

# STAR Bond Committee



# STAR Bond Committee

- Committee meetings are subject to the Kansas Open Meetings Act:
  - Meetings will be open to the public;
  - Agendas and minutes will be prepared and posted on the City's website;
  - A local news representative will be invited to attend meetings; and
  - Action will only be taken if a majority of the body is present.

# STAR Bond Committee

- Make recommendations for the governing body's consideration as follows:
  - Whether to pursue a STAR Bond Project;
  - If “yes,” the Committee's work will also develop:
    - Recommendations for a defined geographic boundary for the STAR District; and
    - Recommendations for a Project Plan to be studied further for potential inclusion in a STAR Bond application to the State of Kansas.

# STAR Bonds Basics



# STAR Bond Basics

- Sales Tax and Revenue (“STAR”) Bonds allow a city to capture the **sales tax** and **transient guest tax** collected within a defined geographic district for the development of tourism-related amenities.



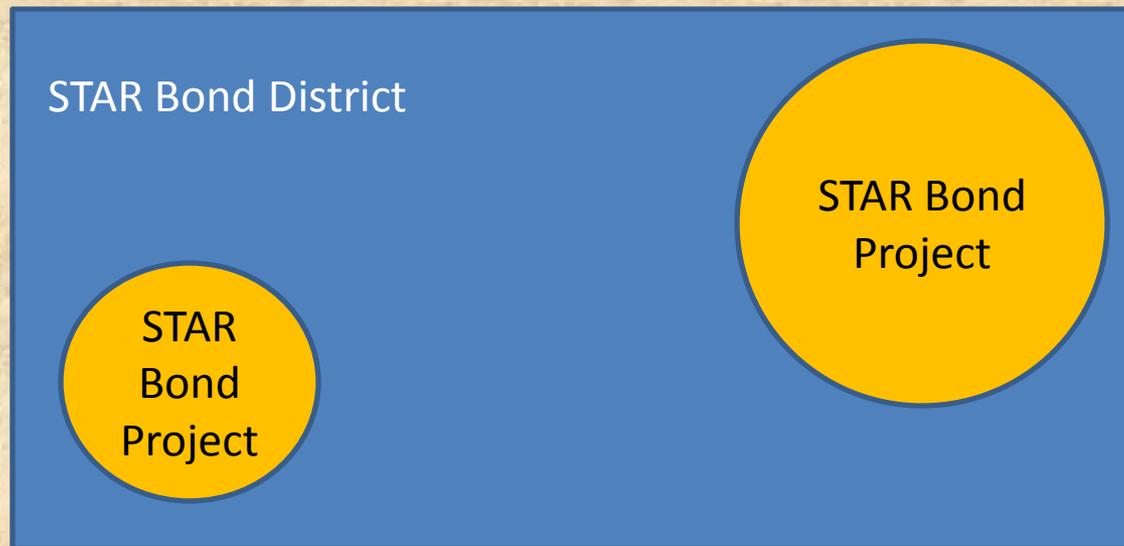
# STAR Bond Basics

- Revenue generated within defined District is used to finance public improvements and other eligible expenses within the District.



# STAR Bond Basics

- Cities establish a geographically defined STAR Bond District wherein STAR Bond Projects may be authorized and constructed.



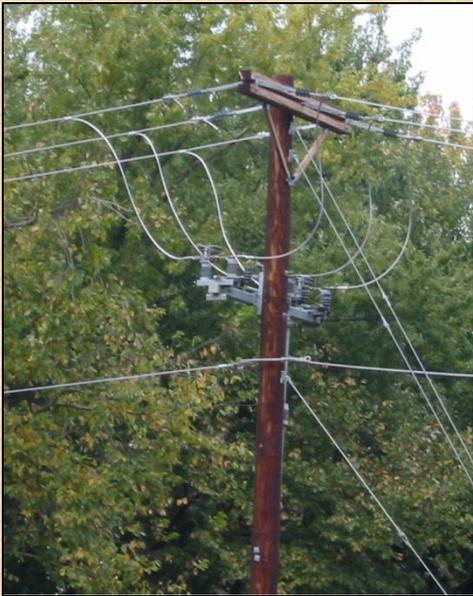
# STAR Bond Basics

- STAR Bond Projects are approved projects that implement a project plan for the development of an established STAR Bond District.
- The Secretary of Commerce may authorize a STAR Bond Project in Abilene if:
  - The Project is an Eligible Area; and
  - Is of regional or statewide importance.
- Focus must be on tourism.

# Eligible Areas

- Eligible Areas include:
  - Historic theater;
  - Major tourism area;
  - Major motorsports complex;
  - Auto race track facility;
  - River walk canal facility;
  - Major multi-sport athletic complex; and
  - Major commercial entertainment and tourism area, as defined by the Secretary of Commerce.

