

City of Dodge City

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To: Chairwoman Senator Julia Lynn and Commerce Committee Members

From: Cherise Tieben, City Manager

Date: March 7, 2018

Subject: Written Testimony in Opposition of HB 434

Dear Senator Julia Lynn;

Thank you for considering my testimony on behalf of the City of Dodge City in opposition of Senate Bill 434. A bill amending STAR bonds by limiting financing to tourist attractions, limiting the state revenue and limiting benefits for certain businesses.

As a municipality who has utilized STAR bonds in successful projects, I can attest that STAR bonds have proven to be one of the most effective economic development and job creation tools the State of Kansas has available to our communities.

Dodge City is very proud of its place in the history of western heritage – from the historical figures that walked in our streets -- Wyatt Earp, Doc Holiday and Bat Masterson – to our community's continued efforts to preserve that heritage by caring for the historical assets that we have in Dodge City today. We are vigorously committed to our history and its place in the rich cultural fabric of the State of Kansas. Millions of visitors have come to the State of Kansas specifically to visit Dodge City and our primary attraction, Boot Hill Museum, has been the cornerstone of tourism for decades.

There is a number of components to the Dodge City' STAR Bond District. The centerpiece of the Heritage Area portion of the Dodge City Project is the historic Boot Hill Museum. This museum has been the anchor of Dodge City's tourism industry for decades, but it is at a crossroads and requires reinvestment if it is to remain a national tourism attraction. Dodge City is one of very few United States heritage towns still standing, and the Boot Hill Museum is a unique destination attraction in western Kansas that typically draws 68,000 to 80,000 visitors a year.

The City of Dodge City established a STAR Bond District in March of 2012 and we have worked very hard to attract new development to this STAR Bond District. We issued bonds in December of 2015. We are very proud of the new development and improvements that are occurring in our historic downtown area. Additionally, we are very proud that through this STAR Bond project we will have created a major new addition to the Boot Hill Museum allowing for modernized methods of displaying attractions and creating an area for travelling exhibits which will constantly be updated to attract new visitors to this long-time Kansas attraction. This Project is still under design as we speak today and we expect construction in 2019, there is no question that this Project has already been transformative to our downtown area and will be a game-changer for Dodge City when it is completed, opened and fully-operational.

South of Wyatt Earp Boulevard, which navigates through the center of the Heritage Area, there is a new, themed water park and aquatic center called the Long Branch Lagoon (the "Waterpark"). The Waterpark was completed and opened in time for the 2016 season and is located just west of Fourth Avenue and immediately north of Wright Park. The Waterpark was not constructed with STAR Bond revenues – the City developed the Waterpark primarily with funds from its "Why Not Dodge?" tax. The total of this project was just over \$12.2 million dollars. The Waterpark is operated by the City and open to the public and priced on a community-based pricing model – currently \$4.00 to \$6.00 for a daily admission and \$185.00 for a seasonal family pass. In its first season this year, the Waterpark out-performed expectations – with visitation of over 80,000 visitors.

In April 2015, the City entered into a development agreement with Leisure Development, LLC ("Leisure Development") to design, construct and open a first-class hotel at the corner of Fourth Avenue and West Trail Street (the "Hotel"). The Hotel was constructed as a "Holiday Inn Express" banner hotel containing a minimum of 90 rooms and including such amenities as are customarily required by Holiday Inn Express. The Hotel provides the only lodging option for families and visitors specifically within the Heritage Area, including those who are attracted to Dodge City because of the Boot Hill Museum, Dodge City Days or visitors who plan to spend a summer vacation in Dodge City.

The City's development agreement with Leisure Development also required the renovation of the historic Guymon Petro building on the northeast corner of Fourth Avenue and West Trail Street. The renovated 12,000 square foot building features a Guymon Petro Bar & Grill which opened in December 2016 on the first floor, and a very popular new event/banquet space on the second floor (collectively, the "Restaurant"). The banquet and event space on the second floor of the Restaurant serves an unmet demand in Dodge City and provides a unique event space not just for the citizens of Dodge City, but also people who are planning weddings and other events in the region who are willing to travel for special events at the right event space.

Leisure Development also agreed to construct and operate a new campground and recreational vehicle facility (the "RV Park") located immediately west of Wright Park and just south of the new soccer field that the City is constructing to serve a dual purposes as a stormwater detention facility in the Heritage Area. The RV Park was completed last summer. It includes approximately 100 stalls for recreational vehicles, complete with electrical services and restroom facilities. The RV Park proves to be a tourism asset for Dodge City and the region because it provides families who are vacationing in RVs with high quality accommodations located in an attractive location which is surrounded by other historical and entertainment attractions.

The owner of the Lewis Ford Auto Dealership located at 200 East Wyatt Earp Boulevard – the entrance to downtown Dodge City – acquired the nearly defunct dealership and made substantial improvements by leveling nearly the whole property. The existing operation was expanded to include construction of a new Dealership showroom and sales building consisting of approximately 7,800 square feet. The improvements to the Dealership are now completed and cost approximately \$2,496,000. The Dealership improvements also enabled the streetscape and landscaping improvements that have occurred immediately adjacent to the Dealership – which effectively serves at the gateway to the Heritage Area and its attractions.

One of the last components to Dodge City's STAR Bond District is the non-contiguous Power Center Project Area, which is located on North 14th Avenue corridor. The Power Center Area is currently being finalized and will provide the much needed funds to complete the design upgrades and improvements to Boot Hill Museum and other tourism amenities in the Historic Downtown area. The Power Center

Project Area is planned to include a 75,000 square foot home improvement and building supplies store with a 35,000 square foot of garden center, 15,000 square feet of smaller, boutique shop space, and three (3) out parcels totaling approximately 14,000 square feet. The three out parcels would provide national restaurant chains and/or retail stores. This project will spur additional much desired retail growth in the area.

As you can tell, STAR bonds are an effective economic development incentive that has transformed our community. These projects would not have been possible without STAR Bonds. Additionally, I cannot stress enough the fact that mid-size communities like Dodge City and small cities struggle to recruit and retain businesses. STAR bonds have made it possible for Dodge City to bring new developments and substantially improve tourism in our community which will bring in significant amount of new proceeds to the State that never would have occurred without this reinvestment into this STAR bond project. The economic benefits and growth in Dodge City are expected to continue as we bring these projects to the finish line.

The City of Dodge City respectfully requests that you oppose Senate Bill 434 or any similar legislation that amends STAR bonds by limiting financing tourism attractions and state revenue contributions. We urge you to work with all parties and find consensus among all interested groups. It is for all of the reasons above that we strongly urge you to oppose Senate Bill 434.

Thank you for your time and consideration.

Sincerely,

Cherise Tieben City Manager