Memo

To: City Commission
From: Toby Dougherty, City Manager
Date: 11-28-11
Re: December 1, 2011 Work Session

Please find the attached agenda and supporting documentation for the December 1, 2011 Work Session.

Item 2 – Joint Meeting – City of Hays/Hays Recreation Commission

This item is self-explanatory. Hays Rec and City staff will update the Commission on the Aquatic Park as well as the sports complex.

Item 3 – Economic Development Policy Discussion

Aaron White will be engaging in a dialogue with key players in the community as he completes his initial evaluation of Ellis County’s economic development potential. The information gathered will help the Coalition Board develop a new strategic plan. Aaron hopes that, through a general discussion on economic development with the Commission, he can have a better understanding of the Commission’s beliefs and goals regarding economic development. Aaron’s experience will also provide good grounding to lead the discussion. In the end, the goal of Aaron and the Coalition Board is to develop strategies and tactics that reflect our true strengths and opportunities.

Item 4 – Golden Belt Estates 4th Addition Engineering Services Agreement

This item is self-explanatory

Item 5 – Current Roadway System Condition

Several months ago the City contracted for an automated pavement condition assessment of all streets within the city limits. Staff has received the finished data and has spent the last two months digesting it and determining the overall condition of our streets. ID Creech and John Braun will be in attendance at the meeting to give a comprehensive update on the findings.
Item 6 – 2012 Pavement Maintenance Program

There was no pavement maintenance program for 2011 as staff was awaiting the results of the pavement condition assessment. Now that those results have been obtained, and studied, staff has put together a program for 2012 that utilizes the unspent money from 2011 as well as 2012.
AGENDA

1. ITEM FOR REVIEW: November 17, 2011 Work Session Notes (PAGE 1)
   DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance

2. ITEM FOR REVIEW: Joint Meeting – City of Hays/Hays Recreation Commission (PAGE 5)
   PERSONS RESPONSIBLE: Jeff Boyle, Director of Parks
   Roger Bixenman, HRC Superintendent

3. ITEM FOR REVIEW: Economic Development Policy Discussion (PAGE 7)
   PERSON RESPONSIBLE: Aaron White, Ellis County Coalition Executive Director
   Toby Dougherty, City Manager

4. ITEM FOR REVIEW: Golden Belt Estates 4th Addition Engineering Services Agreement (PAGE 37)
   DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works

5. ITEM FOR REVIEW: Current Roadway System Condition
   DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works

6. ITEM FOR REVIEW: 2012 Pavement Maintenance Program (PAGE 47)
   DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works

7. OTHER ITEMS FOR DISCUSSION

8. EXECUTIVE SESSION (IF REQUIRED)

9. ADJOURNMENT

ANY PERSON WITH A DISABILITY NEEDING SPECIAL ACCOMMODATIONS TO ATTEND THIS MEETING SHOULD CONTACT THE CITY MANAGER’S OFFICE 48 HOURS PRIOR TO THE SCHEDULED MEETING TIME. EVERY ATTEMPT WILL BE MADE TO ACCOMMODATE ANY REQUESTS FOR ASSISTANCE.
City of Hays  
City Commission  
Work Session Notes  
November 17, 2011

Present: Barbara Wasinger, Troy Hickman, Kent Steward, Henry Schwaller IV,  
Ron Mellick, John Bird, Toby Dougherty

**Reconsideration of Rayes, Inc. – Wheelchairs of Kansas Property**

Rayes, Inc. dba Wheelchairs of Kansas received Commission approval for  
tax abatements in 2010. While submitting preliminary information to the state, it  
was discovered their application did not meet necessary state requirements.  
Specifically, they needed to note one piece of personal property owned by  
Rayes, Inc. within the Commission approved documents. Rayes leases the  
property from a majority of the company's owners. This lease relationship  
requires the addition of the one piece of personal property to obtain the real  
property tax abatement. If approved, the Commission would not be giving any  
进一步激励 than was previously given. Without including the one piece of  
personal property, the Court of Tax Appeals will not approve abatement of the  
real property.

The Commissioners will consider approval of the abatement at the  
November 22, 2011 Commission meeting.

**Industrial Revenue Bond Policy**

A recent Industrial Revenue Bond (IRB) application, along with discussion  
with other entities curious about IRBs, has prompted the possible need for  
establishing a policy on the subject. The current City of Hays Economic  
Development Policy does not have a section addressing the application and/or  
approval process for IRBs. Therefore, all the City has to fall back on is Kansas  
Statute 12-1740 for guidance, which doesn't necessarily address the needs of  
our community.
Gina Riekhof, representing Gilmore and Bell, the City’s bond counsel, discussed the present Development Policy along with the proposed changes and additions to the Development Policy as it relates to IRBs and property tax abatements.

The Commissioners will re-visit this issue at a future work session.

Resolution Authorizing the Sale and Conveyance of Certain Property by the City of Hays, Kansas to C.T. Residences, L.C.

In July 1999, the City issued a series of Industrial Revenue Bonds (IRB) to finance construction of the Centennial Towers apartment project within the City. In conjunction with the issuance of the bonds, the City granted C.T. Residences, L.C., the owner of the apartments, a ten-year ad valorem property tax abatement on all bond-financed property. The tax abatement period has expired and C.T. Residences, L.C. is refinancing the property with a conventional loan. The City Commission is being asked to approve the retirement of the bonds and conveyance of the bond-financed property to C.T. Residences, L.C.

The Commissioners will consider taking formal action on this matter at the November 22, 2011 Commission meeting.

Parks Storage Building

At the November 22, 2011 Commission meeting, the Commissioners will be requested to approve the low bid, in the amount of $136,218, submitted by Deines Construction, for the construction of a storage/maintenance building at the Parks Department location on Highway 40 Bypass.

Golden Belt Estates 4th Addition Resolution to Establish Benefit District

Western Plains Service Corporation has petitioned the City for street, storm sewer, water and sanitary sewer improvements to an area containing 21 lots adjacent to 45th and Hall within the Golden Belt Estates 4th Addition. The Commissioners will be requested to approve a resolution authorizing the
improvements in the estimated amount of $700,000 at the November 22, 2011 Commission meeting.

**Rezoning of 3301 U.S. Highway 183 Alternate**

This item has been tabled.

**Purchase of Compost Screener**

At the November 22, 2011 Commission meeting, the Commissioners will be requested to approve the purchase of a 2006 Wildcat M&I 516T Screener to be used at the Yard Waste Compost site at the south end of General Custer Road. The cost of the Screener is $62,500.

**Purchase of Property at 213 West 17th Street**

The property owner of 213 West 17th Street recently passed away. The estate’s representative contacted the City regarding purchase of the property. The property sits at one of the lowest points along the floodplain and is one of the first to flood. Lincoln Tunnel runs under the north side. If approved, the dwelling will be demolished and the property would be maintained as a “pocket park”, while staff explores other avenues to fully maximize the property’s potential to aid in the alleviation of stormwater. A sale price of $10,000 with split closing costs has been tentatively agreed upon by both parties. The demolition of the house would take place in 2012 and is estimated to cost $5,500 to $8,500.

The Commissioners will be requested to approve purchase of the property at the November 22, 2011 Commission meeting.

The work session was adjourned at 7:44 p.m.

Submitted by: _____________________________________________

City Clerk
Commission Work Session Agenda
Memo

From: Jeff Boyle, Director of Parks
Meeting: December 1, 2011
Subject: City of Hays/Hays Recreation Commission Joint Meeting
Person(s) Responsible: Roger Bixenman, HRC Superintendent

Summary
A joint meeting between the City of Hays and the Hays Recreation Commission is scheduled for December 1, 2011. Items for discussion include:

1) Update on the Bickle-Schmidt Sports Complex.

Background
The City of Hays contracts with the Hays Recreation Commission (HRC) to operate area pools and for all scheduling needs of the various recreational areas in Hays such as ball fields, soccer fields and the new Bickle-Schmidt Sports Complex. Each year the HRC and the City of Hays conduct a joint meeting to discuss general operations and/or any other facility needs or expectations that may need to be addressed.

Discussion
There is one item for discussion for the December 1, 2011, HRC/City of Hays joint meeting.

1) HRC/City Staff would like to provide an update on the current conditions and upcoming plans for the complex.

Legal Consideration
There are no known legal obstacles to proceeding as staff has recommended.

Financial Consideration
There are no financial considerations for the joint meeting.
Options
Option 1: Conduct the joint meeting as described in the memorandum.
Option 2: Conduct the joint meeting as deemed necessary by the City Commission.

Recommendation
Staff recommends conducting a joint meeting with the Hays Recreation Commission and the Hays City Commission.

Action Requested
Conduct a joint meeting with the Hays Recreation Commission and the Hays City Commission on December 1, 2011.

Supporting Documentation
There is no supporting documentation for this item.
Commission Work Session Agenda

Memo

From: Toby Dougherty, City Manager

Meeting: December 1, 2011 Work Session

Subject: Discussion of Economic Development Policy

Person(s) Responsible: Toby Dougherty, City Manager

Aaron White, Ellis County Coalition Executive Director

Summary
Aaron White, Ellis County Coalition for Economic Development Executive Director, will be in attendance at the work session on Thursday to discuss the Commission’s attitudes, viewpoints and philosophy regarding the City’s role in economic development.

Background
The City’s Economic Development Policy is an ever-evolving document. It has been many years since the City Commission held a lengthy discussion on the foundations of this policy.

Discussion
As you are aware, Aaron White was recently hired as the Executive Director of the Ellis County Coalition for Economic Development. Aaron brings a wealth of outside experience and knowledge to the position. Aaron has met individually with each of you, and he and I have had several discussions on possible economic development tactics and incentives that could be used by the City of Hays. Many of these tactics and incentives are untried and untested by the City of Hays but are well-used in the rest of the state. Aaron has a good understanding of these tactics and would like to hear input from the Commission on what it views the City’s role is in economic development.

Legal Consideration
There are no known legal issues at this time as we are only recommending discussion by the City Commission.

Financial Consideration
There are no immediate financial considerations; however, many tactics and strategies that will, no doubt, be discussed by the Commission have financial implications.
**Recommendation**
City staff recommends the Commission have a substantive discussion involving Ellis County Coalition Executive Director Aaron White regarding the City’s Economic Development Policy.

