

August 26, 2016

Jason Gage, City Manager
Mike Schrage, Deputy City Manager
City of Salina
300 W Ash Street
Salina, KS 67401

Gentlemen:

Please accept this letter and accompanying documents as Blue Beacon's application to establish a Community Improvement District in the City of Salina in conformance with The Community Improvement District Policy adopted by Resolution #10-6700. This application is specific to establishment of the proposed Hotel CID as part of the larger downtown redevelopment project.

Pursuant to Section VI Subsection D of the policy, included with this application is a check in the amount of \$7,500. This represents payment of the \$2,500 Initial Application Fee and \$5,000 for the Out-of-Pocket Professional Services Fees.

Attached are the following exhibits:

Exhibit A	Legal Description
Exhibit B	Map of the District Area with Tax Parcel I.D. Information
Exhibit C	Description of the Project
Exhibit D	Plans and Renderings
Exhibit E	Estimated Project Costs
Exhibit F	Estimated Market and Assessed Value
Exhibit G	CID Petition
Exhibit H	Proposed Financing

The general nature of the CID Project and costs eligible for CID reimbursement are described with specificity in the CID Petition submitted in conjunction with this application. Any service costs reimbursed through CID proceeds produced by the CID Project are anticipated to be directly related to the construction and/or ongoing maintenance, operation, promotion and administration of the CID Project in order to ensure its ongoing viability. Additionally, without CID funding the hotel project would not be feasible and would not be undertaken.

Thank you for your consideration.

Sincerely,



Guy D. Walker
Vice President

BLUE BEACON

P.O. BOX 856
SALINA, KANSAS 67402 0856
(785) 825 2221/FAX (785) 825 0801
www.BlueBeacon.com

DELIVERIES TO: 500 GRAVES BOULEVARD / SALINA, KANSAS 67401



Exhibit A

HOMEWOOD SUITES BY HILTON HOTEL

LEGAL DESCRIPTION

LIMITS OF THE COMMUNITY IMPROVEMENT DISTRICT – HOTEL:

COMMUNITY IMPROVEMENT DISTRICT – HOTEL:

ALL OF LOTS 165 AND 167 ON SANTA FE, AND
ALL OF LOTS 158, 160, 162, 164, 166, AND 168 ON 4TH STREET,
ALL IN ORIGINAL TOWN (NOW CITY) OF SALINA, SALINE COUNTY, KANSAS



