up with reality. I think when we look year over year, if you look back, we'll see that our adopted budget was just always a bit off and we're building our expenses on that, our expenditures on that. And then okay, here's a greater hole and now we're digging ourselves deeper. So it'll be an analysis from beginning to end of how we do things, how we evaluate the programs that are being funded through this. And that means all the way down to who applies for grants and how they need to prove to us that it's going to continue to regenerate these funds. Now again, I want to reiterate that this is about TGT, but the Tgt, the Ordinance 30 still says it's about visitation.

([00:50:21](#)):

So we want to look at the total impact, economic impact, but knowing when we talk about the TGT in particular, it's about evaluating every dollar that goes out and comparing that to what the results are expected from money coming in. And if they don't yield that result, we need to modify that. And I think we just haven't done that, right? We haven't looked at it well probably since 2010 when this rate was increased. So we're looking at it from a new angle knowing that we've overextended over the years and that we cannot do that again. And building a healthy reserve also helps in that we're not digging into our, in the case of a down year, it helps us, but we've just been growing on the expense side and not growing proportionately on the revenue side.

Speaker 4 ([00:51:15](#)):

So is there going to be any effort made for those items that have kind of been brought into the TGT that may be considered creep? Are you going to start to pull those back out?

Speaker 12 ([00:51:24](#)):

We will look at everything that we do, yes. So you will be correct, and that won't be in 2025 and 2026. We're going right now for these scenarios that we're including every organization that we currently fund, for instance, has come back with a request of the same thing they received last year. For the last three years actually. We've been keeping those pretty consistent. One of the big needs this year is to fund Explore Lawrence and some of their initiatives that the unified command has tasked them with in promoting the World Cup. But everything else has stayed stagnant. I will, again, full disclosure and transparency here. We do have salaries that are tied to this fund and our salaries are based on increases that we all got. So that did change. We have a staff in there, and again, those are things we need to look at.

([00:52:17](#)):

Are we using the right staff? Are we too much staff or do we say this is it, we can't add, this is the extent to which we can support downtown. This is compounded by the fact that parks is also having budget issues and we need to reduce. So it's like, oh yeah, parks will take that back, but we can in this situation. So how do we maintain holiday lights? How do we maintain the horticulture and the forestry in good condition and maintain parking lots and things of that nature? So there is this aspect that we still need to have within the TGT, but we need to make sure we're using that wisely and we're not just saying, okay, there's funds here to cover this without really analyzing what the return is to the TGT by making that decision.

Speaker 4 ([00:53:05](#)):

Okay, thank you. That's all I have.

Speaker 1 ([00:53:08](#)):

Any questions for Luis right now?

Speaker 7 ([00:53:12](#)):

Lisa? I have one, and this might not be maybe for you or for staff. Where are we at currently on service level for parks, rec and culture

Speaker 12 ([00:53:26](#)):

Service level?

Speaker 7 ([00:53:28](#)):

What we use in balancing act, we had a scale of one to five. Where are we currently?

Speaker 12 ([00:53:34](#)):

We don't have one for the entire department. Each of those was by program area. So we don't have one for TGT. That's not one of our parks and rec and culture funds. So the answer is nowhere. We don't measure that one in part of the, that was a general fund exercise. That's why it falls outside of that.

Speaker 7 ([00:54:01](#)):

Which brings up a good point,

([00:54:03](#)):

Which I think goes to a deeper question now because I use that lens to at least try to create some type of apples. The oranges comparison, not necessarily apples to apples because of what I'm hearing, and you

can tell me if I'm following the same path that you're taking us on, is that we've had a point where we've had this TGT fund that we've kind of been doing some things with it and we haven't been doing kind of the deeper dive to create that structural stasis. And so what we're realizing now is that we've put these things into it. So we're giving grants, we have explored Lawrence, we have all the other things that are considered under the outside organizational stuff. And we've been doing that while not recognizing that there's costs, personnel costs, internal costs that correct that we've assigned to that. And so now we're talking about utilizing an increase in TGT to essentially address that piece. Not so, I mean we haven't, at least in a while, we haven't talked about taking money away from Export Lawrence, the conversation hasn't been around taking away grant dollars and it hasn't been around taking around downtown beautification. We haven't talked about taking money away from DLI. So it's about creating a structural balance on the side of the internal costs as it relates to the city portion, the city operations there.

Speaker 12 ([00:55:41](#)):

And there are some internal costs that are just formulaic. So this is what the fund has and they have to all administrative costs, all internal costs are kind of parsed out to each fund.

([00:55:56](#)):

But personnel is one of those. Again, we need to look at that and see what is each person contributing to this. And by the way, not everybody's paid a hundred percent either. There's some people that may be paid 30% out of the TGT and the rest of it is paid out parks and recreation. So it's not like everybody that's working in this fund gets a hundred percent funding. They are also dissected and paid out of several funds. But yeah, we need to look at that and we're committed to doing that. And again, speaking in the city manager's office as we're coming up with this, that's clear. We can't just look at external organizations and say, what are you doing? We have to do the same thing. And how are we being good stewards of our funds?

Speaker 7 ([00:56:41](#)):

And so based on this timeline, if the commission was to take no action tonight, we know that we've been drawing down reserves. At what point do we hit critical mass? That is like if we were to zero out, would we hit that next year or

Speaker 12 ([00:57:02](#)):

We would hit it in 2027?

Speaker 7 ([00:57:03](#)):

Okay,

Speaker 12 ([00:57:04](#)):

If you look at this slide here in 2026, you can see that our surplus and deficit is \$26,000. We have a reserve policy and a reserve of \$472,000. So we can cover that right? In 2027, we're at \$456,000 deficit and we're already at negative \$522,000. We couldn't even cover that. It not doing anything means, and again, and it could be we stop maintaining planters and we don't put up holiday lights. That might be the solution we come up with, but something has to be done even in 2026 if we're saying we're doing nothing, if we're increasing in 26 and 2027 to 8%, that gives us the ability then to reassess what we're doing and set a course for success and sustainability. But at this point it will mean if we do nothing, it will mean deep cuts to the TGT and the things we can support, understanding that we do still have to maintain trees and we still have to do all those things and there will be some costs associated. So the hits won't only be to the city, it'll be to the other areas that we support. And this is about sustaining that and then growing it. So again, by investing in this, giving more money to those constituents and stakeholders that can yield



more tourism, it's an investment in that so that it continues to yield. Not doing it, it's just going to divest in everything we're doing right now.

Speaker 7 ([00:58:57](#)):

And then one last question. It's a little bit of a hypothetical that would take fuzzy math, and I recognize you may not be able to come up with the fuzzy math now, but let's say hypothetically we, KU does a great job of advocating for, let's say we agree to the 8%. KU does an excellent job of lobbying to revenue and the commerce that the 2% difference based on what we voted for does come back to us. How would that then play into, is that pennies in the bucket? How does that number

Speaker 12 ([00:59:31](#)):

No, it's not pennies in the bucket, but it's not until December, 2028 if I'm looking at their completion date or the original improvement dates, right? So we didn't go that far out because we do know that that is a factor in the longterm and that is a benefit of doing this, right? If we do nothing, gateway is paying 6% back to the star bond. If we do this, we are collecting an extra 2% and yeah, it does make a difference. We didn't go out that far. We don't know what their room nights are going to be. We don't know what their occupancy is going to be. So there would be a lot of assumptions made there, but we recognize that that end of 2028 into 2029, that will be a benefit for us for the next 22 years until that bond program, that star bond is paid off, we will get 2% at least as long as it's an 8% rate.

Speaker 6 ([01:00:24](#)):

Okay.