**Supporting Documentation**
City of Hays Economic Development Policy
SECTION 1. INTRODUCTION

The City of Hays is interested in encouraging economic activity and the creation of jobs, thereby broadening its tax base and improving the quality of life for its citizens. Further, the use of public funds to stimulate business growth may be necessary or desirable in certain cases. The decision to provide incentives to a business is guided by the expectation that the financial benefits to the City will produce a sufficient return on the City’s investment and that the business will be a good fit for the community. All proposed incentives are subject to a public hearing. Governmental agencies are not eligible for financial incentives under this policy. No elected or appointed officer, employee or committee of the City, Hays Area Chamber of Commerce or Ellis County Coalition for Economic Development employee, board, or other public or private body or individual, shall be authorized to speak for and/or commit the City Commission to the granting of an incentive. This policy is meant to encourage the following:

A. Research and development-based businesses
B. High-tech businesses
C. Environmentally friendly businesses
D. Expansion of existing industry
E. Business start-ups
F. Recruitment of new companies from out-of-state
G. The retention of businesses which are good corporate citizens that will add to the quality of life in Hays through their leadership and support of local civic and philanthropic organizations.
H. Training and development of Hays area employees
I. The establishment of businesses that will be good stewards of the City of Hays’ water sources.

SECTION 2. DEFINITIONS

"Economic development purposes" shall mean the establishment of a new business or the expansion of an existing business, which:

A. is or will be primarily engaged in any one or more of the Kansas basic industries; or
B. is or will be primarily engaged in the development or production of goods or the provision of services for out-of-state sale; or
C. is or will be primarily engaged in the production of raw materials, ingredients or components for other enterprises which export the majority of their products; or
D. is a national or regional enterprise which is primarily engaged in interstate commerce; or
E. is or will be primarily engaged in the production of goods or the provision of services which will supplant goods or services which would be imported into the city; or
F. is the corporate or regional headquarters of an enterprise, which is primarily engaged in out-of-state business activities.
“Kansas basic industry” shall mean:
- Agriculture;
- Mining;
- Manufacturing;
- Interstate transportation;
- Wholesale trade which is primarily engaged in multi-state activity or which has a major import supplanting effect within the state;
- Financial services which are primarily engaged in providing such services for interstate or international transactions;
- Business services which are primarily engaged in providing such services to out-of-town markets;
- Research and development of new products, processes or technologies;
- Tourism activities, which are primarily engaged in for the purpose of attracting out-of-state tourists.

“Environmentally friendly businesses” shall mean:
- Firms with programs or activities that reduce the impact of activities on the environment.
- Businesses that are not damaging to the environment, or directed at preventing environmental damage.

As used in these subsections, “primarily engaged” means engagement in an activity by an enterprise to the extent that not less than 51% of the gross income of the enterprise is derived from such engagement.

SECTION 3. INDUSTRIAL ECONOMIC DEVELOPMENT

The granting of incentives will be considered for real property being added to the tax rolls by “Kansas basic industry,” in accordance with the provisions set by Section 13 of Article 11 of the Constitution of the State of Kansas and the provisions of K.S.A. 12-1740 et seq. and K.S.A. 79-201a.

The City of Hays will be selective as to the kinds of businesses that are recruited and assisted. In general, the primary objective of the City’s industrial Economic Development Policy is to target new and expanding businesses that are environmentally sound, strengthen our local economy, and demonstrate a need for public financial support in order to locate or expand in Hays. Additionally, the City favors industry that creates high-caliber employment, such as high-skill, high-wage jobs with increased employee benefits and superior working conditions.

When considering proposals brought before the City of Hays, City staff and the City commission shall be cognizant of the investment being made by the business, the risk involved in doing business, and the reputation of the City of Hays which is created by decisions that are made.

The City of Hays may approve for economic development purposes a property tax abatement on real property used exclusively in the following business activities:
- Conducting research and development, for an exemption up to 100 percent of the qualified property investment for up to 10 years;
- Manufacturing articles of commerce, for an exemption up to 100 percent of the qualified property investment for up to 10 years based on table A below;
- Storing goods that are sold or traded in interstate commerce, for an exemption up to 100 percent of the qualified property investment for up to 10 years based on table A below;
• Corporate or regional headquarters of a multi-state enterprise which is primarily engaged in activities that take place outside of Hays.

<table>
<thead>
<tr>
<th>Table A</th>
<th>% abated</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 year</td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>100%</td>
</tr>
<tr>
<td>Year 2</td>
<td>90%</td>
</tr>
<tr>
<td>Year 3</td>
<td>80%</td>
</tr>
<tr>
<td>Year 4</td>
<td>70%</td>
</tr>
<tr>
<td>Year 5</td>
<td>60%</td>
</tr>
<tr>
<td>Year 6</td>
<td>50%</td>
</tr>
<tr>
<td>Year 7</td>
<td>40%</td>
</tr>
<tr>
<td>Year 8</td>
<td>30%</td>
</tr>
<tr>
<td>Year 9</td>
<td>20%</td>
</tr>
<tr>
<td>Year 10</td>
<td>10%</td>
</tr>
</tbody>
</table>

The abatement term for projects considered under authority of Section 13 of Article 11 of the Kansas Constitution shall begin in the calendar year after the calendar year in which the business commences its operations locally. The abatement term for projects considered under authority K.S.A. 12-1740 et seq. and K.S.A. 79-201a shall begin in the calendar year after the calendar year in which the bonds are issued.

SECTION 4. INDUSTRIAL ECONOMIC DEVELOPMENT APPLICATION

New or existing businesses that seek financial incentives from the City must file an Application for Economic Incentives before their request can be considered. The application shall contain the following information:

A. Specific information on incentives being requested
B. Company profile including longevity of company, principle officers, stockholders and clients
C. Audited financial statements – last five (5) years or since date of incorporation if company has not been in existence for five (5) years
D. Completed (attached) Application for Economic Incentives and Supplemental Questionnaire
E. Completed Cost Benefit Analysis (See Section 14)
F. Business Plan as it relates to the proposed business to be located in Hays

The City will not consider the granting of any incentive unless the business submits a full and complete application and provides additional information as may be requested by the City Commission. The accuracy of the information provided in the application shall be verifiable by the applicant. Any misstatement of or error in fact may render the application null and void and may be cause for the repeal of any resolution adopted in reliance on said information. Applications will not be considered after the issuance of building permits. Refer to Section 7 for application and renewal fee information.

Any necessary Resolutions or Ordinances or other documents necessary for the abatement process must be submitted with the application. It is solely the responsibility of the applicant to prepare, submit and file the necessary documents with the City, County, School District and State if required.
SECTION 5. RETAIL DEVELOPMENT

The purpose of this section is to establish the official policy and procedures of the City of Hays for the granting of incentives for new and expanding retail businesses not otherwise addressed within this policy.

The primary objectives of the City in granting incentives to retail businesses for development include the expansion of the sales tax base, general enhancement of Quality of Life, development of Hays as the regional hub for goods and services in northwestern Kansas, and the expansion of the property tax base.

Examples of available incentives that may be available to retail businesses may include; Job Bounty Program, Tax Increment Financing (TIF), Transportation Development Districts (TDD), Community Improvement District (CID), Sales Tax and Revenue Bonds (STAR Bonds), or other available programs as approved by the Kansas Legislature.

A single development requesting additional assistance must also meet all of the following criteria:

A. The development must be at least 50,000 square feet
B. Generate $10,000,000/yr. in retail sales
C. Employ twenty five (25) or more employees

SECTION 6. RETAIL DEVELOPMENT APPLICATION

New or existing businesses that seek financial incentives from the City must file an Application for Economic Incentives before their request can be considered. The application shall contain the following information:

A. Specific information on incentives being requested
B. Company profile including longevity of company, principle officers, stockholders and clients
C. Audited financial statements – last five (5) years or since date of incorporation if company has not been in existence for five (5) years
D. Completed (attached) Application for Economic Incentives and Supplemental Questionnaire
E. Business Plan as it relates to the proposed business to be located in Hays
F. Cost Benefit Analysis (See Section 14)

The City will not consider the granting of any incentive unless the business submits a full and complete application, and provides additional information as may be requested by the City Commission. The accuracy of the information provided in the application shall be verifiable by the applicant. Any misstatement of or error in fact may render the application null and void and may be cause for the repeal of any resolution adopted in reliance on said information. Applications will not be considered after the issuance of building permits. Refer to Section 7 for application and renewal fee information.

Any necessary Resolutions or Ordinances or other documents necessary for the abatement process must be submitted with the application. It is solely the responsibility of the applicant to prepare, submit and file the necessary documents with the City, County, School District and State if required.
SECTION 7. FEE SCHEDULE

Any individual business requesting any incentive shall pay to the City a nonrefundable application fee of $250 which shall be submitted at the same time the Application for Economic Incentives is submitted. Any multi-business site, Real Estate developer proposal, or similar development plan shall pay to the City a nonrefundable application fee of $1,000.00, which shall be submitted at the same time the Application for Economic Incentives is submitted. At its discretion, the City Commission may consider waiving a portion of the fee upon request, based upon need. In addition, any business which has been granted an incentive shall pay an annual nonrefundable renewal fee in the amount of $100.00. In addition to the application and renewal fees, the business seeking a tax abatement shall be responsible for any City costs associated with the retention of bond counsel, attorney costs, or auditing costs associated with abatement approval and review, auditing or industrial revenue bond issuance.

SECTION 8. PAYMENT IN LIEU OF TAXES

In order to reduce the impact of granted abatements on local taxing entities the City of Hays requires a Payment in Lieu of Taxes (PILOT) in an amount equal to the tax liability on the property prior to the start of the project. This PILOT shall be paid annually as outlined in section 18.

SECTION 9. COMMUNITY IMPROVEMENT DISTRICT POLICY

A: POLICY STATEMENT

It is the policy of the City to consider the establishment of CIDs for reimbursable expenses in the amount of $250,000 or greater in order to promote economic development and tourism within the City. An applicant may petition the City to utilize special assessments or a special sales tax to fund projects eligible under the CID statutes. In considering the establishment of a CID, the Governing Body shall consider whether the proposed CID will achieve the economic development purposes outlined in Section Two of the City’s Economic Development Policy.

It is the further policy of the City that a CID shall only be established for projects where the applicant/developer pays for the cost of eligible CID improvements (at no cost to the City) and agrees to be reimbursed on a pay-as-you-go basis for such costs from the City’s receipt of CID sales tax revenues or CID special assessment revenues.