742 DUVALL AVENUE
SALINA, KANSAS 67401
PH. (785) 823-3400 | FAX (785) 823-3411
sa@kveng.com | www.kveng.com

KAW VALLEY ENGINEERING

E15S1183 AUG. 19, 2016
2 OF 2 1183EXB-CID HOTEL LRR

Exhibit B

COMMUNITY IMPROVEMENT DISTRICT – HOTEL

TAX PARCEL IDENTIFICATION NUMBERS

Lots 165 & 167 on Santa Fe -

TAX ID – 05562

Parcel Number 086-13-0-20-22-013.00-0

South ½ of Lot 160, and Lots 162, 164, 166, & 168 on 5th Street -

TAX ID – 05563

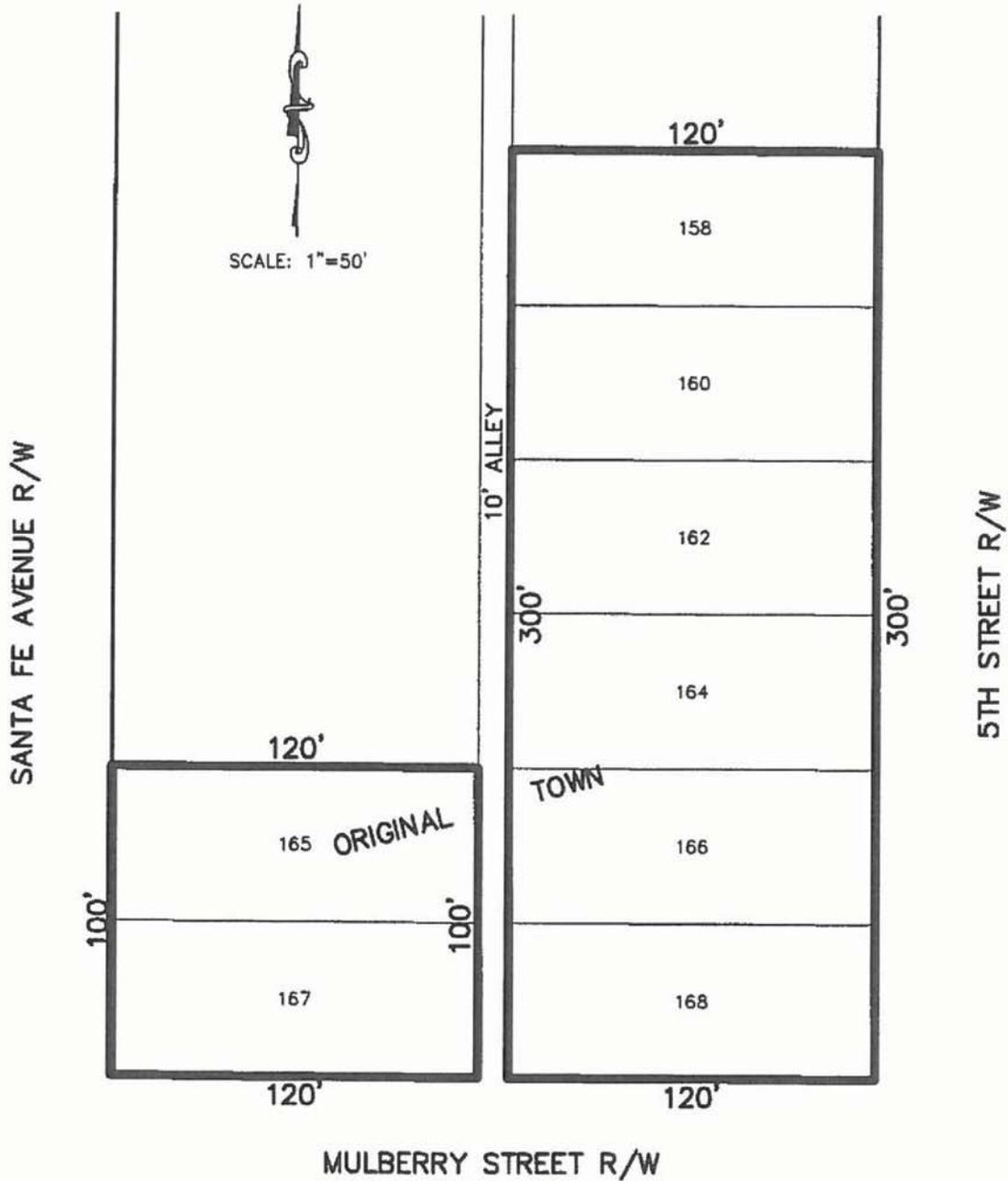
Parcel Number 086-13-0-20-22-014.00-0

Lot 158 and the North ½ of Lot 160 on 5th Street –

TAX ID – 05564

Parcel Number 086-13-0-20-22-015.00.0

LIMITS OF THE COMMUNITY IMPROVEMENT DISTRICT – HOTEL:
CITY OF SALINA



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1 OF 2 1183EXB-CID HOTEL LRR

Exhibit C

Description of the Project - Hotel

