

Memorandum

*To: City Commission and
Cherise Tieben, City Manager*
From: Ken Strobel, City Attorney
Date: October 22, 2014
Subject: Expansion of STAR bond district

Recommendation: Staff recommends adoption of Ordinance No. 3594 which expands the Heritage Area of the existing STAR bond project district by the addition of approximately 25 acres of property along the eastern boundary of the current Heritage Area.

Background: In March 2012, the Commission adopted Ordinance No. 3527 which served to establish the Dodge City STAR bond project district. The District established by Ordinance No. 3527 created one STAR bond district which consisted of two non-contiguous areas located within the City: (1) the Heritage Area, which consists of a large portion of the Wright Park and downtown historic area, and (2) the Entertainment Area which is located along Highway 50 at the northwest edge of the City, which includes the Special Events Center.

Justification: Following the adoption of the original STAR bond district, it became apparent that the addition of approximately 25 additional acres along the east boundary line of the Heritage Area would significantly benefit the entire Area. After the original district was established, the CFAB (with approval of the City and County) decided to locate the new regional aquatic facility at the north edge of Wright Park. This decision prompted a private developer to commit to locate a new motel and restaurant in the area immediately north of the water park. In addition, and with the encouragement of the mainstreet program, other new development has occurred along front street. All of this development is consistent with the City's comprehensive long range plan, and STAR bond project and has drawn attention to the desirability of additional improvements along east Wyatt Earp to the east of the Santa Fe depot. With the expansion of the Heritage Area as provided in the proposed ordinance it will be possible to incorporate into the STAR bond district properties on both sides of east Wyatt Earp allowing for the creation of a "Gateway Entrance" to the historic downtown area.

Financial Considerations: Property within the expanded Heritage Area will become eligible for improvements to be financed with STAR bond proceeds. In addition, a portion of the STAR bond revenues from the properties will be allocated to improvement at the Boot Hill complex and City infrastructure within the Area.

Legal Considerations: The proposed ordinance has been reviewed by the City's bond council and all statutory procedures for adoption have been followed.

Attachment: Proposed Ordinance No. 3594.

(Published in *The Dodge City Daily Globe* on October __, 2014)

ORDINANCE NO. 3594

**AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF DODGE CITY, KANSAS,
EXPANDING THE HERITAGE AREA OF THE EXISTING STAR BOND PROJECT DISTRICT
WITHIN THE CITY AND MAKING CERTAIN FINDINGS IN CONJUNCTION THEREWITH**

WHEREAS, the state of Kansas (the “State”) desires to promote, stimulate and develop the general and economic welfare of the State and its communities and to assist in the development and redevelopment of eligible areas within a city or county, thereby promoting the general welfare of the citizens of the State, by authorizing cities and counties to acquire certain property and to issue sales tax and revenue (STAR) bonds for the financing of STAR bond projects pursuant to the provisions of K.S.A. 12-17,160 *et seq.*, as amended (the “Act”); and

WHEREAS, pursuant to the provisions of K.S.A. 12-17,171 the City of Dodge City, Kansas (the “City”) is authorized to expand the existing STAR bond project district within eligible areas of the City, as said terms are defined in the Act, to approve STAR bond project district plans for the completion of STAR bond projects within such expanded STAR bond project district, and to finance STAR bond project costs from the incremental increase in state and local sales revenues derived from the STAR bond project district, other revenues described in the Act, or a combination thereof or from the proceeds of special obligation tax increment bonds of the City payable from such described revenues; and

WHEREAS, prior to the expansion of the existing STAR bond project district the governing body of the City must adopt a resolution stating that the City is considering the expansion of the existing STAR bond project district, which resolution shall: (1) Give notice that a public hearing will be held to consider the expansion of the existing STAR bond project district and fix the date, hour and place of such public hearing, which public hearing shall be held not less than 30 nor more than 70 days following adoption of such resolution, (2) describe the proposed boundaries of the expanded STAR bond project district, (3) describe the proposed expanded STAR bond project district plan, (4) state that a description and map of the proposed expanded STAR bond project district are available for inspection at a time and place designated, and (5) state that the governing body will consider findings necessary for the expansion of the existing STAR bond project district; and