The use of CIDs should not alter the requirements of the City’s Economic Development Policy in regard to the development paying for public infrastructure or meeting building codes. When establishing a CID, special consideration will be given to public benefits. These benefits may include, but are not limited to, strengthening economic development and employment opportunities, reducing blight, enhancing tourism and cultural amenities, upgrading older retail real estate and commercial neighborhoods, and promoting sustainability and energy efficiency.

B: CRITERIA

It shall be the policy of the City to create a CID, if, in the opinion of the Governing Body, it is in the best interest of the City to do so. The Governing Body shall consider the following factors when creating a CID:
1. The project meets the City’s economic development goals by expanding existing businesses or develops new businesses described in Section 2 of the City’s Economic Development Policy, and/or strengthens economic development and employment opportunities, reduces blight, enhances tourism and cultural amenities, upgrades older retail real estate and commercial neighborhoods, and promotes sustainability and energy efficiency.

2. The project uses higher standards for the design of improvements and materials used in making improvements within the CID, compared to the minimum requirements set forth in the City’s current design guidelines.

3. The project extends public infrastructure to parts of the City that are not currently served by such infrastructure.

C: PROJECT ELIGIBILITY

1. It is the intent of the City to allow only projects involving capital investment and improvements to qualify for reimbursement. Purchase of consumables, and items or property considered to be operating expenses shall not qualify for reimbursement.

The following projects within the district to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, equip or extend shall be eligible for reimbursement out of the proceeds of the community improvement district sales tax:

   a. Public buildings, structures and facilities, and private not-for-profit museums;
   b. Sidewalks, streets, roads, interchanges, highway access roads, intersections, alleys, parking lots, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, utilities, pedestrian amenities, abandoned cemeteries, drainage systems, water systems, storm systems, sewer systems, lift stations, underground gas, heating and electrical services and connections located within or without the public right-of-way, water mains and extensions and other site improvements;
   c. Parking garages;
   d. Streetscape, lighting, street light fixtures, street light connections, street light facilities, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls and barriers;
   e. Parks, lawns, trees and other landscape;
   f. Communication and information booths, bus stops and other shelters, stations, terminals, hangers, rest rooms and kiosks;
   g. Outdoor cultural amenities, including but not limited to, sculptures and fountains;
   h. Private buildings, structures and facilities;
   i. To produce and promote any tourism, recreational or cultural activity or special event, including, but not limited to, decoration of any public place in the district, promotion of such activity and special events;
   j. To support business activity and economic development, including, but not limited to, development, retention, and the recruitment of developers and businesses;
   k. To provide or support training programs for employees of businesses.

2. Generally, projects not listed in the foregoing eligibility section shall not be eligible for reimbursement out of the proceeds of a Community Improvement District sales tax. Additionally, the following projects within the district to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew,
repair, install, relocate, furnish, equip or extend shall be ineligible for reimbursement out of the proceeds of a community improvement district sales tax:

a. Airports, railroads, light rail and other mass transit facilities;
b. Lakes, dams, docks, wharfs, lakes or river ports, channels and levies, waterways and drainage conduits.
c. To provide or contract for the provision of security personnel, equipment or facilities for the protection of property and persons for public property, buildings and outdoor spaces.
d. To provide or contract for cleaning, maintenance and other services to public property, buildings and outdoor spaces;
e. To contract for or conduct economic impact, planning, marketing or other studies related to the district.
f. Indoor cultural amenities, including but not limited to, paintings, murals and display cases, which are not located in a private not-for-profit museum;
g. To operate or to contract for the provision of music, news, child-care, or parking lots or garages, and buses, minibuses or other modes of transportation;
h. To provide or contract for the provision of security personnel, equipment or facilities for the protection of property and persons inside private buildings;
i. To provide or contract for cleaning, maintenance and other services to private property;
j. The purchase of inventory and/or supplies for use or resale.
k. To purchase interior furnishings.
l. To purchase advertising or participation and any promotional expenses.
m. Any other projects not permitted by state statute, as amended from time to time.

D: METHOD OF FINANCING

The governing body will consider creation of a CID where (1) the costs of CID improvements will be financed on a pay-as-you-go basis from CID sales tax revenues or (2) the costs of CID improvements consisting only of public infrastructure improvements will be financed from CID special assessments. In the instance where public infrastructure CID improvements will be financed from CID special assessments, the City will consider the issuance of special obligation CID special assessment bonds. The City will not issue special obligation or general obligation bonds for CID improvements, other than the limited circumstances set forth in this section. The proposed method of financing will be clearly shown in the petition.

E: PROCESS

The process for creation of a CID shall be as follows:

1. Petition and Supplemental Information. An applicant requesting that the City create a CID shall first submit a petition to the City. Such petition shall contain all of the information required by K.S.A. 74-50,115 and shall contain all of the required signatures of property owners as set forth in the Community Improvement District Act. Such petition shall also contain an agreement by the applicant to pay all out of pocket costs incurred by the City related to the City's review of the petition, including but not limited to the City's cost of legal counsel and financial advisors necessary to evaluate the petition. In addition to the information required by K.S.A. 74-50,115, applicants must file (a) an Application for Economic Incentives and Supplemental Questionnaire, as provided by the City's Economic Development Policy, (b) a site plan for all public and private improvements to be located within the proposed CID, and (c) a business plan evidencing that the applicant has the financial ability to complete the proposed project in a timely manner and operate the project for the term of the proposed CID. The applicant shall
furnish such additional information as requested by the City in order to clarify the petition or to assist staff or the Governing Body with the evaluation of the petition.

2. **Petition Fee and Deposit.** Each petition shall be accompanied by a non-refundable fee of $250.00 plus a deposit of $4,750.00 to be retained by the City to pay for the City’s out of pocket costs associated with the City’s review of the petition and other actions and agreements associated with the proposed CID, including but not limited to the City’s cost of legal counsel, financial advisors and consultants necessary to evaluate the petition and administer the CID. This deposit is in lieu of the $1,000.00 application fee provided in the Economic Development Policy for other economic development incentives. In the event that costs for third-party services incurred by the City exceed the fee collected, the applicant shall reimburse the City for such additional cost prior to final consideration of the Petition by the Governing Body. Such costs and expenses may be deemed costs of the improvements, and may be reimbursable to the extent permitted by the Community Improvement District Act and as authorized by the Governing Body.

3. **Timing of Submissions.** The petition and all additional information required by this Policy must be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the project’s site plans, and to analyze the merits of the proposed CID in the context of existing economic development and infrastructure projects.

4. **Public Hearing.** Upon receipt of the petition and all additional information required by this Policy, the Governing Body may order a public hearing on the creation of a CID and the imposition of a CID sales tax. The Governing Body shall give public notice and hold such hearing in the manner required by the Community Improvement District Act.

5. **Governing Body Findings; Development Agreement Required.** After the public hearing is conducted, the Governing Body shall determine the advisability of creating a CID pursuant to the Community Improvement District Act. If advisable, the Governing Body may create a CID by adopting an ordinance. Contemporaneously with the adoption of an ordinance creating a CID, the Governing Body shall consider a Development Agreement between the City and the applicant setting forth the specific terms and conditions under which the City will reimburse the applicant on a pay-as-you-go basis for the costs of certain CID Improvements.

F: **APPLICANT REQUIREMENTS**

1. The applicant shall provide a tax clearance letter from the State of Kansas Department of Revenue to determine and ensure the applicant is compliant with all primary Kansas Tax Laws. An annual submission of the tax clearance from the State of Kansas Department of Revenue is required.

2. If a CID is created, the applicant must complete an annual report by March 1 of each year covering the previous calendar year.

3. If a CID is created, the applicant must agree in the Development Agreement to pay to the City an annual administrative fee equal to 0.5% of the annual CID revenue generated within the CID, to cover the administration and other City costs related to the CID. This fee is in lieu of the annual renewal fee of $100.00 set forth in the City’s Economic Development Policy for other economic development incentives.
G: PAYMENT OF CERTAIN COSTS

The City shall require the applicant to enter into a funding agreement or other evidence of the applicant’s agreement to pay costs incurred by the City for additional legal, financial and/or planning consultants, or for direct out-of-pocket expenses and other costs relating from services rendered to the City to review, evaluate, process and consider the petition for a CID, as well as the continued maintenance of the escrow account for CID revenues and for the processing of payments of CID eligible costs. Such costs and expenses may be deemed costs of the project, to the extent permitted by the Community Improvement District Act.

H: SUNSET DATE

Since the justification and necessity for creation of Community Improvement Districts may be lessened as the local economy moves towards its goals of balance and diversification and the City’s Improvement needs are satisfied, the portion of this policy related to Community Improvement Districts shall automatically expire on December 31, 2011 unless it is readopted for an additional term. No such CID shall be approved following such expiration, unless this policy is readopted or repealed by adoption of a new CID policy.

I: AUTHORITY OF GOVERNING BODY

The Governing Body reserves the right to deviate from any policy when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that is in the best interests of the City. Additionally, the Governing Body, by its inherent authority, reserves the right to reject any proposal or petition for creation of a CID at any time in the review process when it considers such action to be in the best interests of the City.

SECTION 10. JOB BOUNTY PROGRAM

The Job Bounty Program of the City of Hays is to encourage new and/or existing businesses to hire employees. To participate in the Job Bounty Program, a prospective employer must agree to hire at least ten (10) full-time employees at an hourly wage of no less than $10.00/hr. For the purpose of this program, a full-time employee is one that works forty (40) hours per week or two thousand eighty (2080) hours per year. Anything below these levels will be considered part-time and will not be eligible for benefits under this program.

For those employers creating ten (10) or more full-time jobs paying no less than $10.00/hr., the Job Bounty Program, subject to the City’s budgetary limitations, shall receive the following:

1. For each full-time position created paying no less than $10.00/hr. base salary, not including employee benefits, tips, commissions, bonuses, or other incentives, the City will pay to the employer $1,000 per job provided that funds shall be paid in 20% increments over a five (5) year period. The employer will be required to provide, at the end of each year, in order to receive Job Bounty funds for that year, an audited payroll showing those ten (10) or more jobs were filled throughout the one year period.

2. For full-time jobs exceeding $15.00/hr base salary, not including employee benefits, tips, commissions, or other incentives, the City of Hays will pay $1500 per job on the same basis as noted previously including creation of a minimum of ten (10) jobs per company per agreement.
No Job Bounty proceeds will be paid for the creation of jobs that do not meet established hour and wage requirements as outlined above. It is specifically noted that an employer will apply for a specified number of jobs with the initial application. If the employer creates less than the number of jobs included in the application, no Job Bounty funds will be distributed. Job Bounty funding is allocated on a one-time occurrence per company. Retroactive funding activities, as stated in Section 17 of this policy, are not allowed under this policy.