Speaker 1 ([01:00:34](#)):

Any other questions? Okay, I'm going to go on up for public comment. Thanks Luis. Thank, appreciate it. Is there public comment on this item? Please come on up.

Speaker 13 ([01:00:47](#)):

Hi Mayors and commissioners. My name's Richard Renner and I have some prepared remarks in support of increasing the TGT grant. First of all, I want to give you a disclaimer. No intelligence artificial or otherwise was used in creating these remarks. I am Richard Renner, the producer of the Lawrence Busker Festival. For 17 years. Our festival has brought world-class performers downtown and just as importantly, it has brought visitors to fill our hotels, our restaurants and shops. None of that would've been possible without support from the TGT grant money. TGT funds are not just numbers in a budget, they're investments in the events that define Lawrence, the Busker Festival, the free state festival, final Fridays, all the sports tournaments. These are experiences that make people say, this is Lawrence. You don't confuse our culture with Kansas City or Topeka. What we create here is unmistakably ours. By increasing the TGT percentage, you're not only sustaining what we do, you're unlocking potential to dream bigger. With the 2026 World Cup coming to Kansas, we have a once in a lifetime chance to showcase Lawrence to the rest of the world. With greater investment, we can produce events that capture our creativity, draw visitors, and leave a lasting impression of this city. Events are how we tell our story. They fuel our economy, bring our community together and show the world what makes Lawrence great. I urge you to increase the TGT percentage and give us the resources to help creating experiences that make it uniquely Lawrence, thank you.

Speaker 14 ([01:02:37](#)):

Hi, my name is Rhonda Green, 6 6 0 4 7. I'm the director of sales at the Orad Hotel. This is Logan Shin, the general manager at the Orad Hotel. Thanks for giving us a minute to discuss with you. The Orad Hotel

has one of the highest average daily rates in the city. We know this based on the Smith Travel report that's sent out every week and every month. To us. We're very proud of that, A DR. And if you look at that per room, we pay more in TGT than any other hotel. While other hotels have more rooms than we do, our a DR is higher, so per room we're paying a higher rate. When you look at the slide that was on there regarding revenue from 2023 to 2024, you see a huge slip. The reason for that slip was the University of Kansas football left our city and left our state that impacted our hotels dramatically. The majority of our business happens between August and November, so those football games are huge for us. So think about that when you're looking at the budgets coming up. How much of that revenue is going to come in in the next few months? It'll be interesting to see where we end up if we end up at the projections or higher.

(01:03:59):

So next year, world Cup is here in June and July. Those are relatively soft months for all the hotels in Lawrence. And by soft I mean we just don't have the demands that other cities have year long. So because it's a soft period for us, we're going to see record number of attendees in the city. It will be huge for us. That means at 6% or 8%, you're going to see revenues that you've not seen previously. Currently, there is no publicly available budget or detailed plan outlining how the additional revenue from this tax increase would be used other than simply stating that this would go to World Cup spending without transparency and a clear accountable framework. Raising this tax places an undue burden on visitors without ensuring tangible tourism related benefits. The purpose of the transient guest tax is to support activities and promotions that directly encourage and enhanced tourism. In Lawrence diverting these funds to nont tourism related expenditures such as the Parks and Recreation 2025 budget deficit undermines the integrity of the tax and misaligns with its intended purpose. We would like the city commissioners to pause on the proposed increase until one, a transparent budget and spending plan is presented. Two, funding is committed exclusively to tourism related purposes. Sorry.

Speaker 1 (01:05:41):

Okay,

Speaker 14 (01:05:41):

Thank you. Do you want to finish?

Speaker 1 (01:05:43):

You can finish it for

Speaker 15 (01:05:49):

Funding is committed exclusively to tourism related purposes consistent with the original intent of the tax. Until all hotels in Lawrence have an opportunity to discuss the increase to see what effect it might have on the future business. Please know that we fully support Explore Lawrence and we would like to see more revenue from this tax to be sent their way. They are our partner in driving new group and transient business to Lawrence. So we believe that the revenues that are forthcoming are going to be increased and I can explain that a little bit. We didn't see football last year. We are preparing for banner revenues in the next few months, finishing out 2025 as we go into 2026, we're into basketball season and then we have fifa. And I know that we hear a lot about we need money for marketing for fifa.

(01:07:02):

Kansas City is expecting 600,000 visitors over a six game tournament series over six weeks. There's roughly 35,000 hotel rooms in Kansas City. That means there's 2.5 travelers for every single hotel room in Kansas City in the metropolitan area. We know during the middle of 2026 that Lawrence is going to drive record breaking revenues and we're not just talking about heads on beds, we're talking about average

daily rate, which adds up to a lot of revenue during that six week period. There's a quarter final game that is the final game and that is going to probably drive somebody like England or Germany or Brazil to that game. So we know these travelers are coming. We know it's going to be a banner year. The University of Kansas is also in strategy right now because normally they see orientation families coming in the middle of summer. We see football recruits, we see basketball recruits. We have all this activity that is non-related to the school year that is in preparation for this week, just next year. So University of Kansas is pushing their parameters to the bookends of summer where we're normally very slow and that's just after graduation and just before kids arrive for school. So I want you to know in 2026 it is going to probably be the best hotel year. Okay? Thank you. Thank you. Probably be the best hotel year for this city ever and drive those revenues that we're looking for.

Speaker 1 ([01:09:02](#)):

Thank you very much.

Speaker 10 ([01:09:07](#)):

Eric. Hide. 6 6 0 4 6. Yeah, when my wife, who's Hispanic, her parents and her sister and her godmother came into town, they stayed at the Orette. That's where they wanted to stay. I filmed a movie with Kevin Wilmont, Blake Robbins and West Studio. We filmed in my kid in Anderson. We filmed the scene on the top of the orad. It was a great scene but not a really great movie. I wanted to make something a lot different, but anyway, I'm saying with this text, give them the text vote, give it to them, the orad great place. They'll figure it out. But pass this tax for the parks because one thing I noticed when I was down on my luck from so many people in the city betraying me when I got back from my film festival tour, it's the only thing I could, sorry, I'm going to call, the only thing I can do is clean Naysmith Park and that happened. I keep saying 2000, but I'm mistaken that happened in 2021 to 2022. I did it for an entire year, little by little, almost every single day. Lenny, the park guy knows about it. The director of Parks re over there and knows about it too.

([01:10:26](#)):

So if you want some more money, why don't you ask Porter O'Neill who stole some of my ideas when I ran, sorry, I just in 2021 and 22, some of my ideas for generating revenue for the city, which you just wanted to tout on Facebook and not use or enforce right of way obstructions such as low hanging tree branches. You need to start finding people for those. If people are going to come to our city, they need to see it pretty. They need to see residents taking care of their property. Alright. Another thing is I will love to help out with the parks. I love the parks. My brother's the park manager at Lucky Peak Lake in Boise, Idaho. I love parks. It runs in my family. My dad won a service award here for taking care of Riverfront Park. Even though he is not a homosexual, he still loves that park and that's why the city wouldn't clean it up because there's a bunch of homosexuals that go there, but it's okay. He said they're really safe there and they don't cause any problems. They take care of the place and that's the idea. You want safety. Also what we need to talk is about enforcing political yard sign violations and finding all the candidates who intentionally violate the yard sign violations with

Speaker 1 ([01:11:42](#)):

I'm sorry, can you keep this focused

Speaker 10 ([01:11:43](#)):

On Yes, but it applies. I'm almost done to the parks. That money can go to the parks. The city attorney and city manager and city clerk were all sitting right there when they said, do not violate the yard sign violations for the political candidates and yet all the candidates did, not all of them, but a lot of 'em. So enforce some yard sign violations and get some money right away. Obstructions. There you go.

Speaker 1 ([01:12:07](#)):

Thank you Eric.

