

# ***Kearney Indoor Sports Complex - Restaurant Occupation Tax Fact Sheet***

**What will the funds be used for?** To build a 206,000 square foot (+ or -) indoor sports complex for basketball, volleyball, soccer, wrestling, pickleball, and many other sports. Court facility large enough for 8 basketball courts, 12 volleyball courts, 4 pickleball courts and indoor batting cages. Turf facility large enough for a full-length soccer field. Three-lane 320-meter walking/running track with sprint lane. Seating for approximately 3,100 spectators. If approved, the estimated opening of the complex is Summer 2024.

**Who would utilize the complex?** Complex will be available year-round for youths and adults participating in park & recreation department programs and organizations such as: basketball clubs, volleyball clubs, wrestling clubs, soccer clubs, pickleball club and more. Complex will also be available for community “drop-in” use.

**Why is an indoor sports complex needed?** Currently there are well over 3,000 youth and adults participating on various teams in Kearney. Schools and existing community facilities cannot fully accommodate all of the teams and programs for practices and games.

**What is the potential for tournaments and events?** Significant, Kearney has hotels, volunteerism, hospitality, and organizations to host additional tournaments and events for various sports. The indoor court and turf sports facility will allow for more tournaments to occur, which will benefit the local economy and reduce travel for local players.

**Do other cities have a Restaurant Occupation Tax?** Yes. Omaha – 2.50%    Lincoln – 2.00%    Grand Island – 1.50%    Norfolk – 2.00%    Fremont – 1.75%    LaVista – 1.50%    Kearney – 1.00%.

**What percentage of occupation tax is from visitors to Kearney?** According to the Kearney Visitor’s Bureau, an estimated 48% of restaurant sales come from visitors to Kearney.

**Is this an increase to the current Restaurant Occupation Tax?** No. The current 1% occupation tax is set to end earlier than planned, in 2022. A vote in favor, would extend the existing 1% tax for 20 years or less.

**Whom would the occupation tax apply to?** Restaurants and drinking places (including cafes, grills, bistros, delicatessens, coffee shops, bakeries, grocery stores, convenience stores, supermarkets, bars, and taverns). While the current tax applies to only the sale of prepared food and beverages (excluding alcohol), the extended tax would apply to the sale of prepared food and beverages, including alcohol.

**Who would be exempt from the occupation tax?** Any place offering food or beverages owned or operated by a civic, charitable, educational, religious, governmental, or political organization exempt from income taxes under the United States Internal Revenue Code. Daycare centers and nursing homes are also exempt.

**When would the occupation tax go into effect, and is there a sunset (end date)?** The tax would be extended from December 31, 2022 and sunset on December 31, 2042.

**What is the proposed cost of the indoor sports complex?** The estimated cost ranges from \$29 million to \$34 million depending on future construction costs.

## **How would the complex be paid for?**

- Approval of an extension of the current 1% restaurant occupation tax.
- Up to an estimated \$17 million in State funding, which is approximately 40% of the complex cost. Approved by the State of Nebraska on October 5, 2021.
- 15 acres of land for the complex will be donated.

## **Where will the funds come from to operate and maintain the complex?**

- Admission, program, rental and concession fees.
- \$350,000 in annual contributions - Kearney Visitors Bureau and private donor.
- \$1,000,000 endowment from the Kearney Visitors Bureau.
- Donation to provide for exterior maintenance such as landscaping and snow removal.

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## ***All registered voters in Kearney will receive a mail-in ballot around November 23, or shortly thereafter.***

- Completed ballots must arrive at the Buffalo County Election Office by 5:00pm, December 14, 2021.
- It is recommended by the U.S. Postal Service that voters mail-in their ballots at least 1 week prior to December 14.
- You can bring your completed ballot to the Buffalo County Election Office, Monday-Friday, 8am-5pm.
- You can use the silver drop-box located in the horseshoe parking lot on the west side of the Buffalo County Courthouse off 1<sup>st</sup> Avenue to drop off your completed ballot. No postage necessary.