WHEREAS, notice of such public hearing shall be given by mailing a copy of the resolution calling the public hearing via certified mail, return receipt requested, to the board of county commissioners of the county, the board of education of any school district levying taxes on property within the proposed expanded STAR bond project district, and to each owner and occupant of land within the proposed STAR bond project district not more than 10 days following the date of the adoption of such resolution and by publishing a copy of such resolution once in the official City newspaper not less than one week or more than two weeks preceding the date fixed for the public hearing, which publication shall include a sketch clearly delineating the area in sufficient detail to advise the reader of the particular land proposed to be included within the expanded STAR bond project area; and

WHEREAS, upon the conclusion of such public hearing and a finding by the Secretary of Commerce that the expanded STAR bond project district is an “eligible area” under the Act, the governing body may pass an ordinance which shall: (1) make findings that the expanded STAR bond

project district proposed to be developed is a STAR bond project under the Act, (2) contain the expanded STAR bond project district plan as approved, (3) contain the legal description of the expanded STAR bond project district, and (4) may establish the expanded STAR bond project district; and

WHEREAS, no privately owned property subject to ad valorem taxes shall be acquired and redeveloped under the provisions of the Act, if the board of county commissioners or the board of education levying taxes on such property determines by resolution adopted within 30 days following the conclusion of the hearing for the establishment of the expanded STAR bond project district that the proposed expanded STAR bond project district will have an adverse effect on such county or school district; and

WHEREAS, upon the creation of the expanded STAR bond project district pursuant to the Act, the City may propose to undertake one or more STAR bond projects and shall prepare a STAR bond project plan, which may be implemented in separate development stages, in consultation with the City's planning commission; and

WHEREAS, the City Commission has heretofore adopted Resolution No. 2014-23 on September 22, 2014, which made a finding that the City is considering the expansion of the STAR bond project district pursuant to the Act, set forth the boundaries of the proposed expanded STAR bond project district, provided a summary of the proposed expanded STAR bond project district plan, called a public hearing concerning the expansion of the STAR bond project district for October 23, 2014, and provided for notice of such public hearing as provided in the Act; and

WHEREAS, on October 22__, 2014, the Secretary of Commerce made a finding that the proposed expanded STAR bond project district is an "eligible area" under the Act; and

WHEREAS, a public hearing was held this date, after due published, delivered and mailed notice in accordance with the provisions of the Act; and

WHEREAS, upon and considering the information and public comments received at the public hearing conducted this date, the City Commission hereby deems it advisable to make certain findings and to create the expanded STAR bond project district.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF DODGE CITY, KANSAS:

Section 1. Findings. The City Commission hereby finds that due notice of the public hearing conducted this date was made in accordance with the provisions of the Act. The City Commission further finds that the proposed expanded STAR bond project district is a STAR bond project as defined in the Act.

Section 2. Creation of the Expanded STAR bond project district. The Expanded STAR bond project district is hereby created within the City in accordance with the provisions of the Act (the "Expanded STAR Bond Project District") to include the additional tract of property as reflected in Exhibits A and B below within the Heritage Area of the existing STAR bond project district. The balance of the existing STAR bond project district remains unchanged. A map depicting the boundaries of the Heritage Area of the Expanded STAR Bond Project District is attached hereto as *Exhibit A*, which is incorporated herein by reference and legally described on *Exhibit B*. The boundaries of the Expanded STAR Bond Project District do not contain any property not referenced in Resolution No. 2014-23, which provided notice of the public hearing on the creation of the Expanded STAR Bond Project District.