Speaker 16 ([01:12:14](#)):

Good evening. My name is Derek and for 22 years I've been the manager of the Hampton Inn here in Lawrence. I've spent more than half that time about 15 years serving on a board of what is now known as Explore Lawrence. I've seen countless conversations about the transient guest fund and while I agree with other hoteliers that have spoken, I've resigned myself to the fact this vote is probably already decided. As pointed out in the agenda item report, the transient guest tax is the easiest one to raise because it primarily affects non-voters, not quite as well mentioned as it also the increased revenue will help cover some budget deficits for parks and rec, which do benefit many local voters. I'd also like to draw attention to a few other points in the agenda item report. First report states that a fund is structurally imbalanced requiring us to dip into reserves.

([01:12:56](#)):

I'd ask is that due for a lack of funds in spite of record collections or a lack of strategy? Are we spending the money on activities that actually generate more overnight stays or are we subsidizing things that don't contribute to our shared purpose? What will be different this time to prevent this from happening again? Second, the report highlights our 6% tax rate is lower than that of several other Kansas cities, and while we're comparing rates to justify an increase, I hope we also take a hard look at why some of these other cities do a better job at securing large TGT producing events. We need to learn from our competition how they market their facilities and use their funds. If I'm losing business to another hotel, I study them to see how I can improve. The city should do the same. Doing nothing different will put us back into this conversation again.

([01:13:37](#)):

And lastly, the report mentions a full review in 2026 to align investments with return on overnight stays. This is something we've been asking for practically since I started. My biggest concern is accountability. Where is the mechanism to ensure this happens and that the hotel industry has a real voice, not just a gathering group full of stakeholders who benefit from the fund without producing more TGT dollars? You guys hear a lot of complaints. I think complaints are easy. I think suggestions take more work. Let me offer you a few. I'd recommend we take a hard look at how one of our biggest tools to generate large citywide events at Rock, chalk Park and Sports Pavilion is being booked and maybe consider having more focused sales and revenue strategy that heeds to a principle that not every piece of business is good business. Similarly, I hope the city will be able to keep KU and their partnership spirit they currently have in assisting with large TGT producing events as there have been several times over my time here that we've not been able to bid or participate in events because KU would not allow access to their facilities.

([01:14:34](#)):

They weren't as interested in being a good partner back then. I would recommend that you do have these conversations about, Hey, TGT funds are used and may be willing to offer up some long held and very fat sacred cows to the chopping block. And if you need any suggestions, feel free to give me a call. I have a few that come to mind. I'll end by reiterating what I've said for years. The simplest way to grow transient guest tax revenue is to ensure as many dollars as possible is spent on items that produce more of them. I appreciate your time and thanks for your service. Thank you, sir.

Speaker 17 ([01:15:18](#)):

Good evening, commissioners, Kim on Spock, explore Lawrence. Thank you for this time, this evening and this discussion. I do want to begin by acknowledging the concerns that our hotel partners have shared with you and me this week. I'm sure they're deeply concerned about the proposed increase. They do worry

about how it will affect their customers and if the revenue, additional revenue will be invested in ways that generate room nights and grow the visitor economy and they do have valid concerns. At the same time, the city has committed in the memo accompanying this ordinance that any changes in the TGT rate would be with a review of current allocations. That review is essential and it is the way to build trust and ensure that the dollars collected from visitors are being used strategically to drive overnight stays and to strengthen our visitor economy. Tourism is one of Lawrence's strongest economic engines. Data from the tourism economics report in 2023 measuring the value and economic impact of visitors shows that \$296 million were directly spent by visitors in our community. Without this revenue, each household in Lawrence would need to pay an additional \$418 in taxes per year.

(01:16:44):

When we invest TGT dollars wisely, we can grow the demand, fill our hotel rooms, bolster our retail dining and entertainment sectors, which generate more TGT and sales tax revenue that benefits the entire community. The visitor economy will weaken if these funds are not reinvested in tourism. We also know that World Cup presents a once in a lifetime opportunity and we do need to fund the work of the cultural experiences branch. The bigger challenge and the one that I urge you to keep in clear focus this evening is ensuring the integrity of the transient guest tax fund so it can continue to attract visitors and grow the local economy. Explore Lawrence is ready to partner in this process. With our data research expertise and direct connection to our stakeholders, we can help ensure that decisions are guided by a commitment to reinvesting in the visitor economy. In closing, I do urge you to listen to our hoteliers, honor the commitments outlined in the memo and work collaboratively to protect and grow this vital fund. The choices you make tonight will not only impact our hotels, but also the resilience of the Lawrence economy. Thank you.

Speaker 6 (01:18:03):

Thank you Kim.

Speaker 1 (01:18:11):

Anybody else in the room? Sherry, is anybody online to speak to this?

Speaker 3 (01:18:16):

Yes, mayor. Heidi Champagne. Heidi Champagne.

Speaker 18 (01:18:38):

I am so sorry. First time doing that. Hi. Good evening comm and community members. I am Heidi Champaign, general manager of the Spring Mill Suites in downtown Lawrence. I'm also the vice chair of the Explore Lawrence governing board. I've also had the honor of sitting on the TGT Board for several years and truly enjoyed the ability to offer grants to events coming to Lawrence to share their culture, heritage, and diversity. In the same vein, I stand in support of the proposed 2% increase to the transient guest tax, raising it from six to 8%. This adjustment is both timely and strategic. With the 2026 people World Cup bringing an unprecedented influx of visitors to our region, this is a unique opportunity for lords to strengthen its tourism infrastructure and enhance our city visibility on a global stage. By implementing this modest adjustment, we can generate additional revenue aligning Lawrence with neighboring cities like Shawnee Lenexa, Kansas City, Kansas, which already have similar or higher rates.

(01:19:50):

This ensures we remain competitive in attracting visitors and events. However, similar to my fellow hotel ears, my support does come with an important stipulation, transparency, and accountability. After the World's Cup concludes, the community deserves clear and concise reporting of how these additional

funds are allocated, whether it's marketing through explore warrants, cultural programming, infrastructure improvements, or even grants. Residents and stakeholders should know exactly how these funds are being used to promote tourism and economic development. This is not just about the World Cup, it's about creating a long-term vision for large tourism. One that benefits local businesses, supports jobs and enhances the visitor experience well beyond 2026. By committing to transparency, we can build trust and ensure that every dollar collected truly serves its purpose to promote and enhance and improve tourism in our city. In closing, I urge the commission to approve this increase with a formal requirement for post event reporting. Let's seize the moment to invest in Lawrence's future while maintaining the accountability our community expects and deserves. Thank you.

Speaker 1 ([01:21:14](#)):

Thank you Heidi.

Speaker 3 ([01:21:15](#)):

That's all the comments, mayor.

Speaker 1 ([01:21:18](#)):

Okay. Commissioners, any thoughts or comments after the feedback tonight?

Speaker 7 ([01:21:26](#)):

May I have a quick question? Please. And this is Luis. You can come up and I know that there was a group that worked on this TGT conversation and I think one of the things that we haven't spoken about tonight that I think we could kind of split hairs on, and this is one of those things we could split hairs on, is that I imagine there's been appetite from those who have short-term rentals and that there is a possibility that there are some folks that are going to want to get into the short-term rental market because of World Cup and that's going to create a whole lot of bottlenecking. But I mean it can happen. We don't dictate that to certain. We have some regulations on it, but the fact of the matter is that we may have some folks that might want to venture into that market. There is nothing as it relates to state statute because we have that home rule, there's nothing that doesn't prevent us from splitting hairs and having a TGT rate for hotels and having the TGT rate for short-term rentals. So my question is one, did that conversation come up in discussions and two, if it did, how was it digested? How was it synthesized?