As part of the downtown redevelopment project currently being undertaken by Salina 2020, Inc. in partnership with the City of Salina and other interested parties, Blue Beacon International is proposing to design, develop, and construct a 114 room Homewood Suites by Hilton hotel at the intersection of Santa Fe Avenue and Mulberry Street. The all-suites hotel will also include approximately 2500 square feet of meeting space, a full service restaurant, and a 4500 square feet outdoor courtyard and event space.

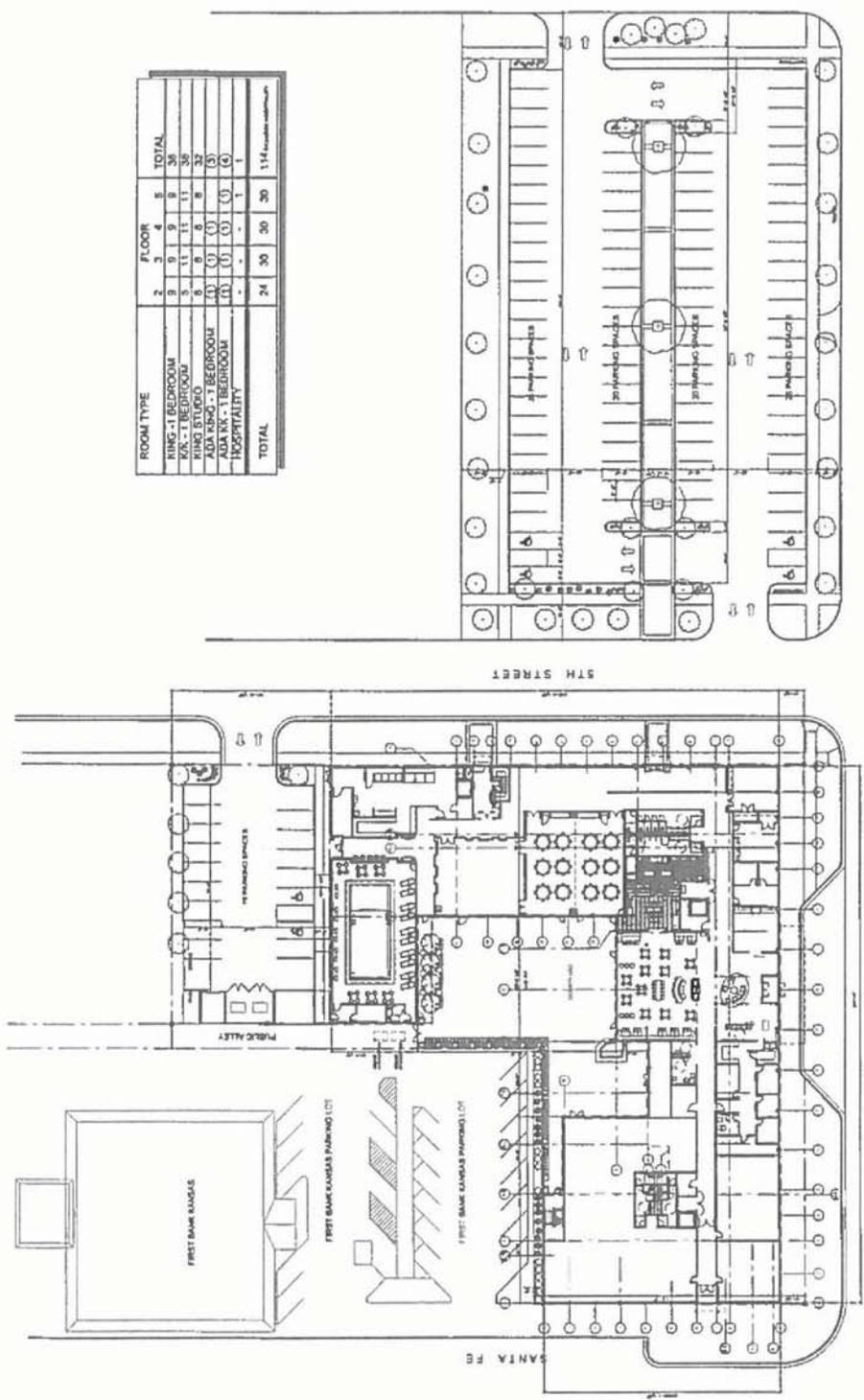
The hotel is planned to be constructed of masonry on the first floor and wood frame on floors two through five. The entirety of the project will be built to, or in excess of, City of Salina code. In addition, the hotel will be built in excess of the rigorous Hilton construction standards. Numerous lots as depicted on the plans have been acquired for surface parking to accommodate the hotel and restaurant. In conjunction with construction of the hotel, landscaping, lighting, sidewalks, and other supporting infrastructure will be included.