# Eligible Expenses



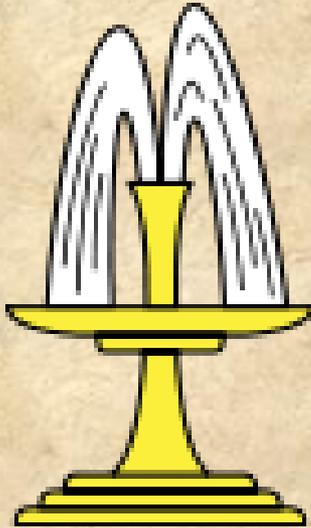
- Acquisition of real property;
- Payment of relocation assistance pursuant to relocation assistance plan;
- Site preparation, including utility relocations;
- Sanitary and storm sewers and lift stations;
- Drainage conduits, channels, levees, and river walk canal facilities;
- Water mains and extensions;

# Eligible Expenses

- Street grading, paving, graveling, curb and guttering, and surfacing;
- Street light fixtures, connections and facilities;
- Underground gas, water, heating and electrical services located in public right-of-way;
- Sidewalks, pedestrian over/underpasses;
- Drives and driveway approaches located in the public right-of-way;



# Eligible Expenses



- Plazas and arcades;
- Parking facilities and multilevel parking structures;
- Landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations, and similar amenities;
- Museum facilities, major multi-sport athletic complexes, major motorsports complex; and
- Other related redevelopment and finance expenses.

# Ineligible Expenses

- *Ineligible* expenses include:
  - Construction of buildings and structures;
  - Fees and commissions, lobbying costs;
  - Local government employee salaries;
  - Moving expenses for employees of businesses locating within District;
  - Property taxes for businesses located in District;
  - Personal property;
  - Travel, entertainment, and hospitality.

# STAR Bond Process

1. Establish a STAR Bond District and Plan.
2. District and Plan to Commerce.
3. Preliminary Due Diligence.
4. STAR Bond Application to Commerce.
5. Establish STAR Bond Project.
6. Construct Projects and collect revenue.
7. Pay debt service or reimburse developer.

# STAR Bond District Process

1. Governing body adopts resolution stating its interest in considering the establishment of a STAR Bond District and Plan.
2. District and Plan submitted to Commerce for determination of eligibility.
3. Governing body conducts public hearing.
4. Governing body adopts ordinance establishing District and Plan.

# STAR Bond District Process

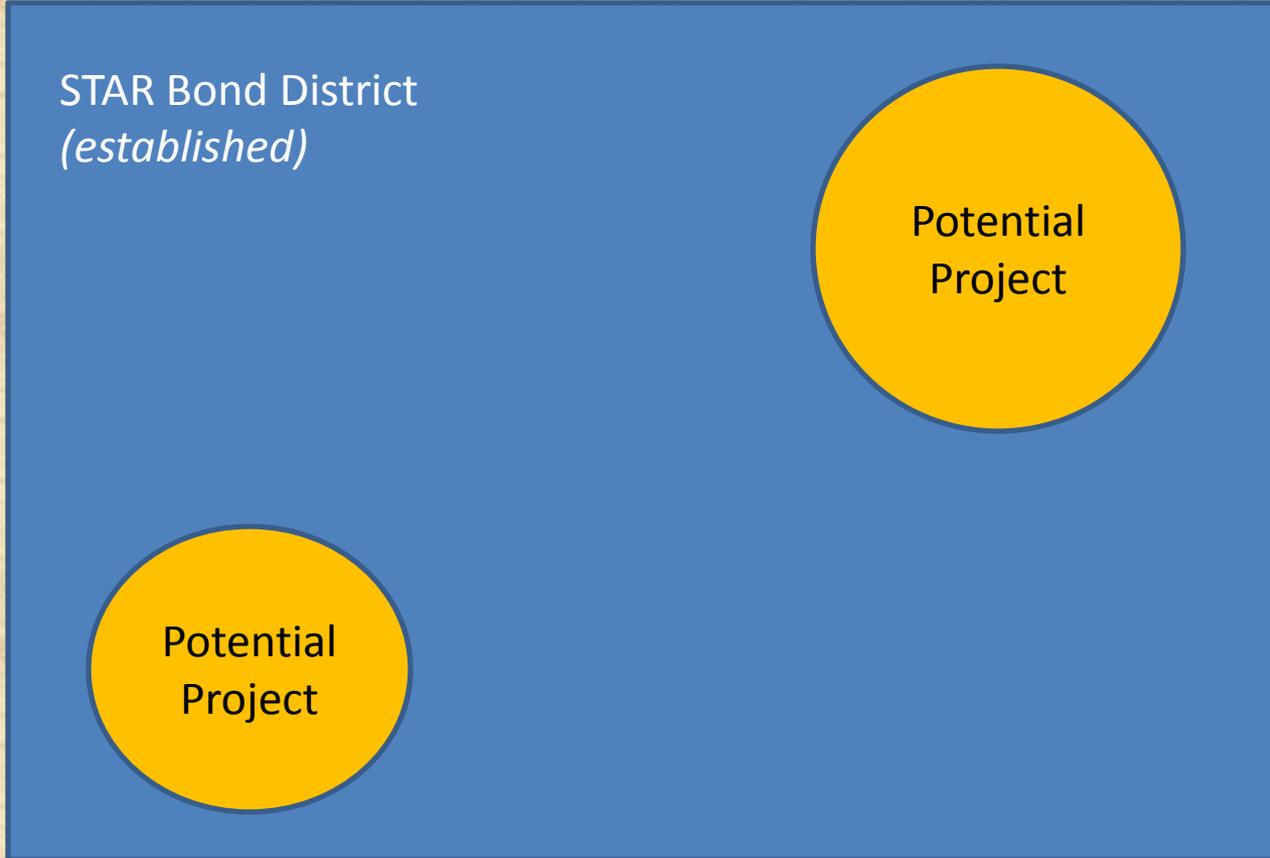
- STAR Bond District Plan identifies all of the proposed STAR Bond Project areas and identifies in a general manner all buildings and facilities proposed to be constructed or improved in each Project area.