Speaker 12 ([01:22:45](#)):

It did not come up. I can tell you that Jeff Crick, director of planning services is having those conversations about short-term rentals, but it did not come up in our conversations with the hoteliers.

Speaker 7 ([01:23:00](#)):

Okay, because I'm still doing some fuzzy math over here in the spreadsheet that you gave us and I'm just playing with numbers and so even if we didn't have an increase, we have roughly, help me out, Kim. How many somebody roughly what? 400 short-term rentals in our community? Do we know that number?

Speaker 18 ([01:23:24](#)):

Jeff?

Speaker 7 ([01:23:26](#)):

Where's my Wikipedia at?



Speaker 18 ([01:23:29](#)):

I believe that's correct.

Speaker 7 ([01:23:32](#)):

Thanks Heidi. I don't have much trying to look at my emails for my Explorer Lawrence report. For my star report. So if we have roughly, currently we have 400 short-term rentals. I don't want to use whole numbers here. So if we have roughly 400 short-term rentals and we have roughly thousand rooms in the city.

Speaker 12 ([01:23:55](#)):

1400.

Speaker 7 ([01:23:57](#)):

1400. Oh, my numbers is way off on this spreadsheet. I think there's an appetite even if temporary and I mean I could be adding to the matrix here. I'm going to bring up sunsets just preparing the days for that. We're going to talk about sunsets and we can also talk about numbers seven and a half versus eight, but let's split that out. What's preventing us as a commission and I'm posing it to us. What's stopping us from saying we keep the hotel solid and we increase, we put 8% on the short-term rentals and maybe we just sunset that for two years or what that looks like. I'm putting in a lot of numbers that would change some calculations that I know staff is not going to be able to present to us tonight, but I'm interested in those numbers. The conversation was not nuanced enough to bring that in front of us and that's key. That's a tool that we have that unfortunately we didn't exercise and give staff the authority to give us that information back and I want that and I need that information. I have a hotelier that wants to speak to this. Don't know mayor if you Sure. I

Speaker 1 ([01:25:14](#)):

Don't think so.

Speaker 7 ([01:25:15](#)):

Airbnb does pay tgt. Yeah, I'm aware. So do we know what percentage of our, but we have the ability to leverage TGT sales tax on short-term rentals?

Speaker 6 ([01:25:33](#)):

Absolutely.

Speaker 7 ([01:25:34](#)):

I'm wanting us to have a more robust conversation about who's the conversation tonight is hotel focus, but we can leverage TGT tax on short-term rentals, but that hasn't been part of the conversation or we haven't parsed it out or maybe we've just been making a generalization and just assumed for term rentals were just part of

Speaker 12 ([01:26:00](#)):

The tt, which we have because that has been part of the payout from the state has included

Speaker 7 ([01:26:06](#)):

Revenues

Speaker 12 ([01:26:06](#)):

From those short-term rentals. So in that 3% increase year over year, it's captured in that, but it has not been parsed out and discussed separately

Speaker 7 ([01:26:15](#)):

And just on doing some quick ticky ting over here, there is nothing per se because of home rule. God bless it. There's nothing that keeps the state from telling us that we can't have a separate TGT rate for short-term rentals than we do for hotels.

Speaker 6 ([01:26:31](#)):

So

Speaker 7 ([01:26:31](#)):

I present that as exhibit G for the commission to discuss.

Speaker 1 ([01:26:37](#)):

Okay. Short-term rental taxes. Anything else

Speaker 2 ([01:26:45](#)):

I want to ask Commissioner? So you're saying that you think we can home rule and apply a different tax to a short-term rental than we could to a hotel

Speaker 7 ([01:26:55](#)):

As it relates to TGT? I mean I could.

Speaker 2 ([01:27:00](#)):

That seems I'm looking at Randy now. I mean I know you might not want to give an opinion right now, but

Speaker 19 ([01:27:07](#)):

I want to give a legal opinion, but we'd have to have some type of rational basis for distinguishing between the two for setting the rates for having a 2% different tax for one as opposed to the other.

Speaker 7 ([01:27:21](#)):

Well, I think we can come up with a good rationalization if it was for a couple of years, but I'm just saying, I mean it's just another tool. I understand if that's not the will of the commission to get into that type of structural technical math to say we do this, we do that, blah, blah, blah. But in the spirit of compromise, can we introduce that into the conversation?

Speaker 1 ([01:27:49](#)):

The concept of short-term rental higher than just an average room rack rate at a hotel.

Speaker 6 ([01:27:55](#)):

Thank



Speaker 2 ([01:27:56](#)):

You. Yeah. Well I'm not going to give a legal opinion either, but my initial reaction is someone like Airbnb would be very likely to challenge that and we would not know long into the year whether or not we could actually realize something like that. So that's my gut reaction, but I've only thought about it for about 10 minutes, about five minutes while you were talking. So that seems difficult. I appreciate it. That's difficult

Speaker 1 ([01:28:32](#)):

And I definitely want to be recovering taxes from short-term rentals if other short-term rental companies are not collecting them, maybe obviously we don't have the means to do so, but perhaps we need to look into how we can try and capture those somehow through our ordinance or through our short-term rental agreement.

Speaker 12 ([01:28:50](#)):

And we do we those are captured for

Speaker 1 ([01:28:53](#)):

Airbnb. Just Airbnb. What about verbal VRBO?

Speaker 12 ([01:28:58](#)):

My understanding is that we're not collecting on anything but Airbnb

Speaker 1 ([01:29:02](#)):

And we don't have any idea what the percentage of VRBO versus Airbnb. Do we have any kind of general concept of that?

Speaker 12 ([01:29:09](#)):

Not that detail.

Speaker 19 ([01:29:10](#)):

Yes, it is my understanding that Airbnb collects it through their fees or whatever and then remits that to the state and pursuant to an agreement they have with the state of Kansas. I don't know that any of the other entities do that, but the individuals that have short-term rentals are supposed to be paying and remitting that tax to the state. Whether they or not, I don't know. But they should be doing that already.

Speaker 1 ([01:29:36](#)):

It's mandated already.

Speaker 19 ([01:29:37](#)):

Yeah, they should be doing it, yes. On their own

Speaker 7 ([01:29:41](#)):

We get 6% and the state gets 6% Correct.

Speaker 19 ([01:29:46](#)):

Whatever they get a percentage of our percentage,

Speaker 7 ([01:29:48](#)):

Well they get a percent of our in addition to their own.

Speaker 19 ([01:29:52](#)):

One other concern about differentiating the prices is I don't know whether the Department of Revenue can make that distinction in assessing it. That'd be something we'd have to check with the Department of Revenue if we could have one rate for one entity and another rate for another other entity. So it's something we'd have to check with Department of Revenue on

Speaker 2 ([01:30:10](#)):

Because we're not the collecting entity related to the state.

Speaker 19 ([01:30:13](#)):

Right. So

Speaker 2 ([01:30:14](#)):

They might have an opinion,

Speaker 19 ([01:30:16](#)):

They might have some administrative issues with that. I don't know.

Speaker 3 ([01:30:20](#)):

Mayor Rochelle Matthews, our finance director has joined. I think she had something she wanted to share.

Speaker 1 ([01:30:27](#)):

Sure, please beam

Speaker 3 ([01:30:28](#)):

Her up.

