



**CITY OF DERBY
MEETING OF THE CITY COUNCIL
SPECIAL MEETING**

June 6, 2016

4:00 P.M.

Our mission is to create vibrant neighborhoods, nurture a strong business community, and preserve beautiful green spaces.

1. CALL MEETING TO ORDER

The meeting was called to order at 4:00 p.m.

2. FLAG SALUTE - Council President Mark Staats

3. ROLL CALL	COUNCIL MEMBERS PRESENT:
MAYOR	Randy White
WARD I	Rocky Cornejo, Tom Keil
WARD II	Jack Hezlep
WARD III	Cheryl Bannon
WARD IV	John McIntosh, Mark Staats
	COUNCIL MEMBERS ABSENT:
WARD II	Vaughn Nun
WARD III	Chuck Warren

4. NEW BUSINESS

Moved by Mark Staats, seconded by Cheryl Bannon to change the order of the agenda moving item 5.A. Executive Session before item 4.A.

Vote: 6 - 0

Other: Chuck Warren (ABSENT)

Vaughn Nun (ABSENT)

5. EXECUTIVE SESSION

Moved by Mark Staats, seconded by Cheryl Bannon to recess to executive session for:

Consultation with legal counsel to the City on matters deemed to be of attorney-

client privilege and discussion of confidential data relating to financial affairs or trade secrets of second and third parties, both specifically regarding potential issuance of STAR bonds, and reconvene the open meeting here in the Council Room no sooner than 4:50 p.m.

Vote: 6 - 0

Other: Chuck Warren (ABSENT)

Vaughn Nun (ABSENT)

Council Member Chuck Warren arrived to the Executive Session just after it began.

Council President Staats reconvened the special meeting at 5:41 p.m., and stated no binding action was taken.

5. A. **Schedule a Public Hearing to Consider a STAR Bond Project Plan**

Guests:

- Joe Norton, Esq., Gilmore & Bell, P.C., Attorney for City of Derby
- Rick Worner, Derby Destination Developers, LLC
- Korb Maxwell or Marc Abbott, Polsinelli, Attorney for Derby Destination Developers

Background:

- On August 25, 2015, the City Council held a public hearing about a proposed destination development on the west side of Rock Road at the north end of town.
 - Mr. Rick Worner of Leawood, Kansas developed the proposal for a commercial entertainment district themed on dinosaurs.
 - Mr. Worner has developed STAR bond projects in Kansas City, Kansas (NASCAR racetrack area), northeast Wichita at K-96 (Wichita Sports Forum), and in Goddard (swimming and diving natatorium--in process), among others.
- On Sept. 8, the City Council approved creation of the STAR bond project district. Since then, the developer has been working on the many issues involved in putting together a Project Plan, which he recently submitted to the City (attached).
- The Project Plan includes a dinosaur component (outdoor exhibition and park, indoor exhibits, indoor theater, ropes course under the dome, themed miniature golf, public fitness trail course, zip line and fossil dig site), hotel, restaurant, daycare, and a medical complex essentially between the north water tower and Patriot Avenue. In addition, retail businesses are envisioned south of Patriot Avenue.

Financial/Sustainability Considerations:

- STAR bonds are a form of public/private partnership in which public funds (sales tax revenue) are used to pay for certain capital costs of creating a destination development.
- The Project Plan proposes issuance of \$23,996,484 in STAR Bonds to help finance the total capital investment of approximately \$159,078,530. The plan includes an updated feasibility study as Exhibit H.
- In Kansas, STAR bonds are primarily a tool for a financial incentive provided mostly by the state for the private sector to partner with the state and a city to create a destination attraction.
 - The primary purpose is to attract visitors from out of state and encourage in-state visitors to extend their visits an additional day or two.
 - The overall goal is economic development and job creation.

Legal Considerations:

- Per state law, the proposed action to schedule a public hearing on July 12 at 6:30 p.m. is the next step in the City's consideration of the proposed project.
- Once the Council hears from the public, it may consider the proposal further. Ultimately, the Kansas Department of Commerce would have to give its approval before the City could issue STAR bonds.

Policy Considerations:

- On June 2, 2016, the Derby Planning Commission considered whether the Project Plan is consistent with the City's comprehensive plan. By a 9-0 vote, the Planning Commission determined it is consistent.

Recommend a Motion to:

- Adopt a resolution providing for notice of a public hearing to consider adopting a STAR Bond Project Plan.

Moved by Mark Staats, seconded by Chuck Warren to adopt a resolution providing for notice of a public hearing to consider adopting a STAR Bond Project Plan.

Council Member Bannon added the goal is to obtain public opinion. She asked if we can include information on our website, *The Derby Informer* and on social media.

Ms. Sexton replied we will use multiple methods to get the word out. The resolution will be published in the paper and an article included in the July Derby News, which is a direct mailing to over 9,000 households in Derby.

Vote: 7 - 0

Other: Vaughn Nun (ABSENT)

6. ADJOURNMENT

Moved by Mark Staats, seconded by Cheryl Bannon to adjourn the meeting at 5:43 p.m.

Vote: 7 - 0

Other: Vaughn Nun (ABSENT)

Randy White, Mayor

ATTEST:

Karen Friend, City Clerk