

Frequently Asked Questions (FAQ)

Final Phase STAR Bonds

Nov. 19, 2021

Has the STAR bond money approved in 2017 and 2020 been spent well? How has it helped Derby? Wouldn't businesses have come to Derby without STAR bonds?

So far, STAR bonds have helped bring Field Station Dinosaurs, Rock Regional Hospital, and the medical office building north of the hospital to Derby. STAR bonds have paid for a great deal of city infrastructure (streets, water/sewer lines, sidewalks, etc.) that benefits all the surrounding lots making them more cost-effective to develop and serving as an incentive to development.

Currently under construction is Derby Sports Zone (indoor and outdoor courts for racquet sports and volleyball with a restaurant and yard games). Approved and in the architectural/engineering phase are RoKC's climbing facility and BMX pump track, both scheduled for construction in April 2022. All three of these projects are the direct result of the 2020 STAR bonds.

A site plan for Reece Retail Center was approved in October 2021 for construction (likely in 2022) just north of QT and Zips Car Wash (Rock Road, north of Patriot Avenue). This multi-tenant retail center will include Firehouse Subs and several more businesses. These businesses will benefit directly from streets and other infrastructure paid for by STAR bonds (2017 and 2020).

None of the above attractions being built using private capital and STAR bonds would have located in Derby had it not been for the state's STAR bond program that provides incentives for such developments.

A Retail Market Analysis (Sept. 2020) concluded there is little opportunity to expand traditional retail in Derby due to changing retail trends toward online purchasing. This analysis shifted the City's expectations away from new retail construction and toward attracting new residents and visitors to support the retail we have. Entertainment attractions help draw business to restaurants and existing retail establishments thus ensuring their prosperity going forward.

If any attraction does not succeed, there is no risk to the city taxpayers. Bonds will be paid from the same sources (mostly state sales tax with a small portion of city transient guest tax & sales tax revenue) regardless of how many years the businesses stay open.

How long will it take to pay off the bonds? What happens then?

The 2017 STAR bonds will be paid in full in March 2022 (in just 4.5 years instead of the 20 years allowed). Payments will be made on the 2020 bonds beginning in March 2022 for approximately four years, based on current projections, and likely will be paid in full in 2025. If approved, a final phase of bonds is expected to be paid off around 2032, with payments beginning in 2025 after the 2020 bonds are completely paid off. All three series of bonds could be paid in less than the total 20 years (2036) allowed.

On Nov. 9, 2021, the Governor announced a plan to eliminate state sales tax on food beginning July 1, 2022, and Republican leadership has indicated support. Immediately following the announcement, the Lieutenant Governor called Derby to inform us that the Governor's plan will include a provision to hold harmless the STAR bond districts that rely on the sales tax on groceries by finding another revenue source to ensure bond payments can be made without additional years added. Details of the plan are being developed and will have to be approved by the Legislature.

Neighborhood Concerns (from Oct. 26 public hearing)

Will there be a fence separating glamping from the Tall Tree neighborhood to the south? What will it be made of? How tall will it be? How well will the proposed trees, berm and landscaping address concerns about noise and site lines? How tall will the apartments be, and will the trees block the view of the apartments?

Yes, a fence will surround the glamping and lagoon. We don't yet know what it will be made of or how tall it will be; that information is being developed. The proposed landscaping will shield much from view and will help reduce noise. Large deciduous trees (possibly including existing trees), evergreens, shrubs and native grasses will be recommended to the Planning Commission, so they will block the view well.

The back property line of residences in Tall Tree Addition will be about 150-200 feet from the glamping and apartments. Between them will be trees/berm, detention pond and a fence. Residential lots that back up to the project are about 130 feet deep, which means the width of the pond exceeds the depth of the residential lots, so it is as good or better than having another row of housing behind them.

Could the amphitheater open west toward Rock Road to minimize noise to the neighborhood? Will measures be taken to reduce noise in the neighborhood from amphitheater events or glamping (unruly guests or party)?

Yes. Design decisions will be made during Special Use review and Site Plan review to minimize noise and light spillage to other properties. Activities at the lagoon will cease at dusk. Also, Suite Tea Glamping will enforce quiet hours beginning at 10 or 11 p.m. (seasonal). Glamping guests typically are seeking peace and quiet. Derby Police will patrol the area, and should issues arise, residents should call 9-1-1 so Derby Police can respond to specific incidents or noise complaints.

Can Rock Road and other streets handle additional traffic? How much more traffic is expected to cut through the residential neighborhood (Tall Tree Addition)? Residents are concerned about speeders.

Yes. Rock Road is built to handle more traffic, and the STAR bond money will be used to construct Amber Ridge Street (from Cambridge to Patriot). Primary access to the attractions will be from Amber Ridge Street by way of Patriot Avenue with some traffic using Cambridge. Most visitors and future residents will use Cambridge, Amber Ridge and Tall Tree streets for access resulting in little additional traffic south through the Tall Tree residential neighborhood.