No jobs may be created, or employees hired, under Job Bounty application until formal review by the City Manager’s Office and formal approval has been given by the City Commission subject to all of the activities contained in this policy.

SECTION 11. MEMORANDUM OF UNDERSTANDING

Authority to issue memorandums of understanding to consider requests for abatement shall lie only with the City Commission. Such memorandums of understanding shall only be issued by the City Commission, and as an expression of good faith intent, but shall not in any way bind the City to the granting of an incentive. Such memorandums of understanding shall expire six months after issuance, but may be renewed. A public hearing shall not be required prior to the issuance of memorandums of understanding.

SECTION 12. NOTICE AND HEARING

No incentive shall be granted by the City prior to a public hearing thereon. Notice of the public hearing shall be published at least seven days prior to the hearing in the official city newspaper, giving the time and place, and the hearing may be held at a regular or special meeting of the City Commission. The City Manager shall thereupon notify the Ellis County Commissioners, the superintendent of the appropriate school district, and the clerk of any taxing jurisdiction, excluding the state, which derives or could derive property taxes from the affected business advising them of the scheduled public hearing and inviting their review and comment. Upon request, the City Manager shall provide any such public agency with a copy of the application, which shall remain confidential unless released by the City Commission. The applicant business shall be invited, but not required, to attend the public hearings.

SECTION 13. PERFORMANCE AGREEMENT

Any incentive granted pursuant to this Resolution shall be accompanied by a Performance Agreement between the applicant and the City, which shall include provisions governing the situation if an applicant fails to meet the wage, number of jobs, and/or capital investment projections set forth in the original application. Each incentive shall be reviewed annually. The City Commission shall receive the annual review report, and if the City Commission determines that a business or project is not in compliance with the provisions of the Performance Agreement, then the incentive may be modified pursuant to the Performance Agreement as the City Commission deems appropriate. The County Appraiser and the State Court of Tax Appeals shall be notified of appropriate actions.

SECTION 14. COST BENEFIT ANALYSIS

The Cost Benefit Analysis will offer a wide spectrum of information as it pertains to development, the adequacy, or inadequacy of, financial incentives, and finally, the net gain, current and future, of entering into these types of endeavors on behalf of the citizens of Hays. The Cost Benefit Analysis should address the following items:
1. DIRECT COSTS TO THE CITY OF HAYS. Any identified direct cost should be included in the analysis. Examples of these types of costs include municipal infrastructure to the business site, and costs of providing city emergency services such as fire and police protection.

2. BENEFIT TO THE CITY OF HAYS. Direct benefits include wages/salaries/benefits paid to employees, any taxes collected (property, sales, franchise fees), purchases of products/services from local vendors.

3. COST VERSUS BENEFIT. From a community perspective, incentives are used because a net benefit is expected. A desired benefit to cost ratio must be at least in the 1.25:1 ratio. Proposed economic development projects that achieve this benchmark traditionally employ a higher proportion of local labor, including managers, at an above-average hourly wage.

This analysis should identify the particulars involving the developer’s proposal. This should include confirmation of the size of the store, financial information, number of employees, pay scale, tax collections, and other areas involving development. The developer is responsible for the development of this analysis including any cost incurred.

SECTION 15. ANNUAL REVIEW FOR COMPLIANCE

All incentives granted shall be subject to an annual review to ensure that the ownership, use of property, and the economic performance of the business, including the capital investment, employment, and wages, are pursuant to requirements and criteria of this policy, the application, and the conditions of the granting of incentives. The review shall also include a comprehensive review of the entire abatement period for the business (if applicable), including milestones and project phases for the business. The annual review shall provide an opportunity for the company receiving the incentive to describe their achievements, especially in the areas of environmentally sound practice, community engagement and services, and job training. If the business:

A. no longer qualifies for the incentive pursuant to law or this policy
B. substantially fails to meet the expectations set forth in the application for an incentive, including failure to meet employment, wage, or capital investment plans in the application
C. substantially fails to meet the criteria or objectives of this policy; the City Commission, after notice and a public hearing may modify the incentive by ordinance.

The City reserves the right to issue any level of penalties that it deems necessary. These may include; 1) rescissions, which is a complete cancellation of the incentive, 2) penalties, which are fines charged when the business does not meet a certain level of performance or relocates, and finally, 3) recalibrations, which are the provisions for changing the incentive in some manner in order to accommodate an evolving economic climate. The use of these tools will provide a safety net to the community, ensuring that its investment in the business will result in the positive benefits it expects.

Each business receiving an incentive shall be required to complete an annual report by March 1. The information in the report will cover the time period of January 1 through December 31 of the previous year. The annual report will be reviewed by May 1.
By May 1 of each year, an annual report listing all financial incentives that remain in effect will be presented to the City Commission. The annual report shall include information regarding when the incentive was granted, when the incentive expires, current property taxes paid for the property, in lieu of tax payments, amount of any industrial revenue bonds issued, the assessed value of the property, number of employees, salary and payroll of employees, and any additional information concerning the operation of the business receiving the incentive, and other information as requested by the City Commission.

The failure of a business to provide accurate and timely information to the City in the preparation of the annual report shall be grounds for the modification or revocation of the incentive granted.

The City may require an annual renewal application to be filed or other information necessary to assure the continued qualification of the exempt business. Any material omission or misstatement of fact in information provided to the City in any such statement or renewal application may be cause for repeal of any incentive ordinance adopted, renewed or extended in reliance thereon.

SECTION 16. TRANSFER OF OWNERSHIP OR USE

Incentives granted by the City may be transferred as a result of a change in the majority ownership of the business. Any new owner shall file a new application, along with the renewal fee, for an incentive. The City shall be notified by the business of any change in ownership and any substantive change in the use of a tax exempt property.

SECTION 17. RETROACTIVE GRANTING OF INCENTIVES

No incentives, including the granting of Job Bounty funding, will be distributed on a retroactive funding basis. Incentives will be granted pursuant to the guidelines of this policy and effective on the date indicated and approved by the City Commission.

SECTION 18. DISTRIBUTION OF REVENUE

The granting of an incentive by the City is hereby declared to be a contract under the provisions of K.S.A. 12-147. The in lieu of taxes payment, which may be required of a business granted a tax abatement under this Statement, shall be paid to the County Treasurer, with notice of the amount and date paid provided to the City. The County Treasurer is directed to apportion the payment, under the provisions of subsection (3) of K.S.A. 12-148, to the general fund of all taxing subdivisions, excluding the state, which levy taxes on property where the business is situated. The apportionment shall be based on the relative amount of taxes levied, for any and all purposes by each of the applicable taxing subdivisions.

SECTION 19. ABATEMENT RESOLUTION

The City Clerk shall provide a copy of the ordinance, as published in the official city newspaper, granting an abatement from taxation to the applicant for use in filing an initial request for tax abatement as required by K.S.A. 79-213, and by K.S.A. 79-210 for subsequent years.
SECTION 20. ABATEMENT FORMS

A copy of the abatement application required by K.S.A. 79-213 and 79-210, and the statement required by K.S.A. 79-214 for the cessation of an exempt use of property, shall be filed with the County Appraiser by the property owner.

SECTION 21. WAIVER OF STATEMENT REQUIREMENTS

The City Commission reserves the right to grant or not to grant an incentive under circumstances beyond the scope of this Statement, or to waive any procedural requirement. However, no such action or waiver shall be taken or made except upon a finding by the City Commission that a compelling or imperative reason or emergency exists, and that such action or waiver is found and declared to be in the public interest. In addition, no abatement can be provided without the approval of the State Board of Tax Appeals.

SECTION 22. AMENDMENTS

The City Commission of the City of Hays retains the right to amend any portion of this policy as needed and will inform all other governing bodies in the county with authority to abate property from ad valorem taxes of the amendments it has implemented.

SECTION 23. TAX CLEARANCE CERTIFICATION

Any person, company, or entity receiving economic incentives under this policy must provide a Tax Clearance Certificate from the State of Kansas Department of Revenue on an annual basis prior to December 31. The Tax Clearance Certificate requirement will be in effect until such time that incentives are no longer being utilized.

SECTION 24. MANDATORY REVIEW

This policy will be subject to a mandatory review by the City Commission every three years.
I. GENERAL INFORMATION

1. Name of Applicant Firm: _____________________ Date of Request: _____________________

2. Local Address: _____________________ Telephone Number: _____________________

                                Fax Number: _____________________
                                e-mail address: _____________________

                                Headquarters Address: _____________________ Telephone Number: _____________________

                                Fax Number: _____________________
                                e-mail address: _____________________

3. Names and titles of the corporate principal officers and directors including local principal officers and/or management personnel, if known, of the applicant:

                                Name: _____________________ Title: _____________________
                                Name: _____________________ Title: _____________________
                                Name: _____________________ Title: _____________________
                                Name: _____________________ Title: _____________________

4. How long has the firm been in business? _____________________

5. Has the applicant or any principal thereof:
   Been convicted of any crime other than a traffic violation in the past ten (10) years?       _____ Yes       _____ No
   Had Federal or State tax liens filed against them?       _____ Yes       _____ No
   Had a court judgment rendered against them that remains unpaid?       _____ Yes       _____ No
   Been declared insolvent, bankrupt or been in receivership?       _____ Yes       _____ No
   Filed an application for tax abatements or incentives in another community?       _____ Yes       _____ No
The name, address and telephone numbers of two banking or credit references:

1. ____________________________________________________________

2. ____________________________________________________________

6. Names and addresses of all persons or firms that will be listed as owner(s) of the property to receive incentives:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. Provide a brief history of your company, including the types of developments completed (for commercial developments, please list names of retailers and service firms):

_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________

8. Describe in general terms the legal structure of your business. Specifically indicate how your business is organized (i.e., corporation, partnership, etc.), where the entity is domiciled, ownership, subsidiaries or affiliates and any other information necessary to understand how you are legally organized.

_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________

9. Enclose a copy of your audited financial statements for the past five (5) years.

10. Attach to this application the names, locations and contacts of other governments from which you have received or applied for economic incentives, including but not limited to Tax Increment Financing (TIF), Transportation Development District (TDD) bonds, STAR bonds, tax abatements and/or industrial revenue bonds if applicable.