Section 3. Expanded STAR Bond Project District Plan. The proposed district plan for the Expanded STAR Bond Project District (the "District Plan") is hereby approved. The buildings and facilities to be constructed or improved in the Expanded STAR Bond Project District may be described in a general manner as follows:

Within the Heritage Area, the District Plan provides for: (1) the renovation and expansion of the Boot Hill Museum, including modernizing the exhibits and attractions; (2) infrastructure and themed aesthetic improvements to Wyatt Earp, Front Street and other portions of Dodge City along and south of Wyatt Earp and throughout the Heritage Area; (3) a themed water park attraction, and accompanying hotel and campground; and (4) construction, renovation and expansion of regional, specialty-themed retail and restaurants to enhance this portion of the community as a regional, national and international tourist destination.

Section 4. Approval of Other Governmental Units. No privately owned property subject to ad valorem taxation within the Expanded STAR Bond Project District shall be acquired and redeveloped pursuant to the Act, if the Board of County Commissioners of Ford County, Kansas, or the Board of Education of Unified School District No. 443 determines by resolution adopted within thirty days following the public hearing held this date, that the Expanded STAR Bond Project District will have an adverse effect on Ford County or Unified School District No. 443, respectively. As of this date, the City has not received a copy of any such resolution and is not aware of the adoption of any such resolution by the governing body of Ford County or Unified School District No. 443.

Section 5. Reimbursement. The Act authorizes the City to issue special obligation bonds (the "Bonds") to finance all or a portion of the costs of implementing the District Plan. The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of passage of this Ordinance, pursuant to Treasury Regulation §1.150-2. The maximum principal amount of Bonds that would be issued to reimburse for expenditures made prior to the issuance of the Bonds is limited to \$1,000,000.00

Section 6. Further Action. The Mayor, City Manager, City Clerk and other officials and employees of the City, including the City Attorney, City consultants, and Gilmore & Bell, P.C., Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 7. Effective Date. This Ordinance shall be effective upon its passage by the City Commission and publication one time in the official City newspaper.

Passed by the City Commission of the City of Dodge City, Kansas, on _____.

Brian Delzeit, Mayor

Nannette Pogue, City Clerk

Approved As to Form Only:

Ken Strobel, City Attorney

CERTIFICATE

I, the undersigned hereby certify that the above and foregoing is a true and correct copy of the original Ordinance No. ____ (the “Ordinance”) of the City of Dodge City, Kansas (the “City”); that said Ordinance passed by the City Commission on October 23, 2014; that it was published in the official newspaper of the City on October ____, 2014; and that the Ordinance has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: October __, 2014