# STAR Bond Basics

STAR Bond District  
*(established)*

Potential  
Project

Potential  
Project



# STAR Bond Project Process

1. Governing body authorizes due diligence.
2. Preparation of Feasibility Study and Project Plan.
3. Project Plan delivered to County and School District for review.
4. Planning Commission reviews proposed Plan with consideration of Comprehensive Plan.

# Preliminary Due Diligence

- Feasibility Study containing such information as:
  - Revenue and cash flow analysis;
  - “Competition” analysis;
  - State and regional economic analysis;
  - Visitation expectations;
  - Economic impact study, market study, and market impact study.

# Preliminary Due Diligence

- If Project is determined to be feasible, a Project Plan is developed that includes:
  - Summary of feasibility study;
  - Description and map of Project Area to be redeveloped;
  - Relocation plan, if applicable;
  - Detailed description of buildings and facilities proposed to be constructed or improved; and
  - Other pertinent information.

# STAR Bond Project Process

5. Governing body conducts public hearing.
6. Governing body adopts an ordinance approving STAR Bond Project Plan.
7. Substantial changes to Plan must follow same procedure to establish Plan.
8. STAR Bond Projects must be completed within 20 years of approval of Plan.
9. Construction must begin within two years of Plan's approval.

# STAR Bond Financing

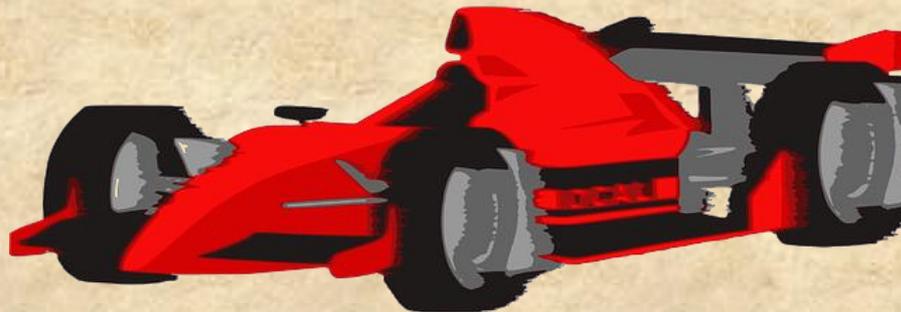
- City may issue special obligation bonds that are repaid with revenue collected from the District:
  - 100% of local sales and use taxes collected within the District (with some exceptions);
  - 100% of state sales taxes collected within the District;
  - All or a portion of transient guest taxes (at option of city and with approval of secretary);

# STAR Bond Financing

- City may issue special obligation bonds that are repaid with revenue collected from the District:
  - Pledge of all or portion of increased revenue from franchise fees generated within District;
  - Pledge of all or portion of revenue received from local sales tax or local transient guest taxes; or
  - Any combination of these methods.

# STAR Bond Financing

- Pay-as-you-go financing may also be used to reimburse City and/or developer for eligible upfront costs.
- G.O. Bonds may not be issued for a STAR Bond Project unless Project is a major motorsports complex.



# STAR Bonds

- Cities that have done or are working on STAR Bond Projects:
  - Kansas City (Village West and Kansas Speedway)
  - Topeka (Heartland Speedway)
  - Hutchinson (Underground Salt Museum)
  - Manhattan (Flint Hills Discovery Center)
  - Wichita (Water Walk Project and Multi-Sport Complex)
  - Overland Park (Prairiefire Museum)
  - Salina (Downtown museum and Fieldhouse)

# STAR Bond Committee

[www.abilenecityhall.com/star](http://www.abilenecityhall.com/star)