The hotel will be developed by Blue Beacon's hospitality division, Lighthouse Properties. Lighthouse owns and operates two successful and award-winning hotel properties in Kansas and Missouri, The Raphael Hotel on the Country Club Plaza in Kansas City, MO and The Homewood Suites by Hilton at The Waterfront in Wichita, KS. Both hotels lead their respective markets in terms of occupancy, average daily rate, and customer satisfaction.

Exhibit D

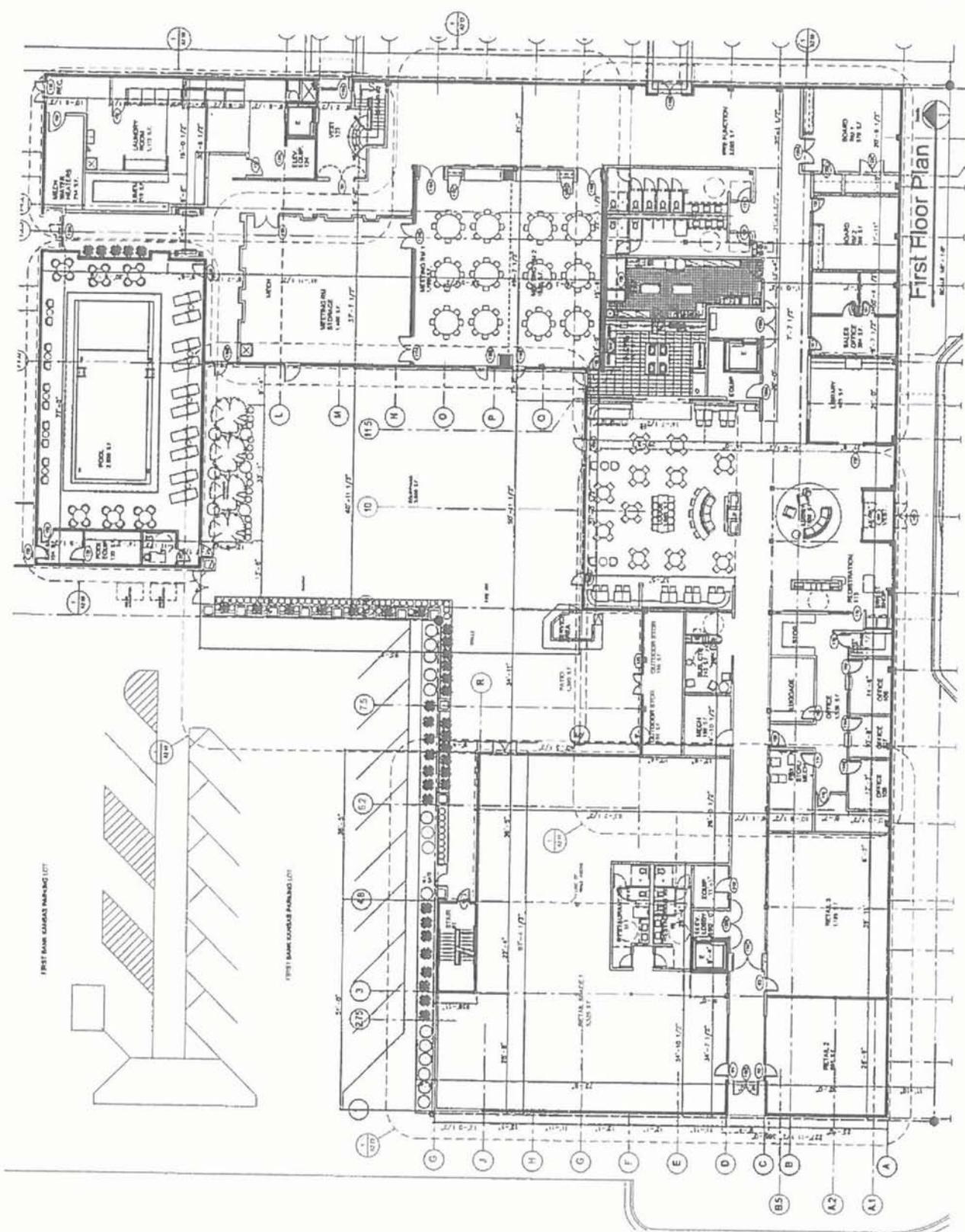
HOMEWOOD SUITES BY HILTON HOTEL

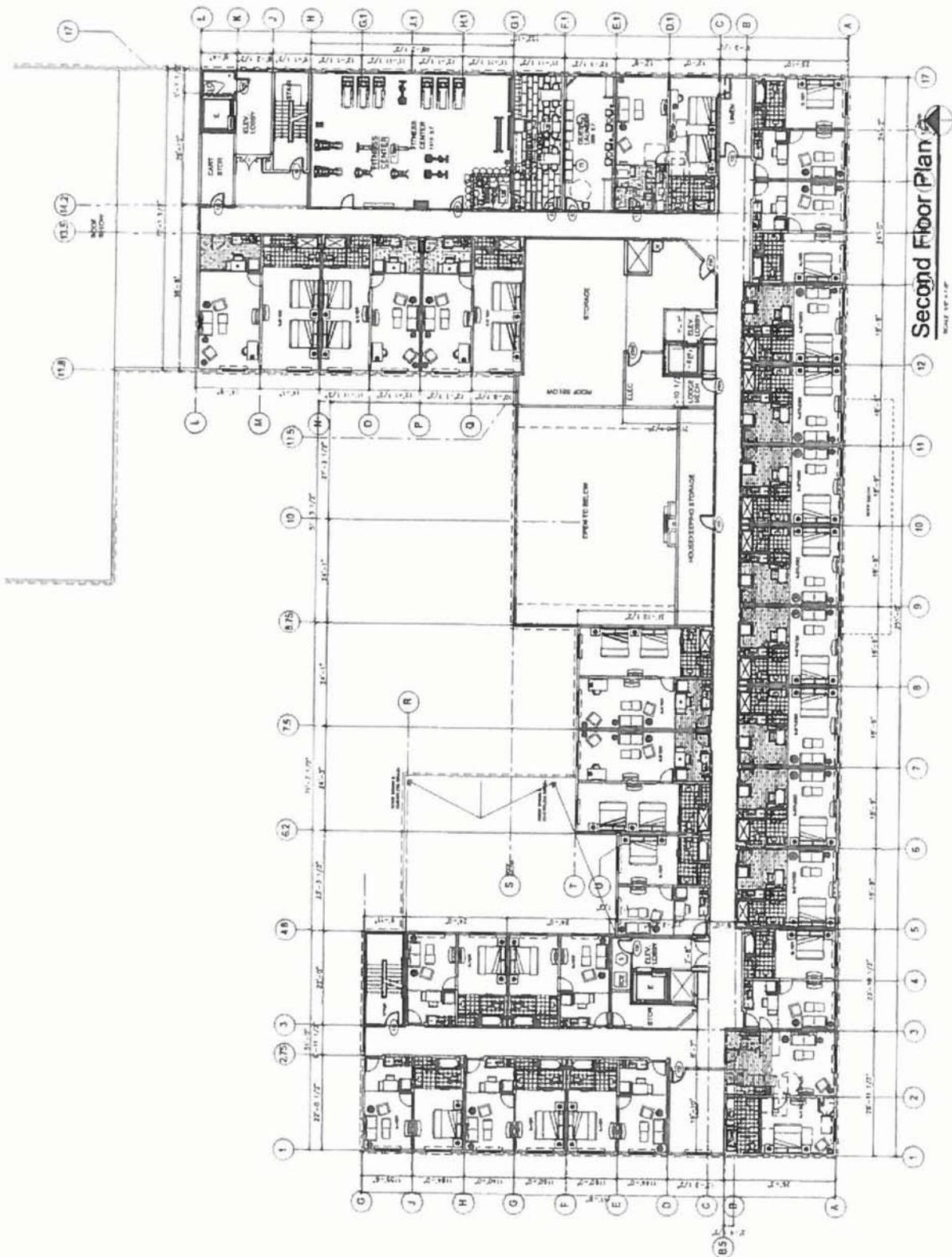
PLANS AND RENDERINGS

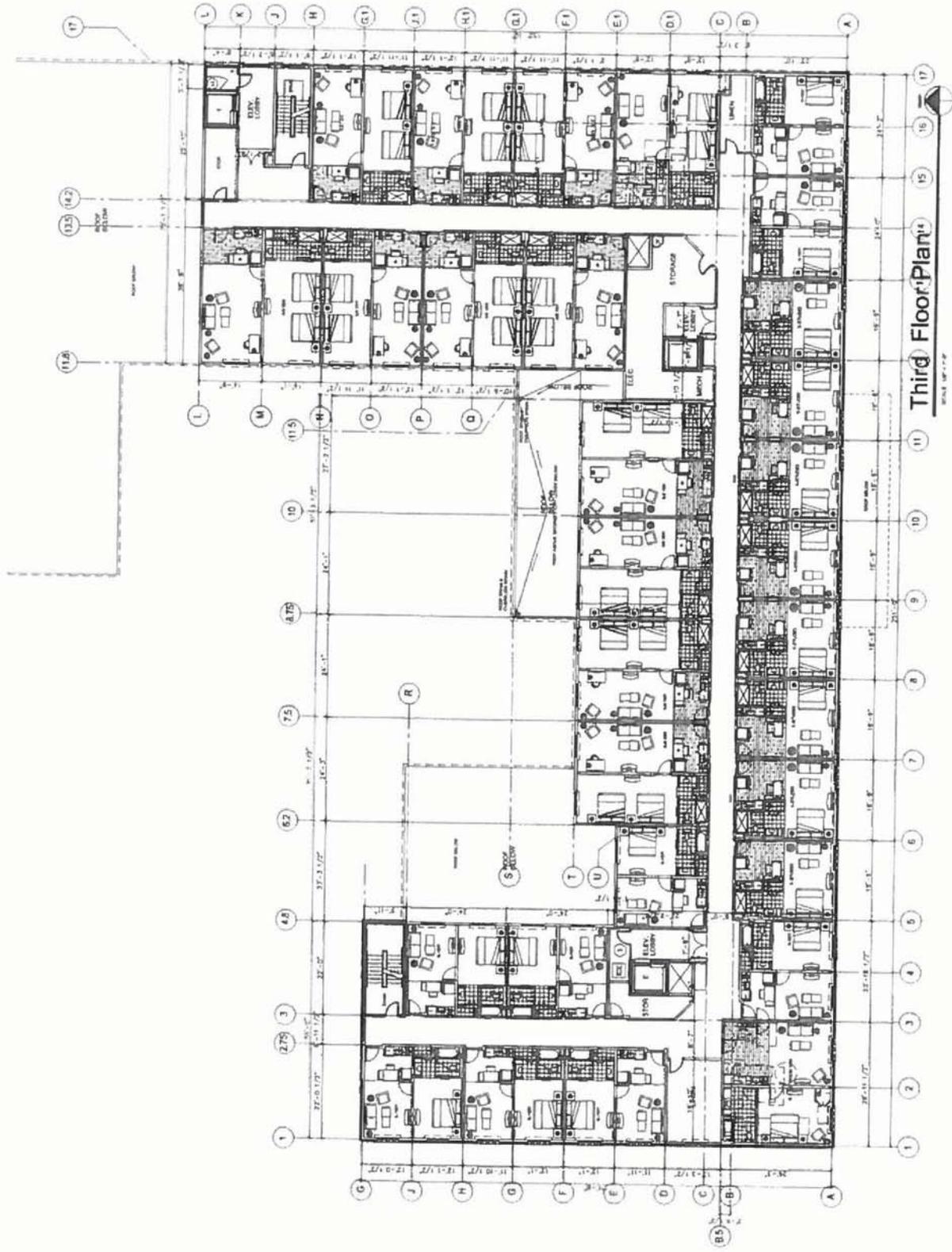