City Clerk

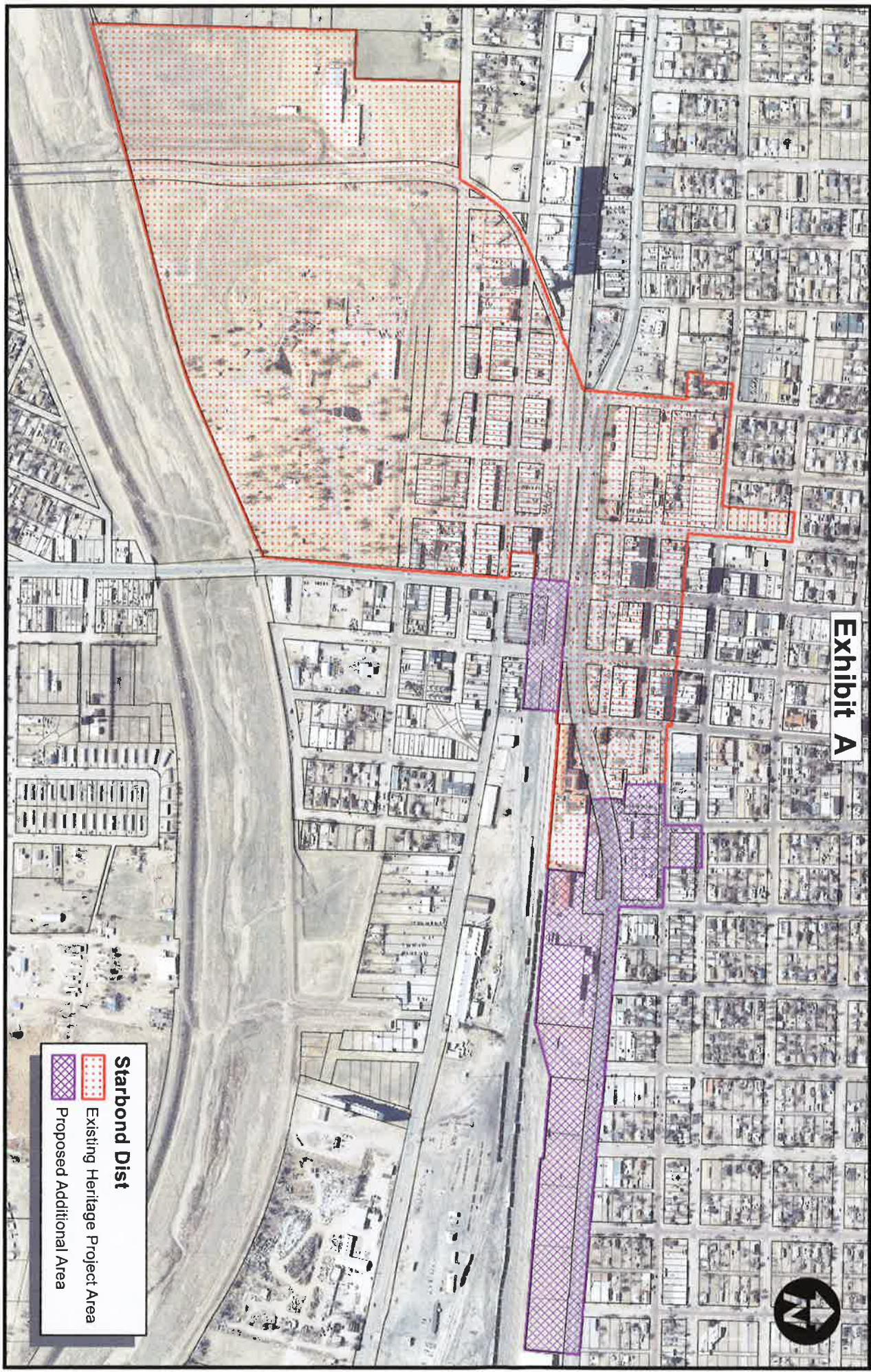


Exhibit A

Starbond Dist

-  Existing Heritage Project Area
-  Proposed Additional Area

STAR BOND LEGAL DESCRIPTION
HERITAGE DISTRICT

Beginning at the intersection of the east r/w line of Fifth Ave. and the south r/w line of Wyatt Earp Blvd. as the point of beginning; thence north along the east r/w line of Fifth Ave. to the extended south line of the north 60 feet of Lots 41,42,43 and 44 of Walnut Street, Original Town; thence west along the said extended line to the west line of Lot 44, Walnut Street, Original Town; thence north along the west line of said Lott 44 to the south line of the platted alley; thence east along the south line of said alley to a point that is 82 feet west of the west r/w line of Fifth Ave.; thence north and parallel with a line that is 82 feet west of the west r/w line of Fifth Ave. to the south r/w line of West Spruce Street; thence east along the south r/w line of said West Spruce Street to the extended east line of the n-s alley in Block 20, Original Town; thence north along the said n-s alley to the south r/w line of West Vine Street; thence east along the south r/w line of said West Vine Street to the west r/w line of Third Ave.; thence south along the west r/w line of said Third Ave. to the extended south line of the e-w alley along Lots 17 thru 24, Gunsmoke Street, Original Town; thence east along the south line of said alley and continuing east extending thru the vacated alley along Lots 9 thru 16, Gunsmoke Street, Original Town; thence continuing along the south line of the e-w alley along Lots 1 thru 8, Gunsmoke Street, Original Town to the west r/w line of Central Ave.; thence south along the west r/w line of said Central Ave. to the projected south r/w line of Military Ave.; thence east along the projected south r/w line of said Military Ave. to the west line of Lot 12, Block 2, F.W. Boyd's Addition; thence south along the west line of said Lot 12 for a distance of 160 feet to the north line of an e-w alley; thence east along the north line of said e-w alley to the projected west line of Lot 1, Block 9, Centennial Addition; thence south along the projected west line of said Lot 1 to a point that intersects the south r/w line of Wyatt Earp Blvd.; thence east for a distance of 387.07 feet; thence south for a distance of 187.9 feet to the north r/w line of the B.N.&S.F. Railroad; thence west along the north r/w line of said B.N.&S.F. Railroad to the extended east r/w line of Central Ave.; thence south along the extended east r/w line of said Central Ave. to the north r/w line of the BN&SF Railroad; thence west along the north r/w of said BN&SF Railroad which is also the south r/w line of Wyatt Earp Blvd. to extended west line of Lot 49, West Trail Street, Original Town; thence south along the extended west line of said Lot 49 to the north r/w line of West Trail Street; thence east along the north r/w line of said West Trail Street to the west r/w line of South Second Ave.; thence south along the west r/w line