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New National Franchise Hotel To Be Built in Hiawatha

Construction is expected to begin in late June on a new 55-room national franchise hotel in Hiawatha, with completion in March of next year.

Following a public hearing Monday evening, the Hiawatha City Commission on a 3-1 vote approved a resolution of intent to issue up to 4 million dollars in industrial revenue bonds for the Best Western Plus hotel. Commissioner Bill Collins cast the lone no vote. Commissioner Vicki Denton was absent.

The new hotel is to be built on three lots in the Longfellow Addition east of McDonald's, which the city is providing to the developer.

During the hearing, Sunflower Motel owner Mary Ananzeh voiced concerns about the impact the new hotel will have on her business....(play audio)

Mayor Crosby Gernon said he doesn't believe the new hotel will have a negative impact on her motel, saying they won't be competing for the same guests.

He says believes there is a need for a new hotel in Hiawatha and thinks it will be very positive for the community, bringing more people to the city.

Gernon said the city will not incur any financial liability with the issuance of the IRB's.

Developer Raju Sheth with MITRA Development LLC of Wichita says the new hotel will contain an indoor pool, hot tub, meeting room and other amenities. He says they currently have hotels in Maize and Derby, with another under construction in Hutchinson. Sheth says they will injecting $1.2 million of their own money into the Hiawatha project, and without the incentives offered by the city the project wouldn't be possible..(play audio)

The commission on a 3-1 vote, with Commissioner Collins voting no, approved a land development agreement, transient guest tax agreement, and community improvement district agreement with the developer.

Under the land development agreement, construction is to begin with 180 days or the property will revert back to the city.

The city will also provide up to $8,000 annually for five years to promote lodging facilities in the city through the use of billboards.

In addition, the city has agreed to waive permit, inspection and utility connection fees for the project.

The city has approved the creation of a community improvement district for the new hotel, which will allow an additional two percent sales tax to be imposed for a period of 22 years—paid by guests at the hotel.

The revenue generated from the additional sales tax and current 6 percent transient guest tax will be rebated back to the hotel to pay for marketing expenses—minus a $750 administrative fee charged by the city.