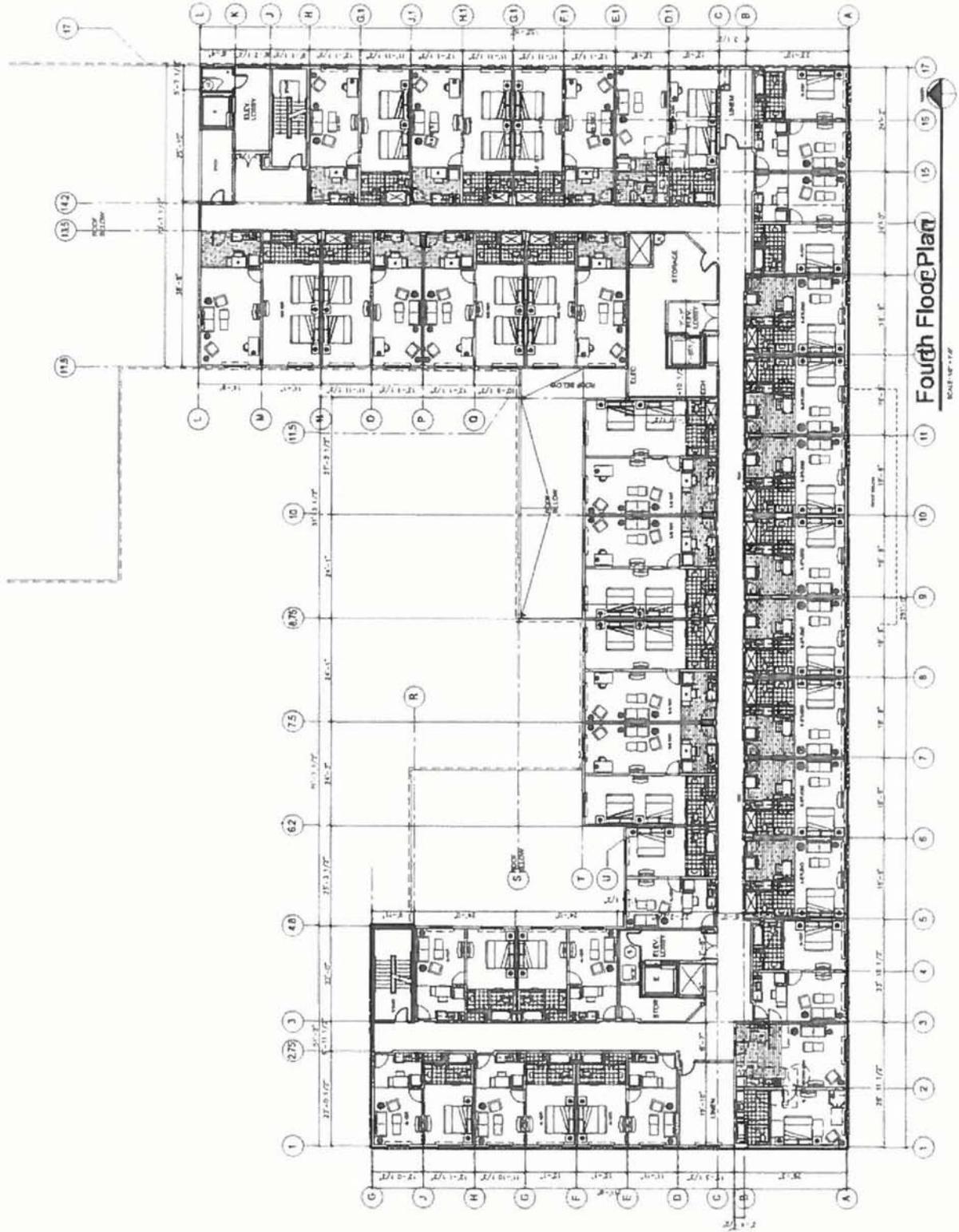
ROOM TYPE	2	3	4	5	TOTAL
KING - 1 BEDROOM	9	9	9	9	36
QUEEN - 1 BEDROOM	9	9	9	9	36
KING - 2 BEDROOM	0	0	0	0	0
ADA KING - 1 BEDROOM	0	0	0	0	0
ADA QUEEN - 1 BEDROOM	0	0	0	0	0
HOSPITALITY	0	0	0	0	0
TOTAL	24	30	30	30	114

Site Plan
 SCALE: 1/8" = 1'-0"

