TO: Mayor and City Council

SUBJECT: Public Hearing Considering an Amendment to the East Bank Redevelopment District Boundaries and a Change to the District Plan (Districts I, IV, and VI)

INITIATED BY: Office of Urban Development

AGENDA: New Business

Recommendation: Close the public hearing and place the ordinance on first reading.

Background: On December 12, 1995, the City Council approved the establishment of the East Bank Redevelopment District (the “District”). The City Council amended the District boundaries in 2002 and again in 2004 to the boundaries that exist today. In 2007, the Kansas Secretary of Commerce (the “Secretary”) approved the River District STAR Bond Project Plan, which provided that the District was also approved as a STAR Bond District.

The City has an opportunity to make improvements to the west bank of the Arkansas River and Lawrence Dumont Stadium area (Stadium) that will complement the east bank improvements from WaterWalk to the Keeper of the Plains. Combined, the area will greatly enhance the area and be a destination for arts, recreation and sports. It is necessary to amend the ordinance to expand the District for STAR Bond purposes only to include the west bank properties in order to include the river bank, stadium and other property in the District and make a change to the District Plan to incorporate making the referenced improvements and include the additional property as a project area. An amendment to the Ordinance is needed in order to include the property in the district for eligible improvements.

On November 1, 2016, the City Council adopted a resolution stating its intent to consider an amendment to the boundaries. Copies of the resolution were mailed, by certified mail, to all owners and occupants of the property in the district, and to the board of Sedgwick County Commissioners and the U.S.D. 265 Board of Education, according to State law.

Analysis: The Delano area has experienced an increase in activity in recent years. In addition to the recent activity, the City is constructing the new Advanced Learning Library and is in the process of selling the Delano Catalyst Site south and east of the library for a mixed-use development. The City has an opportunity to make improvements to the west river bank and the Stadium area to complement the emerging development adjacent to the library and west bank. The expanded boundaries provide an opportunity to connect the two banks of the Arkansas River.

The East Bank STAR Bond District has successfully generated sales tax revenue to repay the outstanding bonds ahead of schedule. The additional revenue created by the existing and future retailers will generate sufficient sales tax to finance the improvements necessary to create a destination tourism and sports district. Expansion of the District does not increase the sales or property taxes in the area.

Expansion of the District is the first step in the process of enhancing the Stadium area and river bank. The City will also be required to amend the East Bank STAR Bond Project Plan to include the improvements. Amendment of the project plan will provide the City the authority to issue additional STAR Bonds to finance the expansion, if approved by the Kansas Secretary of Commerce.
**Financial Considerations**: The costs associated with amending the STAR bond district will be paid from the Economic Development Fund and reimbursed with STAR bond proceeds.

**Legal Considerations**: The attached ordinance amending the boundaries of the STAR Bond Project District has been approved by the Law Department.

**Recommendations/Actions**: It is recommended that the City Council adopt on emergency first reading the ordinance amending the District boundaries and District Plan.

**Attachments**: Amending Ordinance