During city review of the site plan and master signage plan, attention will be given to signs and design elements to encourage traffic to exit north using Amber Ridge. Derby Police have been alerted to neighborhood concerns with speeders and u-turns.

How will this development affect property values of nearby properties?

Given the landscaping (trees, berm, pond) and fence, the development will be quite separated from the residential area to the south so should have no effect on residential property values. The development likely will support the values of nearby commercial properties as well as provide additional customers to current retail and restaurant businesses.

Why was this location in Derby selected? Aren't there better locations?

The project must be contiguous to the current STAR bond district. The site selected is from a willing seller and will be close to restaurants and Derby's other new premier entertainment options.

Miscellaneous

How has Field Station Dinosaurs been doing?

Fairly well, given it's a new business and was affected by the pandemic. Field Station Dinosaurs (FSD) opened May 24, 2018, so has been operating for four seasons (excluding time closed in 2020 during the pandemic). This outdoor attraction geared to children 3-11 years old has primarily a summer season plus weekends in the fall through December.

After suffering badly during the early days of COVID-19 (school and group attendance was severely depressed in both 2020 and 2021), FSD found reason to be hopeful since fall of 2020 and throughout the 2021 summer season. Visitor numbers grew in 2021 and are expected to exceed both 2018 and 2019. Participation in Jurassic Golf broke attendance records in 2020 and 2021. Dinosaurs After Dark, overnight camping, and special events (like birthday parties) have all become more popular post-pandemic.

Will visitation numbers of other STAR bond attractions be available to the public?

Each year, the City sends a report to the state on the status of the bonds and visitor information. Information will be included to generally describe visitation at each attraction. As private businesses, state law does not require them to make detailed visitation numbers public as they could be used by competitors for nefarious purposes, which is consistent with other governmental programs that provide financial incentives to businesses.

Has the current hotel in Derby (Hampton Inn) been successful?

Yes, our understanding is it was making a profit for the former owners. However, due to various other financial issues, the owners lost it to their bank, which continues to operate it and offer it for sale. [This hotel was not part of the STAR bond project.]

Does Derby need more apartments?

Yes, housing of all types and for all income levels is in demand in Derby. The last apartment complex built in Derby opened in 2018 and is full. An apartment company has stepped forward to invest \$51 million in private capital to construct 300 units to help meet this need for rental housing affordable to many airmen and working families if the Final Phase of STAR bonds is approved.

Since we have Rock River Rapids (RRR) already, why do we want this new aquatic attraction?

The lagoon will be a year-round, partially indoor attraction, whereas RRR is a seasonal, summer pool. The two facilities would serve different populations. Admission fees to the lagoon will be higher and will service a clientele in need of a hotel and more oriented to water sports than that of a city pool.

Combined with the glamping and other amenities, the lagoon will become a vacation and event destination. Each year at RRR, nearly all nights available for private event rentals are sold. Derby is growing large enough to accommodate and support both RRR and a privately owned water attraction.

The City built RRR in 2004 to replace an old public swimming pool when Derby's population was 18,000. In 2021, we have nearly 26,000 residents, and RRR continues to be a regional draw. Seventeen years have passed, and we have not expanded RRR or added a second pool for the growing community. This new facility could help extend the life of RRR.

What is the water source? Isn't water a precious commodity around here?

Initially, the lagoon will be filled from a fire hydrant (around 9 million gallons). Wells are being considered to provide an ongoing water source. The volume of water needed can easily be provided and is not a concern. Note: Each summer, Rock River Rapids uses about 3.4 million gallons, and approximately 1 million of that is the initial fill.

How much evaporation will the lagoon experience?

The lagoon's evaporation and water quality technology should result in less evaporation than normal rates, use less chemicals and energy than a conventional swimming pool, and uses less water than a golf course.

How deep will the lagoon be?

A zero-depth entry will gradually deepen to approximately 8 feet.

Why should Derby value investment by people who don't live in Derby?

Investment by people living both in and outside of Derby is welcome. The vast majority of commercial and residential investment in Derby is by people living elsewhere.

Did Derby Destination Development get a federal COVID relief grant or PPP loan?

Derby Destination Development, LLC did not apply for or receive any COVID relief grants or PPP loans. Rather, it was the victim of a fraudulent filing in its name which has been reported to the FBI.

What lessons should be learned from the Legislative Post Audit study released in August 2021?

Derby's STAR bond project is so new that the audit did not review its performance. There is nothing in the audit that reflects poorly on Derby's project.

When will project details (feasibility study, budget, etc.) be available to review?

On Thursday, Dec. 9, the agenda packet for the Dec. 14 City Council meeting will be posted to DerbyKS.com. If it's ready prior to that, it will be posted to the STAR bond webpage of DerbyKS.com/STAR.