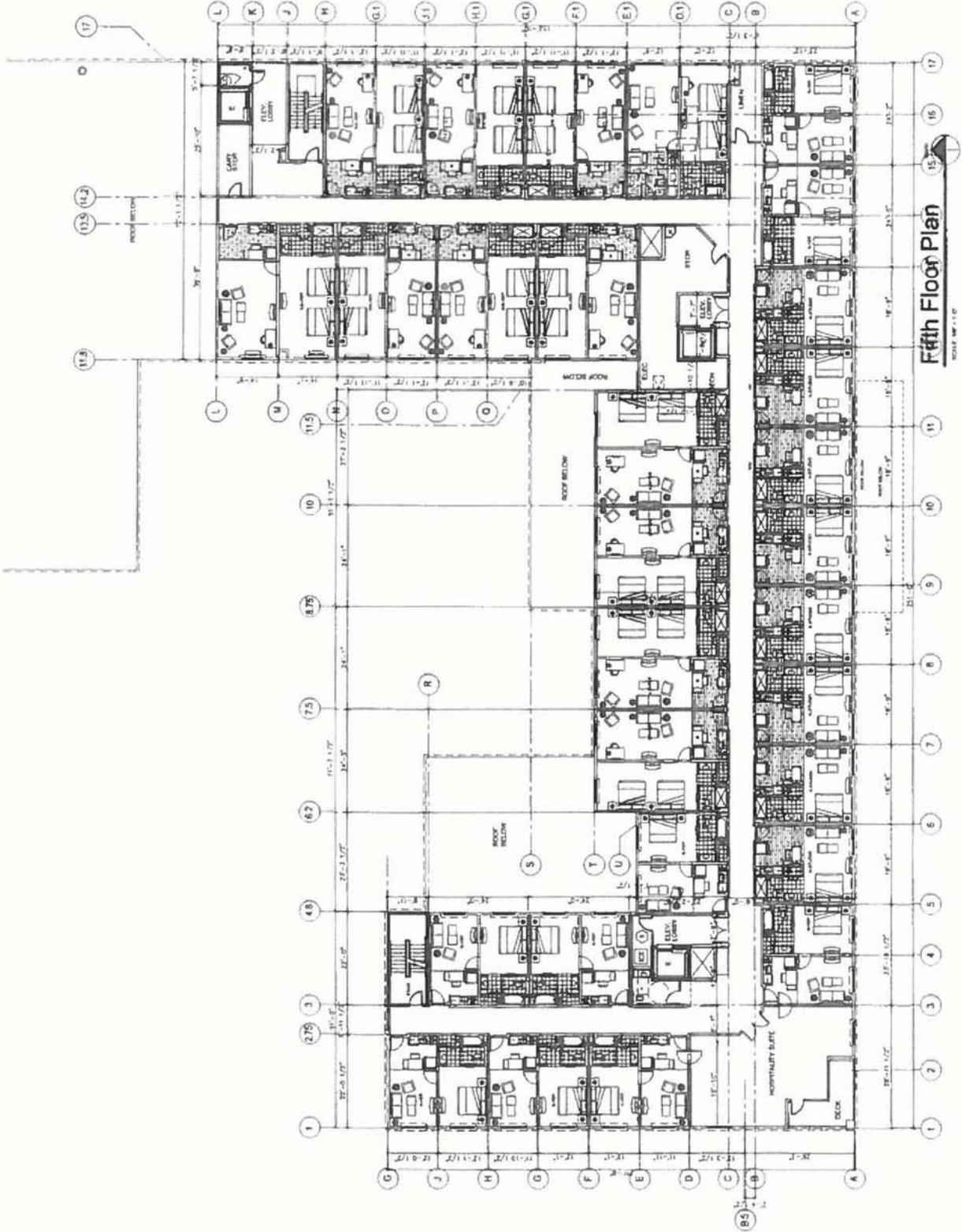




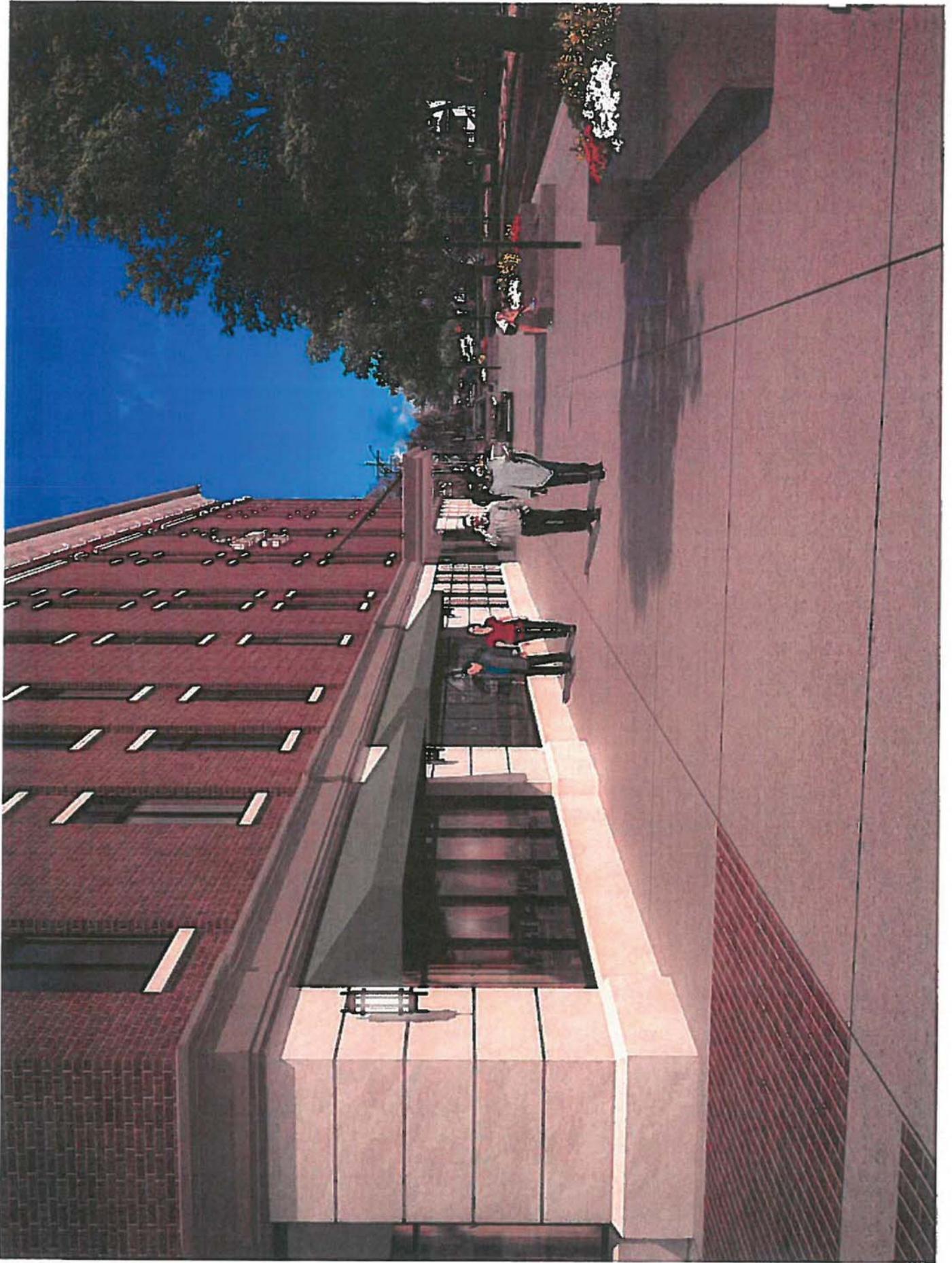




Fourth Floor Plan
SCALE: 1/8" = 1'-0"