   _____ check here if NOT applicable.

II. NATURE OF THE IMPROVEMENTS

1. Location of improvements:

   ____________________________________________________________
2. Land to be purchased:

________________________________________________________

sq. feet or acres __________

value/purchase price: _______________

3. New construction or modification:

sq. feet: ___________________ Cost: $_________________________

Identify Construction:

______________________________________________________________________

______________________________________________________________________

4. New Machinery and Equipment subject to personal property taxes (include approximate purchase dates and estimated useful life):

Description: __________________________________________________________

______________________________________________________________________

______________________________________________________________________

Cost: $ _______________________

5. Please state the reason for the establishment of the new facility or the expansion or replacement of the existing facility:

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

6. What are the approximate starting and completion dates for the project? The completion date is defined as the date you will be ready to utilize the new or expanded facility.

Start Date    Completion Date

III. PROPOSED USE AND ECONOMIC BENEFIT

1. What type of new or expanded business activity does the applicant propose?

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

2. List the type of retail or service firm to be located in the proposed development (include details of the nature and scope of the operation of the business):

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

3. What percentage of the facility will the applicant occupy?  _________%

4. Do any of the proposed retailers or service firms have a product or process that may pose or create an environmental hazard when it is sold, destroyed or discarded?

______________________________________________________________________
5. Please list all new employees and proposed wages, excluding fringe benefits, by the job titles included in the Annual Wage Survey prepared by the Kansas Department of Human Resources, if possible.

<table>
<thead>
<tr>
<th>Category</th>
<th>Full-time Employees</th>
<th>Job Title</th>
<th>Salary Range</th>
<th># New Employees</th>
<th># of Transfers</th>
<th>Avg. Annual Salary</th>
<th>Date Hired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerical</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production/Assembly</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Part-time employees</th>
<th>Job Title</th>
<th>Salary Range</th>
<th># New Employees</th>
<th># of Transfers</th>
<th>Avg. Annual Salary</th>
<th>Date Hired</th>
</tr>
</thead>
</table>

6. What are the employer's share of fringe benefits including health insurance but excluding vacation, holidays, and sick leave, as a percentage of annual salary by employee category. Also indicate the percentage of health insurance cost paid by the employer.

<table>
<thead>
<tr>
<th>Category</th>
<th>Fringe Benefit %</th>
<th>Health Insurance (% Paid by Employer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production/Assembly</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Percentage varies with salary level if all employees receive the same benefit package.

7. Briefly describe your medical, vacation, sick leave and retirement benefits. (Attach any appropriate benefit summary publications if applicable)

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

8. Provide a breakdown of your annual operating expenses. Indicate the percentage of total annual operation expenses that will be spent locally within Ellis County for each item. For firms expanding their facilities and operations in Ellis County, indicate the current annual operating expenses and provide a projection for the incremental expenses after the expansion. For firms planning to newly locate in Ellis County an accurate projection of future annual operational expenses need to be provided.
<table>
<thead>
<tr>
<th>Type of Expense</th>
<th>Actual¹</th>
<th>Projected Total²</th>
<th>% Spent in Ellis County</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ Amount</td>
<td>$ Amount</td>
<td>Actual %</td>
</tr>
<tr>
<td>Professional services (legal, accounting, advertising, etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business service (training, maintenance)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cleaning services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>transportation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>office supplies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>material and goods</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>other (specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Annual Operational Expenses³

Actual Expenses
Subtotal $______________

IV. TAX ABATEMENT INFORMATION (Not applicable to Retail Development).

A. Amount or percentage of tax abatement requested and duration: ______________________
   _______________________________________

B. In-lieu-of-tax payments offered and duration: _____________________________
   _______________________________________

C. Why tax abatement is a critical factor in determining whether the proposed project is to be completed?
   _______________________________________
   _______________________________________

¹ For existing facility, if applicable.
² After construction or expansion of new facility.
³ Do not report labor costs, debt service, purchase of equipment subject to personal property tax.
V. OTHER INCENTIVE INFORMATION

Annual Operational Expenses

<table>
<thead>
<tr>
<th>Type of Expense</th>
<th>Actual ($ amount)</th>
<th>Projected Total ($ amount)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste Water</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garbage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Actual Expenses
Subtotal $________________

1. State all incentives being requested within this application:
   __________________________________________________________________________
   __________________________________________________________________________
   __________________________________________________________________________
   __________________________________________________________________________
   __________________________________________________________________________
   __________________________________________________________________________

2. Provide reasons why economic incentives are necessary for the project:
   __________________________________________________________________________
   __________________________________________________________________________
   __________________________________________________________________________
   __________________________________________________________________________
   __________________________________________________________________________

3. What improvements or services will need to be provided by the City or County to accommodate this improvement?
   __________________________________________________________________________
   __________________________________________________________________________
   __________________________________________________________________________
   __________________________________________________________________________

4 Do not report labor costs, debt service, purchase of equipment subject to personal property tax.
VI. GENERAL CONDITIONS

The following general conditions are understood and agreed to by the firm receiving economic incentives from the City of Hays:

1. The applicant must agree to and reimburse the City for the costs of any legal, financial, or administrative research and work done in reviewing the proposal, preparing other necessary legal documents, and researching the qualifications of the applicant.

2. The applicant must also agree to sign an agreement making a minimum payment in lieu of property taxes.

3. Prior to issuance of the economic incentives, the applicant's proposal and information may require approval from the Kansas Department of Commerce and/or other state agencies.

4. The applicant agrees to provide additional information considered necessary by the City Manager to make a recommendation to the City Commission on granting the economic incentives.

5. Each business receiving economic incentives must complete an annual report by March 1 of each year covering the previous calendar year. Any business that has received an economic incentive shall pay an annual renewal fee of $100.00.

6. Enclosed is the application fee of $250.00/$1,000.00, as defined in Section 7 (Fee Schedule) of the Economic Development Policy, payable to the City of Hays, Kansas.

I (we) verify that the above information and assurances made are complete and correct to the best of my (our) knowledge.

____________________________  ____________________  ____________________
Signature      (print name)   Date

____________________________
Title

Signature    (print name)   Date

____________________________
Title
City of Hays
Supplemental Questionnaire

1. Name of Applicant Firm: _____________________________________________

2. Firm’s SIC Code: __________________

3. Description and purpose of the new business or expansion:

____________________________________________________________________

____________________________________________________________________

Capital Investment

Market or retail value of the new or additional investment:

<table>
<thead>
<tr>
<th>First Expansion</th>
<th>Second</th>
<th>Third</th>
<th>Fourth</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Land</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Building &amp; Improvements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Furniture, Fixtures, &amp; Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sales and Purchases

Expected sales and purchases due to the expansion:

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Purchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Year 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Year 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Year 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Year 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Year 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Year 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Year 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Year 8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Year 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Year 10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What percentage will be subject to sales tax:

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Purchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>17. Year 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Year 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Year 3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

% 20. What is the expected percentage of annual net taxable income on which state corporate income tax will be computed?
## Additional Annual Utility Expenditures due to the Expansion

<table>
<thead>
<tr>
<th>Construction Period</th>
<th>Year One of Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>21. Telephone</td>
<td></td>
</tr>
<tr>
<td>22. Electricity</td>
<td></td>
</tr>
<tr>
<td>23. Gas</td>
<td></td>
</tr>
<tr>
<td>24. Water</td>
<td></td>
</tr>
<tr>
<td>25. Waste Water</td>
<td></td>
</tr>
<tr>
<td>26. Garbage</td>
<td></td>
</tr>
<tr>
<td>27. Cable</td>
<td></td>
</tr>
<tr>
<td>28. Other</td>
<td></td>
</tr>
</tbody>
</table>

% 29. By what percentage are utility bills expected to increase during the remaining years of the expansion?

## New Employees due to Expansion

<table>
<thead>
<tr>
<th>New Hires</th>
<th>Average Annual Salaries</th>
<th>Moving to the County</th>
<th>Moving from Out-of-state</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 10</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## New Construction

<table>
<thead>
<tr>
<th>Initial Construction or Expansion</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Expansion</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; Expansion</th>
<th>4&lt;sup&gt;th&lt;/sup&gt; Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Construction Cost</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

## Construction Profit Percentage

<table>
<thead>
<tr>
<th>Construction Profit Percentage</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
</table>

## Construction Materials Purchased

<table>
<thead>
<tr>
<th>Initial Construction or Expansion</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Expansion</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; Expansion</th>
<th>4&lt;sup&gt;th&lt;/sup&gt; Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the State</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In the County</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In the City</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Costs of Furniture, Fixtures, & Equipment Purchased

<table>
<thead>
<tr>
<th></th>
<th>Initial Construction or Expansion</th>
<th>2nd Expansion</th>
<th>3rd Expansion</th>
<th>4th Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>45. In the State</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46. In the County</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>47. In the City</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Construction Workers and Salaries

<table>
<thead>
<tr>
<th></th>
<th>Initial Construction or Expansion</th>
<th>2nd Expansion</th>
<th>3rd Expansion</th>
<th>4th Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>48. Number of construction workers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49. Total salary paid average worker</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50. Total construction salaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51. Household size of average worker</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Visitors due to the Expansion

<table>
<thead>
<tr>
<th>Year</th>
<th>Out-of-town visitors expected</th>
</tr>
</thead>
<tbody>
<tr>
<td>52. Year 1</td>
<td></td>
</tr>
<tr>
<td>53. Year 2</td>
<td></td>
</tr>
<tr>
<td>54. Year 3</td>
<td></td>
</tr>
<tr>
<td>55. Year 4</td>
<td></td>
</tr>
<tr>
<td>56. Year 5</td>
<td></td>
</tr>
<tr>
<td>57. Year 6</td>
<td></td>
</tr>
<tr>
<td>58. Year 7</td>
<td></td>
</tr>
<tr>
<td>59. Year 8</td>
<td></td>
</tr>
<tr>
<td>60. Year 9</td>
<td></td>
</tr>
<tr>
<td>61. Year 10</td>
<td></td>
</tr>
</tbody>
</table>

62. How many days will an average visitor to your firm be expected to stay in the area?

63. How many nights will a visitor to your firm be expected to stay overnight in city hotels or motels?

64. How many nights will a visitor to your firm be expected to stay overnight anywhere in the county?
### Economic Development Worksheet

**Benefits/Cost Analysis**

**Firm’s Name:**

---

#### Extraordinary Payments the Firm will Make

<table>
<thead>
<tr>
<th>To the City</th>
<th>To the County</th>
<th>To the State</th>
</tr>
</thead>
<tbody>
<tr>
<td>65. Construction Period</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>66. Year 1</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>67. Year 2</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>68. Year 3</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>69. Year 4</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>70. Year 5</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>71. Year 6</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>72. Year 7</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>73. Year 8</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>74. Year 9</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>75. Year 10</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### Extra Costs to Provide Infrastructure and/or Services for this Expansion

<table>
<thead>
<tr>
<th>City Costs</th>
<th>County Costs</th>
<th>State Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>76. Construction Period</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>77. Year 1</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>78. Year 2</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>79. Year 3</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>80. Year 4</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>81. Year 5</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>82. Year 6</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>83. Year 7</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>84. Year 8</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>85. Year 9</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>86. Year 10</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### Where New Employees Live

As a Percentage of the Total Number of New Employees

- % 87. In the city
- % 88. In the school district where the firm is located
- % 89. In the county
- % 90. In the region
Where New Employees Shop

Percent of shopping
% 91. In Kansas
% 92. In the County
% 93. In the City

New Employee Housing and Schools

94. Household size of a typical new employee
95. School age children in household of a typical new employee
% 96. Percentage of new employees moving to the community for whom new housing will be required.