Speaker 20 ([01:30:31](#)):

Good evening. Mayor Fisher. I just wanted to echo what Randy Larkin just indicated that Kor is our partner in collecting this tap and would ask that if we wanted to sue the cost some time to be able to investigate the capabilities of the Kor system and what our business partners are able to do for us in

Speaker 7 ([01:30:53](#)):

Anybody want to try to figure out how long it would take for that to get that render, that decision? I guess my question would be does anyone would take a stab at how long it would take for us to get that answer from Kdo R? Because what I'm hearing is that we can't get the answer so therefore this is not part of the conversation, which then means we're not having a full robust conversation about this,

Speaker 6 ([01:31:17](#)):

Which

Speaker 7 ([01:31:17](#)):

If the commission's okay with taking a vote without that information.

Speaker 19 ([01:31:23](#)):

Department of Revenue has been very responsive to us, but I don't know exactly how long it would take them to get a response to this. I couldn't estimate that.

Speaker 4 ([01:31:32](#)):

Well I think that the idea of two different tax levels, I think it's thinking creatively and definitely a different approach. However, I think my preference would be just to go with one tax for the whole and look into making sure de bro and all those are paying.

Speaker 1 ([01:31:46](#)):

Yeah, making sure we're collecting the revenue that already exists. This is my fundamental concern there.

Speaker 7 ([01:31:53](#)):

What if we only impose the 2% on short-term rentals? What would those numbers look like plugged into?

Speaker 12 ([01:31:59](#)):

I think pretty small

([01:32:01](#)):

Based on the proportion, and I'm looking Ruth and Kim because we worked through some of those numbers and some of the collections and we had a conversation about it. Again, it wasn't included in the bigger group about what that amount. So out of the \$2.213 million we collected last year, if I recall our conversation, approximately \$300,000 was from short-term rentals or something to that, something in that range. We would have to go back and dig deeper and confirm some of those. But the question did come up, what are we talking ratio wise? And it was 10% or so I believe a little bit more.

Speaker 11 ([01:32:59](#)):

Louise, am I correct in intuiting that our timeline on this is pretty tight? If

Speaker 12 ([01:33:05](#)):

Timeline's very tight, it could be pushed back to April,

Speaker 11 ([01:33:08](#)):

Right?

Speaker 12 ([01:33:09](#)):

Because if we delay in getting this really approved by November, we're not within that 60 days and it still needs two readings. It needs to go through that process. So it could be delayed, it could happen at any time, but it would be the beginning of the quarter. So any delays would mean we move from January 1st to April 1st potentially if the timelines don't lie within that. So we are in a tight timeline order to make that happen.

Speaker 7 ([01:33:40](#)):

We're on a tight timeline, but we're not necessarily behind the proverbial eight ball. So then my question is we already know that based on the current timeline that we're on, we got to move fast to get it in so that we can start at January one so that we can get that first disbursement of money around April. So then anything that we need to front load prior to that. I mean this is coming in June, so we're already behind, we're already a day late and several dollars short, so then we're going to be front money anyway.

Speaker 12 ([01:34:19](#)):

You may be fronting money in

Speaker 7 ([01:34:20](#)):

2025 until the money starts coming

Speaker 12 ([01:34:22](#)):

In. Yes, exactly right. So

Speaker 7 ([01:34:23](#)):

Then my question is we did have a request, I do remember talking about maybe bumping up the revenue neutral rate a bit so that we could put that as part of the mill so that money could be right then and there for World Cup stuff specifically around the work that explore Lawrence was doing. So Kim, I know the conversation came up about that funding request. If the commission was to approve tonight that 8%, we know that that money's not going to get to us until April. Based on the timeline that you have and what's unified command and all of that, do you have reserves? Do you have something that can close that can cover that gap until you're able to get your apportionment, whatever that apportionment is from the city?

Speaker 17 ([01:35:20](#)):

Yeah, do you want me to go to

Speaker 7 ([01:35:21](#)):

The mic? That would be great. Okay.

Speaker 17 ([01:35:27](#)):

Explore. Lawrence has set a minimum reserve policy of one quarter worth of our operating expenditure is in a reserve fund. I could see if we needed to spend some of that money front loaded knowing that that would be compensated in 2026. I could see taking that to my board and asking for authorization to dip into our reserve fund to start committing to contracts, getting way finding ordered, getting the scope of work under our cultural and experiences branch started. So that would be a conversation I would have with my board. And we do have a reserve fund as well. Thank you. Thank you.

Speaker 1 ([01:36:15](#)):

Okay. Any other questions Amber? So we've got the thought of doing just short-term rental increase, which would be less than 15% of the total room or volume dollars received. I don't know if that's going to get us to where we need to be financially. So we either need to increase the existing rate

Speaker 6 ([01:36:40](#)):

To

Speaker 1 ([01:36:41](#)):

Come up with another number that's going to even come close either in some number and then increase short term rental rate even more than 2% in order to reach the difference between the two proportionally. So I don't know how we could target just short-term rentals and still get the gain in income that we need from the existing allotment of homes we have here right now. If it's only 350 or so,

Speaker 7 ([01:37:08](#)):

It's three 50 now. I'm pretty sure we're going to have a lot of folks out there who are going to be wanting to become

Speaker 1 ([01:37:16](#)):

Short term rental, short term landlords,

Speaker 7 ([01:37:18](#)):

Short term rental nears.

Speaker 1 ([01:37:19](#)):

We definitely want to, and I want to see us capture that money as well. And I just don't know if we want to focus our attention on electing it from the revenue that's there or getting more, it's part of a conversation shotgun approach me as far as a larger number of rooms to cover

Speaker 7 ([01:37:35](#)):

Just part of the conversation that clearly about. So I appreciate the day the body entertaining me on that.

Speaker 11 ([01:37:48](#)):

Yeah, I'd probably at this point probably lean towards Commissioner Larson in terms of keeping it at eight and trying to see if there are any levers that we can pull to make sure that not just any levers that we can pull that make sure that not just Airbnb is the only one that we are verified that is capturing those funds. I'm not sure what we can do, but I think I heard the mayor intimate as well that making sure that we

Speaker 1 ([01:38:16](#)):

Have a licensing authority so there's a way to

Speaker 11 ([01:38:18](#)):

Prove

Speaker 1 ([01:38:20](#)):

Show.

Speaker 11 ([01:38:21](#)):

But yeah, just from the comments from Randy and Rochelle, it seems quite frankly a vice mayor Finkle eye seems a little bit squishy on the separation point. So from

Speaker 1 ([01:38:36](#)):

A legal stand only hurdle I'm worried about,

Speaker 7 ([01:38:40](#)):

Well the final decision comes from Kor. It doesn't come from Commissioner Finkel die or Randy.

Speaker 11 ([01:38:45](#)):

No,

Speaker 7 ([01:38:45](#)):

Just want to remind the body of that.

Speaker 11 ([01:38:47](#)):

Sure. Well I'm just using their opinions and to base mine

Speaker 7 ([01:38:53](#)):

It's okay, I was just wanting to state that I didn't want the community to think that final legal decisions are based on,

Speaker 2 ([01:39:01](#)):

And I don't want them thinking that either. I'm

Speaker 7 ([01:39:04](#)):

Just saying I'm trying to give you legal opinion, give you that legal

Speaker 2 ([01:39:06](#)):

Out. I don't want my legal opinion. It's not out there.

Speaker 7 ([01:39:10](#)):

So Randy and I am not going to assume that I'm the only one that knows the answer to this and I don't want to project that on the rest of my fellow commissioners. But we heard that taxes collected on the front end from Airbnb, but we know that's not the only player in town. So how do we find out how that TGT is collected from the other ones? Vrbo, fill in the blank. Whoever rent my

Speaker 19 ([01:39:32](#)):

Place.com, I assume that we could check with Cado to see who's paying the taxes, get that forms. I just don't know who, we haven't enforced it, but that's the state collects it. Yeah,

Speaker 7 ([01:39:43](#)):

I mean I'd like to have it. I want to make sure our folks who are wanting to make money are paying their fair share.