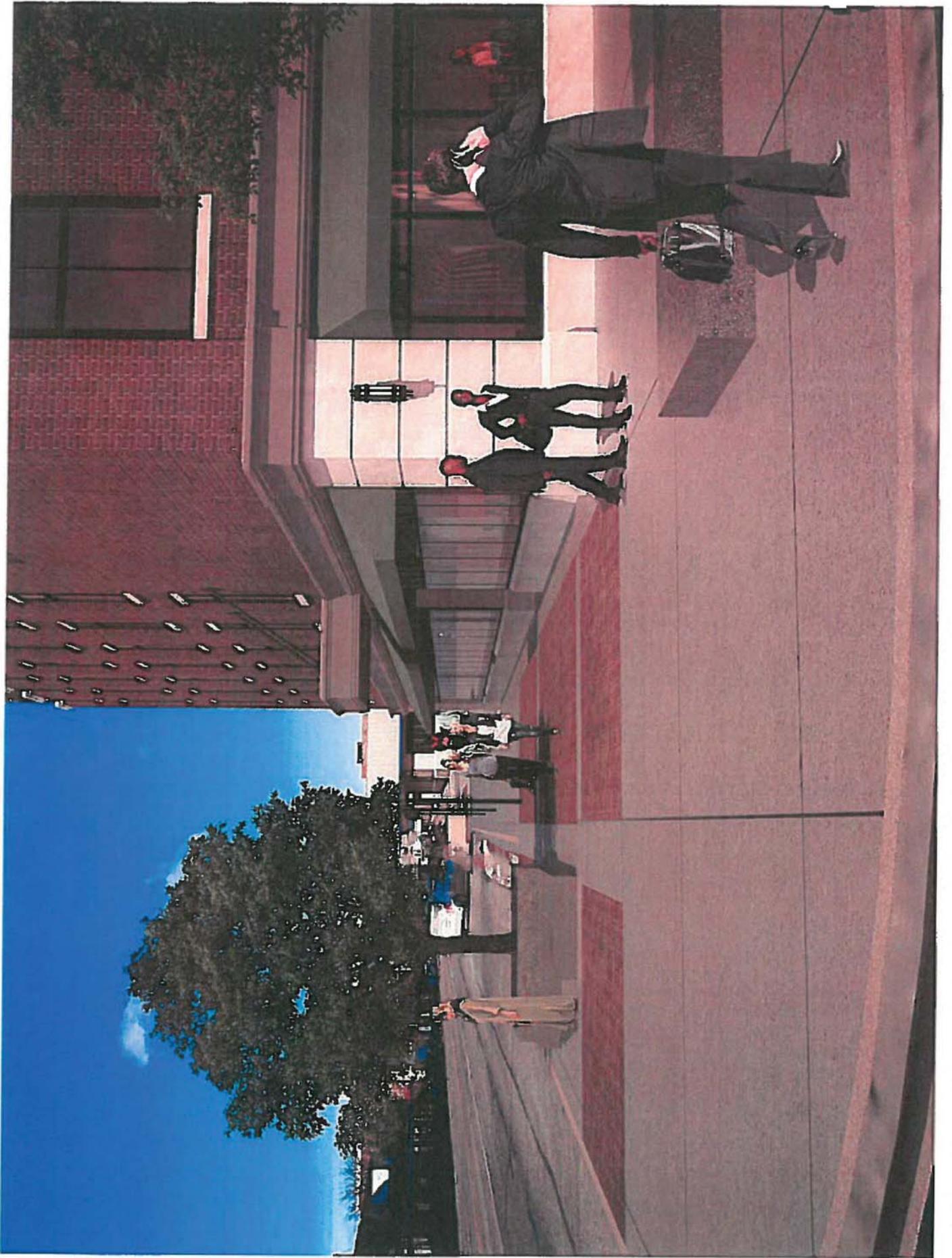


Exhibit E

HOMEWOOD SUITES BY HILTON HOTEL

ESTIMATED PROJECT COSTS

Land	\$ 2,382,930
Design	\$ 396,500
Sitework - Hotel	\$ 1,623,250
Sitework – Parking	\$ 650,000
General Conditions	\$ 250,000
Concrete	\$ 540,000
Masonry	\$ 690,000
Metals	\$ 414,800
Wood & Plastics	\$ 1,669,000
Thermal & Moisture	\$ 675,050
Doors & Windows	\$ 1,073,600
Finishes	\$ 1,674,000
Specialties	\$ 158,600
Equipment – Kitchen	\$ 319,640
Furnishings	\$ 2,681,450
Special Construction	\$ 115,900
Conveying Systems	\$ 433,100
Mechanical	\$ 2,013,000
Electrical	\$ 1,244,400
TOTAL	\$19,005,820

Exhibit F

HOMEWOOD SUITES BY HILTON HOTEL

Estimated Market and Assessed Value of the Improvements

Estimated Market Value - \$19,005,820

Basis of Value - Cost

Estimated Assessed Value - \$1,875,000

Basis of Value – Downtown Salina TIF Plan Estimate

Exhibit G

HOMWOOD SUITES BY HILTON HOTEL

CID PETITION

**PETITION FOR THE CREATION OF A
COMMUNITY IMPROVEMENT DISTRICT
(HOTEL)**

TO: City Commission,
City of Salina, Kansas

The undersigned (the "Petitioners"), being the owners of record, whether resident or not, of the following:

1. Not less than fifty-five percent (55%) of the land area contained within the hereinafter described community improvement district; and
2. Not less than fifty-five percent (55%) by assessed value of the land area contained within the hereinafter described community improvement district.

hereby petition the City of Salina, Kansas (the "City") to create The Downtown Salina Community Improvement District ("CID") and authorize the proposed CID project (the "CID Project") hereinafter set forth, all in the manner provided by K.S.A § 12-6a26, *et seq.* (the "Act"). In furtherance of such request, the Petitioners state as follows:

1. GENERAL NATURE

The general nature of the proposed project (the "CID Project") is to promote the redevelopment and revitalization of the downtown Salina business district, as is more particularly described herein, by providing community improvement district financing in accordance with this petition and the Act to finance the demolition, construction, maintenance, and procurement of certain improvements, costs, and services within the District related to a hotel and conference center development, including, but not limited to: land acquisition, infrastructure related items, streets, sidewalks, parking lots and/or structures, buildings, facilities, tenant improvements, water management and drainage related items, utilities, landscaping, lighting, art, water features and other cultural amenities, ongoing maintenance of the District, marketing, advertisement and economic development, promotion of activities and special events, training, cleaning and maintenance, and administrative costs in establishing and maintaining the District and the CID Project, and any other items permitted to be financed within the District under the Act.

2. ESTIMATED COST

The estimated cost of the CID Project is \$1,006,029 plus interest.

3. PROPOSED METHOD OF FINANCING

The proposed method of financing the CID Project is from the CID Sales Tax described in paragraph 5 of the Petition through Pay-as-you-go financing or through issuance of special obligation, general obligation or full faith and credit CID bonds/notes, at the sole election of the City, as defined in the Act.

4. PROPOSED METHOD AND AMOUNT OF ASSESSMENT

Petitioners do not propose that the CID Project be financed through the levying of assessments.

5. PROPOSED AMOUNT OF SALES TAX

Petitioners propose that the CID Project be financed through the levying of a CID sales tax in the amount of 1.0% as authorized by the Act.

6. MAP AND LEGAL DESCRIPTION OF THE PROPOSED CID

A map of the CID is attached hereto at EXHIBIT A.

The legal description of the CID is attached hereto at EXHIBIT B.

7. NOTICE TO PETITION SIGNER

Petitioners hereby acknowledge that signatures may not be withdrawn from this Petition by the signers hereof after the Governing Body of the City commences consideration of this Petition, or later than seven (7) days after the filing hereof with the City Clerk, whichever occurs first.

8. PETITION BINDING ON FUTURE OWNERS

Petitioners hereby acknowledge that if this Petition is not properly withdrawn as permitted by the Act, any future owners of the property within the CID shall be bound by this Petition.

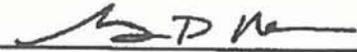
9. COUNTERPARTS

This Petition may be executed in one or more counterparts and by each signer hereof on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which shall constitute one instrument.

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IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

BLUE BEACON INTERNATIONAL, INC.
a Kansas Corporation

By: 
Signature of Authorized Agent for Entity

Name: Guy D. Walker

Title: Vice President of Real Estate Development
(Type or print)

Date: August 19, 2016

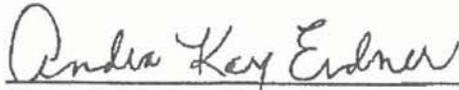
ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF SALINE)

This instrument was acknowledged before me on August 19th, 2016, by Guy D. Walker, as the Vice President of Real Estate Development of Blue Beacon International, Inc., a Kansas Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Saline County the day and year last above written.

(Seal) 


Notary Public in and for said
County and State: Saline County, Kansas

My Commission Expires:
2-4-2019

Exhibit H

HOMEWOOD SUITES BY HILTON HOTEL

Proposed Financing

STAR Bonds	\$442,274
TIF	\$800,000
Hotel CID	\$1,006,029
Non-Incentive Sources	\$16,757,517