Indirect New Employees

As a Percentage of the Total Number of New Employees
% 97. Moving to the county
% 98. Of those, moving from out-of-state

Construction Workers

Where are construction workers expected to spend their salaries?
% 99. In the State of Kansas
% 100. In the County
% 101. In the City

Visitors Spending

102. Daily retail spending by a visitor, excluding lodging
103. Average daily hotel/motel room rates

<table>
<thead>
<tr>
<th>In the County</th>
<th>Of that, in the City</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

_______________________________________
Signature
The Job Bounty Program of the City of Hays is to encourage new and/or existing businesses to create new jobs and hire employees. The following general conditions are understood and agreed to by the applicant receiving Job Bounty Program Incentives from the City of Hays.

1. The applicant agrees that they will create, at minimum:
   ____ Ten (10) full-time jobs at an hourly wage of no less than $10.00/hr base salary, not including employee benefits, tips, commissions, or other incentives. The City agrees to pay the company $1,000 per new job created at this hourly rate in 20% increments over a five (5) year period.

   ____ Ten (10) full-time jobs at an hourly wage of no less than $15.00/hr base salary, not including employee benefits, tips, commissions, or other incentives. The City agrees to pay the company $1,500 per new job created at this hourly rate in 20% increments over a five (5) year period.

2. The applicant understands that they must abide by the following guidelines:
   A. The applicant must maintain employment numbers in these positions for the full term of the incentive year before funding is granted (An audited payroll will be provided to the City of Hays at the end of this year, and periodically as requested).
   B. For the purpose of this program, a full-time employee is one that works forty (40) hours per week or two thousand eighty (2080) hours per year.
   C. Payment of Bounty funds is contingent on the City’s budgetary limitations.
   D. No Job Bounty proceeds will be distributed for creation of jobs that do not meet established hourly wages as stated above.
   E. No Job Bounty proceeds will be distributed for existing jobs where the hourly rate has been adjusted. This program is created on the basis of new jobs created within the City of Hays.
   F. No additional incentives will be granted if the applicant creates more jobs at the specified hourly rates, however, if less jobs are created than the required amount, no Job Bounty proceeds will be distributed.
   G. Job Bounty funding is allocated on a one-time occurrence per applicant.
   H. Any employees hired before the date of this agreement will not be considered as eligible for this program.

I (we) verify that the above information and assurances made are complete and correct to the best of my (our) knowledge.

__________________________     ______________________
Signature                                      (print name)     Date

__________________________
Title

__________________________     ______________________
Signature                                      (print name)     Date

__________________________
Title
For the purpose of this program, a full-time employee is one that works forty (40) hours per week or two thousand eighty (2080) hours per year. Anything below these levels will be considered part-time and will not be eligible for benefits under this program.
Commission Work Session Agenda
Memo

From: Jesse Rohr, PIE Superintendent
Meeting: December 1, 2011 Work Session
Subject: Golden Belt Estates 4th Addition Engineering Services Agreement
Person(s) Responsible: Toby Dougherty, City Manager
I.D. Creech, Director of Public Works

Summary
Western Plains Service Corporation has petitioned the City for Street, Storm Sewer, Water, and Sanitary Sewer Improvements to an area containing 21 lots within the Golden Belt Estates 4th Addition. Ruder Engineering and Surveying, L.L.C. has prepared a contract for engineering services to include engineering design, contractor solicitation, construction engineering, and warranty inspection. The contract is for a not-to-exceed amount of $35,800. Staff recommends that the commission authorize the Mayor to sign the Engineering Services Agreement with Ruder Engineering & Surveying, LLC for professional services related to improvements in the Golden Belt Estates 4th Addition in an amount not to exceed $35,800. This is a pass-through transaction, therefore there are no costs to the City as all costs associated with this project will be assessed to the property.

Background
This is a continuation of an existing development that has been developing in phases over the last several years. This particular project follows the plan that has been set forth and approved over the years.

Discussion
Western Plains Service Corporation has petitioned the City for Street, Storm Sewer, Water, and Sanitary Sewer Improvements to an area containing 21 lots within the Golden Belt Estates 4th Addition. Per the Resolution approved by the City Commission on November 22, 2011, 100% of the costs of the construction will be assessed to the 21 described lots within the Golden Belt Estates 4th Addition. Ruder Engineering and Surveying, L.L.C. has prepared a contract for engineering services to include engineering design, contractor solicitation, construction engineering, and warranty inspection. The contract is for a not-to-exceed amount of $35,800.
**Legal Consideration**
This is a pass-through transaction and there are no legal concerns presented by the matter.

**Financial Consideration**
The developer is intending to finance the development project through the creation of a special benefit district. There are no over-sizing or other costs to the City in this project.

**Options**
Options include the following:
- Approve the Engineering Services Agreement
- Do not approve the Agreement

**Recommendation**
Staff recommends that the commission authorize the Mayor to sign the Engineering Services Agreement with Ruder Engineering & Surveying, LLC for professional services related to improvements in the Golden Belt Estates 4th Addition in an amount not to exceed $35,800.

**Action Requested**
Approve the Engineering Services Agreement with Ruder Engineering & Surveying, LLC for an amount not to exceed $35,800 for the development of Golden Belt Estates 4th Addition.

**Supporting Documentation**
Engineering Services Agreement
Map of Area
ENGINEERING SERVICES AGREEMENT

THIS AGREEMENT, entered into on the __________ day of ________________, 2011, by the City of Hays, Kansas, party of the first part, hereinafter referred to as the "City", and Western Plains Service Corporation, party of the second part, hereinafter referred to as the “Developer” and the firm of Ruder Engineering & Surveying, LLC, party of the third part, hereinafter referred to as the “Consultant”.

WITNESSETH:

That the City and the Developer plan to complete improvements to and within the Golden Belt Estates Fourth Addition. The improvements include the sanitary sewer lines, water lines and street construction needed to serve the lots in said Addition.

These improvements will be hereinafter referred to as the "IMPROVEMENT".

That the City and the Developer require professional engineering services to assist them in implementing the IMPROVEMENT.

That the City and the Developer have selected Ruder Engineering & Surveying, LLC to perform these services;

NOW, THEREFORE, in consideration of these premises and the mutual covenants herein contained, the Parties hereto agree as follows:

ARTICLE I
SCOPE OF SERVICES

Ruder Engineering & Surveying, LLC shall be responsible for engineering services required by the various portions of the "IMPROVEMENT". The services required on the "IMPROVEMENT" are described as follows:

Engineering Design Phase:

1. Perform field surveys to collect pertinent topographic and engineering data necessary to complete the design of the water lines, sewer lines and streets as listed above.

2. Prepare bid and construction documents in sufficient detail, using City’s standards, where applicable, to allow competitive bids to be received. All portions of the project shall be included in the same set of the bid and construction documents.

3. Review documents and project budget and perform a field check of the project with City Staff and the Developer.

4. Prepare "Engineers Estimate of Probable Cost" to be used in evaluating bids.
5. Assist in obtaining necessary approvals and permits from KDHE.

**Contractor Solicitation Phase:**

1. Assist the City and the Developer in soliciting interest from contractors by:
   
   a. Preparing a Notice to Contractors, which can be published (at the City's expense) in appropriate newspapers.
   b. Mailing the Notice to Contractors to approved contractors.
   c. Notifying appropriate plan rooms.

2. Provide bid documents to interested contractors and plan rooms.

3. Address contractor questions and issue appropriate addenda during the bid preparation period.

4. Attend the bid opening, tabulate the submitted bids, analyze the bids and make recommendations to the City and the Developer regarding award of the construction contracts.

5. Prepare contract documents and distribute for execution. Collect fully executed documents and distribute to the appropriate parties.

**Construction Engineering Phase:**

1. Conduct a pre-construction conference.

2. Review all shop drawings and submittals.

3. Review contractor schedules.

4. Provide on-site inspection to maintain compliance with the construction and contract documents.

5. Review and submit periodic Contractor pay estimates to the City and the Developer for payment.

6. Prepare change orders as necessary.

7. Conduct a final inspection of every part of the work prior to acceptance of the work by the City and the Developer.

8. Prepare record drawings.
**Warranty Inspection Phase:**

1. Conduct a warranty inspection approximately one year from the date of acceptance of the project and monitor repair of any deficient items.