Speaker 11 ([01:39:51](#)):

I understand.

Speaker 7 ([01:39:53](#)):

I hope that that would be in agreement with other commissioners. Absolutely.

Speaker 11 ([01:39:55](#)):

100%. I think you have consensus on that Commissioner.

Speaker 7 ([01:39:58](#)):

Hey, I got consensus on something tonight.

Speaker 2 ([01:40:04](#)):

Willing to say a couple things. I do appreciate and agree with the answers to Commissioner Lawson's questions about how will, there's a structural deficit. But I guess I had been looking at this. I mean it's a structural deficit because we put it in the budget that way.

Speaker 6 ([01:40:30](#)):

Meaning

Speaker 2 ([01:40:31](#)):

That back in 2021 we had a \$319,397 available for use above of the reserve policy and by the end of 2022 we had a 467,000 available for use. And in 2023 we budgeted for \$359,000 loss and as reported instead of a loss, the TGG bounced back incredibly and we actually had a \$226,917 overage. So we had \$500,000 swing in the budget in 2023, which gave us \$993,000 available to use above the reserve policy in 2023. And at that point when we were doing the budget in 2024, we looked at should we have that much money in our reserves? So should we spend that down for appropriate uses? And that's when we increase the expenditures out of that, intentionally increase the expenditures by close to \$500,000 to start to spin down that fund balance. So I mean yes it's structurally imbalanced but it's structurally imbalanced because we intentionally wanted to spin down a fund balance but not necessarily guaranteed to everyone that it was going to be there forever. We did overestimate 2024 and apparently, although I'm more optimistic, maybe we overestimate 2025 as well, I still have high hopes for the remainder of the year. But my point is it's structurally imbalanced but it's not because explore the loins of spending too much money or that whatever, we intentionally had a spin down.

([01:42:51](#)):

So one, I wanted to say that, and I don't think it's solely because we misjudged or we misunderstood or misguided it truly because we made that intentional decision to spend it down. And regardless of what we do, if we don't raise it, we'd have to make an intentional decision whether or not to go back to the way it was or do something different. But I do think we should raise it. I do think not only for World Cup but going forward I think it is something that is, that we can use to help grow our community. I'm a big believer in explore Lawrence. I'm big believer in bringing in outside revenue. Big believer in the multiplier and I don't disagree with the hoteliers who spoke tonight that we need to continue to focus on using that fund to bring in outside visitors. But as long as I've been involved with no disrespect to a hoteliers, if I owned a hotel, I'd want every single dollar to be spent on making sure it brings someone to my business.

([01:44:15](#)):

Okay, great. Don't disagree with that, but I think I've been involved in conversations, Richard, thanks for being here. Or some people say don't give any money to the bus Go Fest because it doesn't bring people, we should give it to a soccer tournament because that brings hotel rooms. I disagree with that. I think giving transient guest tax to things like the bus go fest that creates an atmosphere of making noise unique and unmistakable brings tourists and wants people to come here for soccer tournaments or want to come

here to ku, I think that's an important use of it. And so I don't agree that every dollar needs to be in bringing only outside visitors and of course that's why I supported that. I think it's very important to have a robust downtown. I mean I think one of the things that brings people to Lawrence including visitors, many visitors is because we have a beautiful downtown.

(01:45:14):

So spending money on downtown I think is a perfectly fine use of the transit guest tax. And even if that goes to our parks and rec people who do that book is a perfectly good use for it. So I don't disagree that we need to focus and make sure that we're using this money wisely and I'm happy with the pledge from our parks and rec and I'll explore Laurens to look at how this used, but I also, I guess I want to be sure we have the find that right balance in using the transient guest tax to make the whole of the city inviting two visitors. Anyway, I support the 8% and I think I look forward to a future discussions about how we use that going forward and how we find that balance. But just wanted get my thoughts out on that.

Speaker 7 (01:46:10):

May I ask one more quick question to Luis just in regards to the TGT group. I noticed that in the slide today we look at it from 6%, seven point a half, eight, eight and a half, nine. Why did we skip past 7%? Was it not satiable?

Speaker 12 (01:46:28):

So the original meeting that we did have with the hoteliers and some of the grant recipients for the working group, we walked away and everybody agreed seven and a half would be a good number to look at. So when we did look at that, it still, again, it solves a problem but eight keeps us competitive. So the recommendation is for eight, but seven and a half we included because that was what we walked out of that original meeting to look at as we did more analysis it's like okay, this doesn't necessarily solve the problem completely. So that's why we did the other scenarios. But seven and a half was that kind of the starting point as we were looking at any numbers above six at that point

Speaker 7 (01:47:14):

You said seven and a half doesn't solve the problem completely. What does that mean?

Speaker 12 (01:47:18):

It does solve the problem.

Speaker 7 (01:47:19):

Oh it does,

Speaker 12 (01:47:20):

It does. No, it solves the problem. Seven, seven and a half does. We're looking at eight as again keeping not at the bottom end but more in the middle range of the competitive market.

(01:47:33):

And another thing I just want to clarify here, it's been mentioned a couple of times, there is no connection between the TGT and any increase and the parks recreation budget deficit that we're talking about two different funds. We don't cross mingle. We're not saying we need more money to do the things that we're having to cut out of the parks and recreation two separate conversations. So I just want to make sure that that's clear. One is not helping the other, these are fees is what we're looking at in order to help that deficit. So not related if that helps. Thanks



Speaker 2 ([01:48:08](#)):

A question Louise. The original proposal actually was a 9%. Wasn't that a discussion? I thought there was a discussion about 9% was that talked about and then decided 8% was

Speaker 12 ([01:48:22](#)):

Well yes, we were looking at 9% and our subsequent conversation with Logan who's actually standing right behind me was those projections don't seem right. We were underestimating tax revenues in 2027 when we're looking at that. So going back and looking at that 3% increase over time, what that did, it was actually going down in our room. The original competitive rates that we did were based on average room nights or average daily rates and occupancy. So going by that formula, there was not enough growth in 2027. So when we went back and reanalyzed it, we were looking okay, we don't need to be at 9% to make up that deficit different. We can be 8% and still achieve that. We can be at 7% and we can be anywhere above that. But yes, so nine was just based on the initial run through of numbers and in conversations with the hotel last week, they expressed that they expected more revenue, more growth, two to 3% if I recall from the conversation. So we factored that into the new numbers thereby reducing the need to increase to nine.

Speaker 2 ([01:49:37](#)):

Thank you. Thank

Speaker 7 ([01:49:38](#)):

You. Another quick question, I know we had to talk about year over again year over year and talk about our soft months and I know from the OR you discussed that, so you talk about those soft months. What is the differential? What's the differential on that as far as revenues? I can give you our projections. Do you have a city? Can she come up? Can you come to the

Speaker 1 ([01:50:03](#)):

Ma'am could you please come up and speak into the microphone so we can all hear you? Thank you. Thank you.

Speaker 14 ([01:50:19](#)):

I can tell you the majority of our business is in October. That's our heaviest month. We do very little in December, very little in June or July. I don't have a pool so I don't get sports teams. That's probably different for the Hampton, but the city does get a star report that tells what the whole city, anyone who reports to Smith travel gets and it will give you those figures. But I can tell you when we look at World Cup, we're looking at six weeks of continuous occupancy or similar. So when you look at 45 days times however many hotel rooms in the city, and if you look at the average A DR from graduation I think is what you were projecting, you're looking at substantial increases. Plus when Logan mentioned KU shifting some of their dates, that expands that window, which for us we die down after graduation, but that would push more into those weeks. So we are going to see a longer period of occupancy that this city has never seen before. This is a once in a lifetime opportunity. We will never see compression out of Kansas City ever. Taylor Swift, that was it.

