

Improvement District Approved For Proposed Hiawatha Hotel

The Hiawatha City Commission has unanimously approved an ordinance creating a community improvement district for a proposed hotel.

The commission took the action Monday evening following hearing drawing no public comment. The proposed hotel is to be constructed on three city-owned lots in the Longfellow Addition east of McDonald's.

City Administrator Lynne Ladner said an announcement on the project is expected to be made in the next week to ten days after the developer secures bank financing.

Creation of the improvement district will allow an additional two percent sales tax to be imposed for a period of 22 years to help finance the project. The additional sales tax, paid by guests at the hotel, is to begin April 1st of next year. It's expected to generate \$450,000 over the 22-year period, based on a 70 percent occupancy rate.

The Kansas legislature in 2009 approved the creation of community improvement districts as an economic development tool.