**ARTICLE II**
**TIME SCHEDULE**

The services listed in the above scope of services shall be completed as shown on the following schedule:

<table>
<thead>
<tr>
<th>Task</th>
<th>Proposed Date of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice to Proceed</td>
<td>12-8-11</td>
</tr>
<tr>
<td>Review Plans</td>
<td>1-16-12</td>
</tr>
<tr>
<td>Final Review Due</td>
<td>1-23-12</td>
</tr>
<tr>
<td>Send out for bids</td>
<td>1-25-12</td>
</tr>
<tr>
<td>Pre-bid meeting</td>
<td>2-8-12</td>
</tr>
<tr>
<td>Open bids</td>
<td>2-15-12</td>
</tr>
<tr>
<td>City Work Session</td>
<td>3-1-12</td>
</tr>
<tr>
<td>Award bids</td>
<td>3-8-12</td>
</tr>
<tr>
<td>Construction Engineering Phase</td>
<td>100 Working Days</td>
</tr>
<tr>
<td>Warranty Inspection</td>
<td>20 Working Days</td>
</tr>
</tbody>
</table>
ARTICLE III
COMPENSATION

Water Line:
Engineering Design Phase Not-to-Exceed $2,700.00
Contractor Solicitation Phase Not-to-Exceed $500.00
Construction Engineering Phase Not-to-Exceed $2,700.00
Warranty Inspection Not-to-Exceed $300.00

Water Line Subtotal $6,200.00

Sewer Line:
Engineering Design Phase Not-to-Exceed $3,300.00
Contractor Solicitation Phase Not-to-Exceed $500.00
Construction Engineering Phase Not-to-Exceed $3,300.00
Warranty Inspection Not-to-Exceed $300.00

Sewer Line Subtotal $7,400.00

Streets:
Engineering Design Phase Not-to-Exceed $10,700.00
Contractor Solicitation Phase Not-to-Exceed $500.00
Construction Engineering Phase Not-to-Exceed $10,700.00
Warranty Inspection Not-to-Exceed $300.00

Streets Subtotal $22,200.00

GRAND TOTAL NOT-TO-EXCEED $35,800.00

The Consultant shall submit an invoice to the City on a monthly basis. The invoice shall show the percentage complete for each phase as shown above. The sum of all invoices submitted for each phase shall not exceed the amount listed above for the applicable phase.

The Consultant will submit invoices within 20 days after the last day of each month during which work on the Project has been in progress. The City will pay the Consultant within thirty days after receipt of the Consultant's statement.

ARTICLE IV
MISCELLANEOUS PROVISIONS

1. Change in Scope. The scope of the work described in Article I, Scope of Services shall be subject to modification or supplement upon the written agreement of the contracting parties. Any such modifications in the scope of the work shall be incorporated by supplemental agreement. At the time of such modification of work, equitable adjustments will be made by the parties in the time of performance and the compensation to be paid on the project.
2. **Conferences.** Representatives of the City and the Developer may arrange for such conference and visits as may be deemed necessary or desirable during the progress of the work.

3. **Termination.** The City and the Developer reserve the right to terminate this Agreement at any time, upon written notice, in the event the services of the Consultant are unsatisfactory, or upon failure to prosecute the work with due diligence or to complete the work within the time limits specified; provided, however, that in any such case, the Consultant shall be paid the reasonable value of the services rendered up to the time of termination on the basis of the payment provisions of this Agreement.

4. **Binding Upon Successors.** This Agreement shall be binding upon the undersigned parties, their successors, partners, assigns, and legal representatives.

5. **Liability and Indemnification.**

   a. **General.** Having considered the potential liabilities that may exist during performance of the Services, the benefits of the Project, and the Consultant’s fee for the Services, and in consideration of the promises contained in this Agreement, the Agreement Parties agree to allocate and limit such liabilities in accordance with this Article.

   b. **Indemnification.** The Agreement Parties each agree to defend, indemnify, and hold harmless each other, its agents and employees, from and against legal liability for all claims, losses, damages and expenses to the extent such claims, losses, damages or expenses are caused by its negligent acts, errors or omissions. In the event such claims, losses, damages or expenses are caused by the joint or concurrent negligence of the Agreement Parties, they shall be borne by each party in proportion to its own negligence.

   c. **Employee Claims.** Each party of the Agreement shall indemnify the other parties against legal liability for damages arising out of claims by said party’s employees.

   d. **Survival.** Upon completion of all Services, obligations and duties provided for in this Agreement, or if this Agreement is terminated for any reason, the terms and conditions of this article shall survive.

6. **Opinions of Cost and Schedule.** Since the Consultant has no control over the cost of labor, materials or equipment furnished by others, or over the resources provided by others to meet Project schedules, the Consultant’s opinion of probable costs and of Project schedules shall be made on the basis of experience and qualifications as a professional engineer. The Consultant does not guarantee that proposals, bids, or actual Project costs will not vary from the Consultant’s opinion of probable costs or that actual schedules will not vary from the Consultant’s projected schedules.

7. **Reuse of Documents.** All documents, including, but not limited to, drawings, specifications, and computer software prepared by the Consultant pursuant to this Agreement are instruments of service in respect to a Project. They are not intended or represented to be suitable for reuse by the City or others on extensions of a project or on any other project. Any reuse without prior written verification or adaptation by the Consultant for the specific purpose intended will be at the City’s sole risk and without liability or legal exposure to the Consultant. The City shall defend, indemnify,
and hold harmless the Consultant against all claims, losses, damages, injuries, and expenses, including attorneys' fees, arising out of or resulting from such reuse. Any verification or adaptation of documents will entitle the Consultant to additional compensation at rates to be agreed upon by the involved parties.

8. **Ownership of Documents and Intellectual Property.** Except as otherwise provided herein, engineering documents, drawings, and specifications prepared by the Consultant as part of the Services shall become the property of the Developer, provided, however, that the Consultant shall have the unrestricted right to their use. The Consultant shall retain its rights in its standard drawing details, specifications, databases, computer software and other proprietary property. Rights to intellectual property developed, utilized or modified in the performance of the Services shall be the joint property of the Consultant and the Developer, provided that the Consultant shall have the right to use said property in its ordinary course of business.

IN WITNESS WHEREOF, said parties have caused this Agreement to be signed by their duly authorized officers in four counterparts, each of which shall be deemed an original, on the day and year first written.

ATTEST: 

CITY OF HAYS, KANSAS

______________________________      ________________________________

Hays City Clerk                      Mayor

WESTERN PLAINS SERVICE CORPORATION

By ________________________________

Title ______________________________

RUDER ENGINEERING & SURVEYING, LLC

______________________________

Harvey Ruder, PE, RLS
City of Hays, Public Works Department
Golden Belt Estates, Fourth Addition
Benefit District
**Commission Work Session Agenda**

**Memo**

**From:** John Braun, Assistant Director of Public Works

**Meeting:** December 1, 2011

**Subject:** Pavement Maintenance Program - 2012

**Person(s) Responsible:** Toby Dougherty, City Manager

**Person(s) Responsible:** I.D. Creech, Director of Public Works

---

**Summary**

At the December 1, 2011 City Commission Work Session, staff will present the results of the 2011 Automated Pavement Condition Assessment. Using the results of that assessment conducted by Infrastructure Management Services (IMS) earlier this year, staff is presenting the 2012 Street Maintenance Program. Due to the pavement condition assessment being conducted, no major street maintenance projects were performed in 2011. This allows for both 2011 and 2012 Special Highway funds to be allocated to the 2012 Street Maintenance Project in the estimated amount of $1,072,161.

The proposed project includes a combination of asphalt overlay, chip seal, concrete patching, and curb & brick repair; along with in-house crack seal, curb & gutter repair, and the sidewalk rebate program.

Staff recommends accepting the proposed 2012 Street Maintenance Program and authorizing staff to solicit bids to be brought back to the City Commission in February of 2012 for final approval.

---

**Background**

In 2005, City Staff conducted a pavement condition assessment in-house, and developed a 5-year pavement maintenance plan. That plan was followed from 2006 to 2010, with nearly $4 million spent on street maintenance projects over those 5 years. For 2011, staff did not bring forth a comprehensive street maintenance project due to an automated pavement condition survey being conducted by Infrastructure Management Services (IMS) of Phoenix, AZ. In April 2011, IMS drove every street in the city collecting data using state of the art technology including radar, lasers, digital cameras, gyroscopes, GPS, as well as visual observation. Using the data collected, and the City’s existing GBA Masterseries Infrastructure Management Software, IMS rated and ranked each street.
There are 120 centerline miles of street, with 23 miles being arterial, 25 miles collector, and 72 miles residential. Of those 120 miles, 65 miles are asphalt, 44 miles are concrete, and 11 miles are brick. Exhibit A shows a pie chart displaying that distribution.

A Pavement Condition Index (PCI) was calculated for each street. The PCI ranges from 1-100, where anything over 85 is considered excellent and anything under 45 is poor. Exhibit B shows the distribution of PCI for all City Streets, with most of the streets being in the Good category, having a PCI between 65 and 75. The average PCI of all streets is 65. More detailed charts of the PCI for pavement type and functional classification are shown in Exhibits C & D.

The map in Exhibit E shows all city streets color coded by their PCI rating as calculated by IMS.

**Discussion**

Based on the data collected and analysis provided by IMS along with overview and input from City Staff, a street maintenance program for 2012 has been developed. Exhibit F shows the streets recommended for maintenance in 2012. The drawing shows all the streets proposed to receive various maintenance activities. The funding level for this project is set by combining the Special Highway Funds remaining in 2011 and the projected Special Highway funds budgeted for 2012. Attempting to follow the priority and proportional pavement type funding recommendations from IMS results in a project that includes:

- Asphalt Street Maintenance (6.1 miles of street at $787K)
  - Mill and Overlay (1.0 miles at $400K)
  - Chip Seal (5.1 miles at $387K)
  - all necessary prep work (crack seal and polypatch)
- Concrete Street Maintenance (2.0 miles of street at $150K)
  - full-depth patching
  - sealing joints/cracks
- Curb and Brick Repair ($85K)
  - Curb and Gutter replacement
  - Brick Patch
- in-house crack seal, curb & gutter repair, and sidewalk rebate ($50K)

In total about 8.1 miles (or 6.75%) of the streets are to be maintained.

See the Financial Considerations section for a more detailed financial summary, and Exhibits G and H for detailed lists of streets to receive maintenance.

The streets proposed for maintenance in 2012 were chosen based on the methodology used in the GBA Masterseries infrastructure management software. The data collected by IMS (surface condition, ride comfort, and pavement deflection) along with the functional classification of the roads (arterial, collector, residential) and past maintenance activity were input into the software to establish the priority for maintenance.
The analysis conducted by IMS shows that the $600,000 available annually in Special Highway is not adequate to sustain the current condition of City Streets. More money needs to be spent on maintenance and reconstruction projects. A separate presentation by staff on a long-term recommendation for street maintenance will be made at the December 1, 2011 work session.

**Legal Consideration**
Assuming compliance with the 1977 Brick Streets Policy, as amended, there are no known legal obstacles to proceeding as recommended by City Staff.

**Financial Consideration**
Currently street maintenance is financed through the Special Highway Fund, which receives revenue from the State mainly from fuel tax reimbursements in the amount of approximately $600,000 per year.

Due to the Pavement Condition Survey performed by IMS in 2011, no major street maintenance projects were conducted in 2011; therefore, much of the 2011 Special Highway money will remain available to be added to the 2012 Special Highway allocation resulting in an estimated $1,072,161 available for projects in 2012.