([01:51:41](#)):

Noted. Thank you.

Speaker 4 ([01:51:42](#)):

Yeah, thanks. So with those longer stays more than, I think it's 28 days, doesn't the transient guest tax go away? They stays too many days in the row. Consecutive

Speaker 1 ([01:51:55](#)):

Days. I think consecutive days, 28 consecutive days,

Speaker 14 ([01:52:02](#)):

We won't have 28 consecutive days with the exception of possibly the orad. Got

Speaker 1 ([01:52:07](#)):

It.

Speaker 14 ([01:52:07](#)):

That'll be the only one.

Speaker 4 ([01:52:08](#)):

Okay,

Speaker 1 ([01:52:08](#)):

Thank you. Thanks for coming back up. You're welcome. Are they even allowed to come back up? Okay, any other questions Amber for? No. Okay, thank you very much.

Speaker 4 ([01:52:25](#)):

I'm in support of the 8%. I would with the understanding that we look at revisit some of the issues that I guess have come up in the last few years with potential creep of funding or spending I should say, and that money truly be focused on tourism to the highest extent it should. So that would be my only concern is that we've seen that happen and I know that's happened in the past. I've discussed it with staff and so I'd like to see us go back to making sure that money is spent where it was intended to be spent.

Speaker 11 ([01:52:59](#)):

Okay, thank

Speaker 1 ([01:53:00](#)):

You.

Speaker 11 ([01:53:01](#)):

Yeah, I'm also in support of 8% and I think it's going to be beneficial for the World Cup in short term and then long term as well getting us where we need to be to go ahead and track those visitors for our city and downtown. But yeah, and I'm also encouraged by what we said earlier in terms of after the World Cup doing a review and making sure looking at our return on investment now with the vice mayor's comments, not compare everything apples to apples, but at least taking a look to see exactly what benefit we can go ahead and derive from it. And I am a little bit partial as well to downtown and making sure that's vital and that's our center of commerce. But I'm highly encouraged by those conversations at least being planned and walked that out to go ahead and happen after the World Cup. So

Speaker 1 ([01:54:00](#)):

Awesome.

Speaker 7 ([01:54:03](#)):

So I'm going to take this from a different approach. Having served on the swear Lawrence Advisory board here for the last few years, and we've had these conversations since I started about where does that fit as far as our strategic plan and our outcomes. And so we lived in a world that was prosperity and economic security. We've lived in a world of unmistakable identity because they do marry, they're relational. We may say that it now lives in the outcome of unmistakable identity, but there's still a economic development component to it. IE short-term rentals and all the other things that are subsidiaries or carryovers from any of the activities that use to support that football, all tournaments, busker, all the other things. So we get that as we've had those conversations around the grant funding and allocations, the conversation has always gone around how do we discuss sustainability so that we have a robust TGT fund that is very diverse in what we fund and being even more diverse and strategic in those different funding streams.

([01:55:25](#)):

And we've seen that with some of the recommendations that come to us from the scoring that we see for those dollars. It's fluctuated where you can see there may be a little bit of bias for tournaments and how we fund tournaments versus things like the old Christmas parade and busker and all these other things. And I think when we have that discussion, the bigger discussion becomes how do we diversify those funds as one time and for some of our seasoned events that had happened, how do we do we need to look at ongoing funding and creating sustainability and are these projects that should fall up under the purview of city funded as it relates to not just being solely being a TGT fund year after year after year. So these events have training wheels, how long are they supposed to wear the training wheels or is it our commitment to constantly use the TGT dollars to fund these set events? If that's the will of the commission, we can say that. We can say that or we can have that be part of the scope of the conversation moving forward. So I want us to think about that.

([01:56:42](#)):

I get that 8% was presented to us. If the work group came out of a conversation saying seven and a half worked, I'm not even going to try to present you all about a sunset. I would like to see a sunset so we can reevaluate this. A sunset is a powerful tool that we can utilize that reminds us to go back and take a look at something. We use it for the catalyst, we use it for Ahab. This could be something we use it for three year sunset for us to look at it because we have the ability to do this. We have the ability to leverage the amount. And so if I'm looking at the numbers that were in the presentation and you show me 7.5% gets the job done, I don't necessarily need to jump to eight right now. We have the ability to do that.

([01:57:33](#)):

We could do that in two years. We can do that in three years If we sunset and say, hey, in three years can we look back at this and if there's an appetite for us to go to eight, maybe the hoteliers have a different opinion or maybe they come in and say, you know what, if it's working at seven and a half, let's keep it at seven and a half. But it was part on here. I understand it might have been the recommendation for staff for us to be at eight gives them a little bit more wiggle room but the work is being done and the proof is being seen at seven point a half. So a couple of things I would like for us to see to put a sunset on it maybe in three years to come back and look at this. We with the agreement that we start at seven point a half percent, I don't think we have to start at eight.

([01:58:14](#)):

I understand that's the number staff gave us, but looking at the data right in front of us, we don't have to go with eight, seven and a half does it. And if that's what the work group came out and said initially, who am I to second guess that and Trump them and say go do a, if it is working at seven and a half, let's do it

at seven and a half and review and take a look back at this in three years. And then maybe if there's an appetite in three years to go to eight, then we go to eight and we're still competitive. We're still competitive at seven and a half sunset.

Speaker 2 ([01:58:54](#)):

Just so I understand, if you sunset, would you sunset in three years back to six

Speaker 7 ([01:58:59](#)):

Or

Speaker 2 ([01:59:00](#)):

Sunset

Speaker 7 ([01:59:00](#)):

And maybe sunset's not the right word for us to revisit to put a parameter that we actually be intentional about revisiting this.

Speaker 2 ([01:59:08](#)):

Okay,

Speaker 7 ([01:59:10](#)):

Maybe sunset, I get it. Sunset might scare some folks that we go back and maybe the hoteliers made that that could scare our finance team as far as budgeting for 29. So as a compromise, could we at least say seven and a half percent for three years and that we make a point in the provision to come back and look at this in three years and if there's an appetite to go to eight, we go to eight. If not we drop it. We do what? There's a lot that can happen in three years, but I understand the presentation was for eight, but I'm looking at the numbers in front of me on a chart and I just heard someone who worked on the work group say we left the room saying seven point a half percent was good, so 7.5% were good for the folks who are going to be directly impacted by this. Who am I to say, oh, let's do eight if seven and a half works.

Speaker 2 ([02:00:06](#)):

So one of the things I read about, again, I've no idea if it's true or not, I'm just saying I've read was that KCK was thinking about going to 10% for one year to maximize the world cup and then sunset it back to 8%. And I'd heard talk of other folks thinking, hey, let's maximize the one year by increasing it the one year and sunset it back. So I guess I'm struck by going lower than, I mean I guess it would seem to me that we'd go higher now and thinking about lowering it after the fact as opposed to starting lower and thinking about grazing it two years from now. So if we're going to do that, I guess I hear what you're saying about reviewing it. So I think I could definitely support 8% and agreeing to revisit it in three years. I guess that's what I'm thinking rather than a lower amount. But to your point in the 2026 year,

Speaker 7 ([02:01:07](#)):

Right, so to your point about the sense then we talked about a review is not a sunset.

([02:01:12](#)):

So if I say 8% with a sunset in three years, then that means we go back to six and then that's up to the commission in three years from now to fight that battle. But if I'm saying 7.5% now and we reapproached this in three years, I mean we already know that we're going to see a difference just based on those soft

months from the hotels. So that little piece alone is going to benefit us in addition to that one point a half percent increase. So I get wanting to do the 8%. I mean for me, I think doing the 8% means we sunset in three years. If we do the seven point a half percent and we just say let's revisit this in three years anyway, we should be revisiting something like this. If we believe that this fund plays an integral role in our community, which it does, we put it under a commitment. It's one of our outcomes, it's one of our commitments. Sorry, you would act like I didn't know about our strateg plan. It's part of our outcomes. So these are controls and these are tools that we have as a commission to kind of put the onus back on us to say, let's take a look at this so we don't go another 15 years just like, oh, we got this TGT here and then oh look, we can increase it. Oh, I didn't know that.

