

**ORDINANCE NO. 3228**

**AN ORDINANCE ESTABLISHING A HOTEL INCENTIVE POLICY FOR THE CITY OF ABILENE, KANSAS**

**WHEREAS**, the City of Abilene desires to promote the development of a hotel development project within the community;

**WHEREAS**, the City has developed a Hotel Incentive Policy for the purpose of incentivizing the development of a new hotel or the expansion of an existing hotel;

**WHEREAS**, the City, under the authority of Home Rule, exercises its authority to adopt policies to address issues of local importance.

**WHEREAS**, the Convention and Visitors Bureau and the Economic Development Council recommended approval of the Hotel Incentive Policy by the City Commission.

**THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF ABILENE, KANSAS:**

**SECTION 1: PURPOSE.** The purpose of this policy is to establish the intent and procedures of the City of Abilene for granting a Hotel Incentive Policy used to attract and promote the development of a new hotel or expansion of an existing hotel within the city limits of the City of Abilene, Kansas.

**SECTION 2: LEGAL AUTHORITY.** Pursuant to Charter Ordinance No. 15, as amended, the City Commission has the authority to levy a transient guest tax that may be used to create innovative projects and activities promoting conventions and tourism and to promote the general economic welfare of the City and its environs, including the attraction of tourist-related industries. The City Commission reserves the right to exempt any project from the criteria established herein if warranted.

**SECTION 3: ELIGIBLE APPLICANTS.** Developers or property owners making a minimum investment of \$4.0 million towards the development of a hotel, or property owners of an existing hotel making a minimum investment of \$1.5 million in their hotel property are eligible to receive a reimbursement of a portion of the transient guest tax receipts, as provided herein.

**SECTION 4: SPECIAL ASSESSMENTS.** This Policy shall not affect the liability of property for any special assessments levied or to be levied against such property. Any property owner benefitting from this Policy who becomes delinquent on property taxes, special assessments, or other public obligations shall be ineligible to receive further reimbursement under this Policy.

**SECTION 5: AMOUNT OF INCENTIVE.** The City Commission may authorize a reimbursement of a portion of the transient guest tax collected by an eligible property only upon a showing of an economic benefit to the City, including the investment of capital and the creation of additional employment. The applicant shall prepare, at its sole cost, a cost-benefit analysis in a form approved by the City, showing the overall economic impact to the community of the proposed project. The analysis must demonstrate a positive economic impact before the incentive may be granted. Following the acceptance of a cost-benefit analysis by the City Commission, the City Commission may authorize a reimbursement as follows:

- a. Base Incentive. A base incentive equal to 25% of the transient guest tax collected from the hotel property may be authorized by the City Commission for up to ten years. The incentive shall be paid to the eligible property on an annual basis by February 1<sup>st</sup> for the prior year.
- b. Incremental Incentive. The City will consider increasing the amount of the base incentive up to 75% of the of the transient guest tax collected from the hotel property if the developer or property owner constructs and/or operates a hospitality-related business such as a restaurant or convention center. To be eligible, convention centers must have a minimum occupancy rating of 250 people.

**SECTION 5: TERM.** The maximum term of the reimbursement shall be ten years.

**SECTION 6: INCENTIVE CRITERIA.** To be eligible for any incentive under this Policy, a developer or property owner will have to demonstrate compliance with the following requirements:

- a. Projects must create a minimum investment of \$4.0 million for new hotel projects and a minimum investment of \$1.5 million for expansion projects.
- b. Project must have obtained a Certificate of Occupancy from the Community Development Department.
- c. All public infrastructure for projects must be designed and constructed to City standards and specifications. Design of public improvements shall be prepared by a professional engineer licensed in the State of Kansas. The cost to design and construct public improvements shall be at the sole expense of the applicant unless other terms are agreed to by the City.

**SECTION 7: INELIGIBLE ITEMS.** Reinvestment in existing hotels for the purpose of maintaining franchise requirements or to generally maintain or improve external or internal aesthetics or landscaping shall not be eligible for reimbursement under the terms of this Policy.

**SECTION 8: OTHER INCENTIVES.** Nothing in this Policy shall preclude an applicant from applying for and benefiting from other incentives that the project would otherwise be eligible to participate (i.e., Neighborhood Revitalization District). The applicant shall be responsible for ensuring compliance with all requirements for other programs.

**SECTION 9: ADMINISTRATION.** Applications requesting reimbursement under the terms of this Policy shall be available at and submitted to the Community Development Department. No exemption shall be considered by the City unless and until such application is complete and accepted by the City. Following review and approval of the request by the City Commission, the City Manager shall reimburse the applicant per the terms of this Policy.

**SECTION 10: SUNSET PROVISION.** The incentive authorized by this ordinance shall terminate five years after its adoption unless the City Commission reauthorizes it by ordinance.

**SECTION 11: EFFECTIVE DATE.** This Ordinance shall become effective and in full force from and after its passage, adoption and publication in the official City newspaper.

PASSED AND ADOPTED this 25<sup>th</sup> day of February, 2013.

By: *Dennis P. Weishaar*  
Dennis P. Weishaar, Mayor

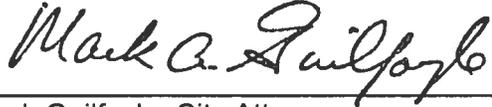
ATTEST:

*Penny Soukup, CMC*  
Penny Soukup, CMC City Clerk



### Summary of Ordinance No. 3228

On February 25, 2013, the City of Abilene, Kansas, adopted Ordinance No. 3228, An Ordinance establishing a Hotel Incentive Policy for the City of Abilene, Kansas. A complete copy of this ordinance is available online at [www.abilenecityhall.com](http://www.abilenecityhall.com) or during normal business hours at City Hall, located at 419 N. Broadway Street in Abilene, Kansas. The ordinance is not subject to a protest petition. Questions pertaining to this ordinance may be directed to City Attorney Mark Guilfoyle at (785) 263-3070 or City Manager David Dillner at (785) 263-2550. This summary has been reviewed and certified by Mark Guilfoyle, P.A., City Attorney.



Mark Guilfoyle, City Attorney