of said South Second Ave. to the north line of the Arkansas River; thence in a southwesterly direction along the north line of said Arkansas River to the east line of Young's Place; thence north along the east line of said Young's Place to a point that is 528 feet south of the south r/w line of Park Street; thence east for a distance of 245 feet; thence north for a distance of 528 feet to the south line of Park Street; thence east along the south r/w line of said Park Street to the west/north line of the Burlington Northern/Cimarron Valley Railroad; thence northeasterly along the north line of said Burlington Northern/Cimarron Valley Railroad and extending to the point of beginning.

AND

A tract of land beginning at a point along the south r/w line of Military Ave. and the west line of Lot 12, Block 2, F.W. Boyd's Addition; thence south along the west line of said Lot 12 for a distance of 160 feet to the north line of an e-w alley; thence east along the north line of said e-w alley to the projected west line of lot 1, Block 9, Centennial Addition; thence south along the projected west line of said Lot 1 to a point that intersects the south r/w line of Wyatt Earp Blvd.; thence east for a distance of 387.07 feet; thence south for a distance of 187.9 feet to the north r/w line of the B.N. & S.F. Railroad; thence east along the said north r/w line of the B.N. & S.F. Railroad to the southeast corner of Western Beverage; thence northeasterly to the southwest corner of Lot 1, Santa Fe Plaza; thence easterly along the south line of Santa Fe Plaza to the southeast corner of Lot 5, Santa Fe Plaza; thence north along the east line of said Lot 5 to the south r/w line of Wyatt Earp; thence west along the south r/w line of Avenue B; thence north along the extended west r/w line of said Avenue B to the northeast corner of Lot 7, Block 9, Centennial Addition; thence west along the south r/w line of military Ave. to the extended east line of Lot 29, Block 2, Original town; thence north along the extend east line of said Lot 29, Block 2, Original Town to the south r/w of Spruce Street; thence west along the south r/w of said spruce street to the northwest corner of Lot 21, Block 2, Original Town, said corner being on the east r/w line of Avenue A; thence south along the east r/w line of said Avenue A extending to the south r/w line of military Ave.; thence west along the south r/w line of Military Ave. to the point of beginning.

AND

A track of land beginning at a point along the south r/w line of Wyatt Earp Blvd. And the west r/w Line of Second Ave.; thence south along the west line of Second Ave. to the south r/w line of South Front Street as platted in Original Town; thence east along the south r/w line of South Front Street to a point that is 250 feet east of the east r/w line of Second Ave.; thence north to the north r/w line of the B.N. & S.F. Railroad; thence west along the north r/w line of said B.N. & S.F. Railroad, said line also being the extended south r/w line of Wyatt Earp Blvd. to the point of beginning.