The table below shows the recommended funding scenario for 2012:

### 2012 Street Maintenance Funding Proposal

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 Special Highway Budget</td>
<td>$ 606,261.00</td>
</tr>
<tr>
<td>Pavement Analysis (IMS)</td>
<td>$(45,500.00)</td>
</tr>
<tr>
<td>2011 Sidewalk Rebate</td>
<td>$(10,000.00)</td>
</tr>
<tr>
<td>Curb Repair (in-house)</td>
<td>$(13,500.00)</td>
</tr>
<tr>
<td>Curb and Brick (project)</td>
<td>$(65,664.00)</td>
</tr>
<tr>
<td>2011 Balance</td>
<td>$ 471,597.00</td>
</tr>
<tr>
<td>2012 Special Highway Budget</td>
<td>$ 600,564.00</td>
</tr>
<tr>
<td><strong>Total Available in 2012</strong></td>
<td><strong>$ 1,072,161.00</strong></td>
</tr>
<tr>
<td>2012 Sidewalk Rebate</td>
<td>$(10,000.00)</td>
</tr>
<tr>
<td>Crack Seal (in-house)</td>
<td>$(25,000.00)</td>
</tr>
<tr>
<td>Curb Repair (in-house)</td>
<td>$(15,000.00)</td>
</tr>
<tr>
<td>Curb and Brick (project)</td>
<td>$(85,000.00)</td>
</tr>
<tr>
<td>Concrete Repair (project)</td>
<td>$(150,000.00)</td>
</tr>
<tr>
<td>Asphalt Repair (project)</td>
<td>$(787,161.00)</td>
</tr>
<tr>
<td><strong>Total Recommended 2012</strong></td>
<td><strong>$(1,072,161.00)</strong></td>
</tr>
</tbody>
</table>

**Options**
The Commission has the following options:
Option 1: Accept the Street Maintenance Program for 2012 as presented and authorize staff to solicit bids for the proposed work to be accomplished in the 2012 construction season.
Option 2: Provide alternate direction to staff.

**Recommendation**
City staff recommends accepting the proposed 2012 Street Maintenance Program and authorizing staff to solicit bids to be brought back to the City Commission in February 2012 for final approval.

**Action Requested**
Consider accepting the proposed 2012 Street Maintenance Program and authorize City staff to solicit bids for 2012 Street Maintenance Project.

**Supporting Documentation**
Exhibits A through H
Pavement Condition Summary

All Streets

Exhibit B

Percentage of Network by Area

Pavement Condition Index

Very Poor (0 to 25)  Poor (25 to 45)  Marginal (45 to 55)  Fair (55 to 65)  Good (65 to 75)  Very Good (75 to 85)  Excellent (85 to 100)
Pavement Condition Distribution by Pavement Type

Exhibit C

- Asphalt
- Concrete
- Brick

Pavement Condition Index:
- Very Poor (0 to 25)
- Poor (25 to 45)
- Marginal (45 to 55)
- Fair (55 to 65)
- Good (65 to 75)
- Very Good (75 to 85)
- Excellent (85 to 100)

Percentage of Network by Area

53
Pavement Condition Index Distribution by Functional Classification

- Arterials
- Collectors
- Residential

EXHIBIT D

Pavement Condition Index

- Very Poor (0 to 25)
- Poor (25 to 45)
- Marginal (45 to 55)
- Fair (55 to 65)
- Good (65 to 75)
- Very Good (75 to 85)
- Excellent (85 to 100)

Percentage of Network by Area

54
## 2012 Asphalt Maintenance Plan

<table>
<thead>
<tr>
<th>Supersegment Name</th>
<th>Classification</th>
<th>Rehab Text</th>
<th>Rehab Cost</th>
<th>Length (ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2ND ST - 860</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$3,189.28</td>
<td>273</td>
</tr>
<tr>
<td>3RD ST - 1045</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$4,892.44</td>
<td>419</td>
</tr>
<tr>
<td>4TH ST - 1155</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$23,902.77</td>
<td>2048</td>
</tr>
<tr>
<td>ELM ST - 1795</td>
<td>Collector</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$16,483.22</td>
<td>595</td>
</tr>
<tr>
<td>COUNTRY CLUB DR - 1705</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$20,883.49</td>
<td>1579</td>
</tr>
<tr>
<td>AMHURST ST - 1375</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$12,529.68</td>
<td>948</td>
</tr>
<tr>
<td>PINEHURST ST - 2650</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$9,679.83</td>
<td>723</td>
</tr>
<tr>
<td>OLYMPIC LN - 2595</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$8,474.19</td>
<td>641</td>
</tr>
<tr>
<td>TAM OSHANTER DR - 2825</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$21,873.22</td>
<td>1654</td>
</tr>
<tr>
<td>OAKMONT ST - 2590</td>
<td>Collector</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$12,048.12</td>
<td>911</td>
</tr>
<tr>
<td>ELDORADO LN - 1790</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$11,209.09</td>
<td>848</td>
</tr>
<tr>
<td>ENGLEWOOD DR - 1880</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$7,683.07</td>
<td>648</td>
</tr>
<tr>
<td>COLONIAL ST - 1625</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$15,810.16</td>
<td>1196</td>
</tr>
<tr>
<td>TIMBER DR - 410</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$14,091.98</td>
<td>1054</td>
</tr>
<tr>
<td>DONALD DR - 1745</td>
<td>Collector</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$17,871.43</td>
<td>1335</td>
</tr>
<tr>
<td>DOUGLAS DR - 1750</td>
<td>Collector</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$39,387.46</td>
<td>1841</td>
</tr>
<tr>
<td>SHERMAN AVE - 2740</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$22,611.86</td>
<td>1619</td>
</tr>
<tr>
<td>21ST ST - 3080</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$17,622.07</td>
<td>1303</td>
</tr>
<tr>
<td>21ST ST - 3075</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$17,694.57</td>
<td>1338</td>
</tr>
<tr>
<td>25TH ST - 680</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$8,128.38</td>
<td>608</td>
</tr>
<tr>
<td>25TH ST - 685</td>
<td>Collector</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$10,333.48</td>
<td>759</td>
</tr>
<tr>
<td>25TH ST - 690</td>
<td>Collector</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$23,709.55</td>
<td>1742</td>
</tr>
<tr>
<td>29TH ST - 825</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$4,406.60</td>
<td>324</td>
</tr>
<tr>
<td>29TH ST - 820</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$12,094.27</td>
<td>915</td>
</tr>
<tr>
<td>32ND ST - 905</td>
<td>Residential</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$18,081.09</td>
<td>1367</td>
</tr>
<tr>
<td>32ND ST - 880</td>
<td>Collector</td>
<td>Surface Trtmnt + R&amp;R</td>
<td>$4,515.89</td>
<td>342</td>
</tr>
<tr>
<td>32ND ST - 890</td>
<td>Residential</td>
<td>Mod Olay + R&amp;R</td>
<td>$51,146.09</td>
<td>785</td>
</tr>
<tr>
<td>32ND ST - 885</td>
<td>Residential</td>
<td>Mod Olay + R&amp;R</td>
<td>$124,569.52</td>
<td>1649</td>
</tr>
<tr>
<td>33RD ST - 910</td>
<td>Collector</td>
<td>Mod Olay + R&amp;R</td>
<td>$196,952.60</td>
<td>2216</td>
</tr>
<tr>
<td>33RD ST - 915</td>
<td>Collector</td>
<td>Mod Olay + R&amp;R</td>
<td>$20,922.22</td>
<td>248</td>
</tr>
<tr>
<td>33RD ST - 920</td>
<td>Collector</td>
<td>Mod Olay + R&amp;R</td>
<td>$25,998.11</td>
<td>334</td>
</tr>
</tbody>
</table>

$798,795.73  32263 feet
$419,588.54  6.11 miles
### 2012 Concrete Maintenance Plan

<table>
<thead>
<tr>
<th>Supersegment Name</th>
<th>Classification</th>
<th>Rehab Type</th>
<th>Rehab Cost</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>3RD ST - 1050</td>
<td>Residential</td>
<td>PCC Crk Seal</td>
<td>$1,598.98</td>
<td>514.0</td>
</tr>
<tr>
<td>ELM ST - 1800</td>
<td>Collector</td>
<td>PCC Localized R&amp;R</td>
<td>$42,771.96</td>
<td>1306.7</td>
</tr>
<tr>
<td>FORT ST - 1950</td>
<td>Residential</td>
<td>PCC Localized R&amp;R</td>
<td>$8,017.46</td>
<td>329.9</td>
</tr>
<tr>
<td>18TH ST - 450</td>
<td>Residential</td>
<td>PCC Localized R&amp;R</td>
<td>$23,258.23</td>
<td>778.9</td>
</tr>
<tr>
<td>19TH ST - 500</td>
<td>Residential</td>
<td>PCC Crk Seal</td>
<td>$2,103.65</td>
<td>591.7</td>
</tr>
<tr>
<td>20TH ST - 530</td>
<td>Collector</td>
<td>PCC Crk Seal</td>
<td>$4,467.56</td>
<td>1436.0</td>
</tr>
<tr>
<td>21ST ST - 560</td>
<td>Residential</td>
<td>PCC Localized R&amp;R</td>
<td>$34,874.35</td>
<td>1877.4</td>
</tr>
<tr>
<td>22ND ST - 575</td>
<td>Residential</td>
<td>PCC Crk Seal</td>
<td>$3,154.59</td>
<td>1014.0</td>
</tr>
<tr>
<td>23RD ST - 645</td>
<td>Residential</td>
<td>PCC Crk Seal</td>
<td>$2,852.82</td>
<td>917.0</td>
</tr>
<tr>
<td>MILNER ST - 2475</td>
<td>Residential</td>
<td>PCC Localized R&amp;R</td>
<td>$23,203.41</td>
<td>954.7</td>
</tr>
<tr>
<td>OAK ST TER - 2580</td>
<td>Residential</td>
<td>PCC Crk Seal</td>
<td>$390.73</td>
<td>175.8</td>
</tr>
<tr>
<td>HIGHLAND AVE - 2215</td>
<td>Residential</td>
<td>PCC Crk Seal</td>
<td>$1,397.25</td>
<td>507.1</td>
</tr>
</tbody>
</table>

$148,090.99 10403.0 feet 1.97 miles

### 2012 Curb and Brick Repair Plan

Locations to be determined $85,000.00