Speaker 4 ([02:02:45](#)):

I've always one in favor of sunset tax sales tax of various types and make folks to force the cities and the government entities or even the community to vote on it or to bring it back to the city and have them reevaluate it to review it. So I'm all for something like that. I am some sort of structure like that. I still would like to stay with the 8%. I would like to see five years on that three years I could live with though

Speaker 7 ([02:03:13](#)):

And with the sunset it doesn't necessarily we're saying that the sunset's going to revert us back. We didn't do that with Ahab and we didn't do that with Catalyst. It just says in three years if this commission doesn't decide to either pursue it, maintain it at seven or maybe we go down to eight, we would have that conversation three years from now.

Speaker 4 ([02:03:35](#)):

Yeah, you can call it. Yeah, I mean that's fine, but I would like to leave it at eight for now.

Speaker 2 ([02:03:44](#)):

Randy, if we're looking at something like commissioner sellers and Commissioner Los now suggesting, do you have suggestion on the wording for that?

Speaker 19 ([02:03:54](#)):

I believe that we could look at it again in three years. I think that's perfectly legal and perfectly a good idea. If you sunset it, you'd have to have something come in its place because basically when this ordinance is enacted, it's going to repeal the existing one, which is 6%. So if this sunsets and there's nothing to replace it, it's going to go back to 2%, which is the state statute. So that's one thing you have to be aware of.

Speaker 4 ([02:04:21](#)):

Okay, so reevaluate my brothers raised on

Speaker 19 ([02:04:25](#)):

I would reation might be the

Speaker 4 ([02:04:28](#)):

Way

Speaker 19 ([02:04:28](#)):

Of handling that.

Speaker 4 ([02:04:29](#)):

That would just be part of the motion reevaluation or just as amended.

Speaker 19 ([02:04:33](#)):

Yeah, I'd be good. It could be amended and then brought back because you're going to have to have a second reading and we would just add another paragraph to it saying that it might be a good idea to set a certain date or something three years down the road when it would be reviewed by the January

Speaker 7 ([02:04:50](#)):

20, 29, something like that, three years from the January 3rd date. In

Speaker 1 ([02:04:55](#)):

Fact, maybe that'd be good by January. But I don't want to put too much pressure on everybody to be looking at this, but I think it really is important and I want to just add, it's good to know and I appreciate you mentioning this is the time when we sit down and figure out how we're spending our dollars and I think the community's asked for more transparency. I think we got some great stuff based on somebody's suggestion or some questions. So I feel like I'm pretty well versed on how you're spending your dollars, but perhaps not everyone else does. And now we can take a look at how we're going to use these dollars in the future and it gives us the authority to do so and that's another great opportunity for us here. That's one thing I'm excited about. If you want to make a motion for 8% with a three year valuation, reevaluate it within three years or whatever timeframe you want to specify,

Speaker 4 ([02:05:48](#)):

I'll go ahead and do that. Adopt on first reading charter ordinance number 47 regarding the transient guest tax, thereby repealing chapter ordinance number 39 and creating a TGT rate of 8% with a modification of evaluating that in three years January of 2029. Would that be right? 2029

Speaker 1 ([02:06:10](#)):

Motion by Larson

Speaker 4 ([02:06:12](#)):

Second.

Speaker 1 ([02:06:13](#)):

That's a motion by Larson and seconded by Finkle Dye. All in favor say aye.

Speaker 7 ([02:06:17](#)):

Aye.

Speaker 1 ([02:06:18](#)):

I was opposed. Motion passes.

Speaker 7 ([02:06:20](#)):

No,

Speaker 1 ([02:06:21](#)):

No,

Speaker 7 ([02:06:22](#)):

No.

Speaker 1 ([02:06:22](#)):

That's a no. Okay. Motion passes. Four zero. I'm sorry. Seven

Speaker 7 ([02:06:25](#)):

And a half. I'm sorry. Sorry, I

Speaker 1 ([02:06:26](#)):

Heard you. I'm sorry. My ears are getting hold over there.

Speaker 7 ([02:06:29](#)):

I'm glad we got to look back in though.

Speaker 1 ([02:06:31](#)):

Four one. Okay, very good. We're going to move on to commission items. Anybody have anything you want to bring up this evening?

Speaker 2 ([02:06:41](#)):

I do, and I don't know if I, Jeff's still on the line, but Randy, I might look to you or anyone. I guess when we did the development code, we talked about starting an amendment process to look at changes towards the end of this year to go into effect and letting people come forth with changes going through the planning commission and the city commission. Remember that discussion? Yes. I can't quite remember the timing of it. I was thinking we wanted to do that in September or October. And I guess my question is do we have to initiate something

Speaker 19 ([02:07:20](#)):

Or I believe that planning is going to bring something forward and I think they want to try to get that done maybe in October such that it would come back to you in November or December. Okay. That's the last conversation I had with the planning director. That was my understanding of what they were leaning toward. But yes, that is going to happen this year is my understanding.

Speaker 2 ([02:07:44](#)):

When I saw in the consent agenda, one of the changes reminded me that, oh, we were supposed to do that. I just want to make sure we didn't miss our opportunity. So

Speaker 19 ([02:07:51](#)):

I know they are still compiling some of the changes. I've had some discussions with planning staff

Speaker 3 ([02:07:58](#)):

And Jeff's not on, but



Speaker 2 ([02:08:00](#)):

That's okay. I think it's covered. I just wanted to be sure.

Speaker 11 ([02:08:05](#)):

Mayor, I have one. I just wanted to just send out some congrats. I think everybody saw in the paper that we're able to have that reduction in terms of, not long-term, but persistent houselessness of 63% and I wanted to send some kudos to Brandon and his team, HRT and all their hard work to go ahead and reduce those numbers and shout 'em out. So I know it's been a lot of hard work and they've been in a lot of hard hours and it's difficult work at times as well. So when those positive actions happen, I want to go ahead and call it out.

Speaker 1 ([02:08:44](#)):

Great point.

Speaker 4 ([02:08:44](#)):

Yep. Thank you very much. Everybody who's been involved with this for the past five years or so longer too.

Speaker 1 ([02:08:55](#)):

Me too. Anybody else? Okay. How about the future agenda items? Anybody have any questions about the agendas coming up? Okay, city manager's report.

Speaker 21 ([02:09:16](#)):

Thanks Mayor. There's two items on there. Usual utility report and also we want to draw your attention to our affordable housing incentive policy and community engagement. So we'd like to move to a little bit more sophistication in the way that we're handling that and get some community input on how we structure this policy. So we're being transparent about being transparent and happy to answer any questions with that. Eventually it comes to you, but we're doing the work of listening to the community develop this policy.

Speaker 1 ([02:09:54](#)):

Great, thanks. Any questions regarding the city manager's report items? Any public comment on,

Speaker 10 ([02:10:07](#)):

I just want to mention, oh, Eric I 6 6 0 4 6. I just want to mention that if you want to be transparent, why don't you be transparent about all the yard sign, political yard sign violations that happen that the planning and development department will not give me because they said it doesn't exist. Nobody has been keeping records, the political candidate yard sign violations. That's all I wanted to say. Thanks

Speaker 1 ([02:10:33](#)):

Eric. Alright, commission calendar. Any items to discuss?