

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JANUARY 9, 2020

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, January 9, 2020 at 6:30 p.m.

Roll Call: Present: Shaun Musil

Sandy Jacobs

Ron Mellick

Eber Phelps

Absent: Henry Schwaller, IV

Vice-Mayor Musil declared a quorum was present and called the meeting to order.

2. MINUTES: There were no corrections or additions to the minutes of the regular meeting held on December 26, 2019; the minutes stand approved as presented.

3. RECOGNITION OF OUTGOING COMMISSIONERS: Vice-Mayor Musil recognized outgoing Commissioner Eber Phelps and Mayor Henry Schwaller, IV for their years of service to the community. He noted that they served a combined 29 years on the City Commission. Vice-Mayor Musil presented Commissioner Phelps with a plaque in recognition of his service on the City Commission. Mayor Schwaller was not able to attend the meeting, but will be invited to an upcoming Commission meeting for a short ceremony to thank him for his service.

Commissioner Phelps stated it has been a pleasure serving on the City Commission and wished the new Commissioners well.

4. SWEARING IN CEREMONY: City Clerk, Brenda Kitchen, administered the oath of office to Mason Ruder, Michael Berges, and Ron Mellick who were recently elected to the City Commission.

5. REORGANIZATION OF GOVERNING BODY: A. Nomination and election of Mayor. Sandy Jacobs moved, Ron Mellick seconded, that Shaun Musil be elected to the position of Mayor for the City of Hays.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Mason Ruder
Michael Berges
Ron Mellick

B. Nomination and election of Vice-Mayor. Shaun Musil moved, Mason Ruder seconded, that Sandy Jacobs be elected to the position of Vice-Mayor.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Mason Ruder
Michael Berges
Ron Mellick

C. Recognition of outgoing Mayor. Mayor Musil stated Commissioner Schwaller could not attend the meeting, but thanked him for his service and for everything he brought to this community over the years.

6. CITIZEN COMMENTS: There were no comments.

7. CONSENT AGENDA: A. The following proposed appointments will be presented for approval at the January 23, 2020 City Commission meeting.

Hays Area Planning Commission

Matthew Wheeler (resides in 3-mile radius) – term to expire April 30, 2022 (3rd term – nonconsecutive)

Hays Housing Authority Board

Gary Good – four year term to expire February 14, 2024 (2nd term)

B. Consider approving Resolution No. 2020-001 adopting the City of Hays City Commission Rules of Procedure and repealing all previous resolutions, motions, or actions in conflict therewith.

Sandy Jacobs moved, Michael Berges seconded, to approve the Consent Agenda as presented.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Mason Ruder
Michael Berges
Ron Mellick

NEW BUSINESS

8. RESOLUTION SETTING PUBLIC HEARING FOR THE ESTABLISHMENT OF A TIF DISTRICT (D & J LAND DEVELOPMENT, LLC): Kim Rupp, Director of Finance, reported D & J Land Development, LLC, (the developer) submitted an application for economic incentives and the required application fee relating to a multi-use commercial development located at the northwest corner of Exit 157 on Interstate 70. The developer is requesting tax increment financing (TIF), a community improvement district (CID), assignment of a grant made by the Kansas Department of Transportation (KDOT) to Ellis County, and the conveyance of an approximately 4.611-acre tract currently owned by the City at no cost to the developer.

Mr. Rupp stated Phase I of this development is expected to consist of approximately 11 lots and include construction of all infrastructure necessary to serve the TIF district, including streets, waterlines, sanitary sewers, surface parking, and other related improvements. The developer will construct a travel plaza and truck wash on two of the lots. The travel plaza will consist of an approximately 10,000 square foot full-service travel plaza and convenience store, including approximately 14 fuel pumps, scales, restaurants inside the travel plaza, and personal hygiene amenities. The truck wash will consist of an approximately 6,000 square foot building that will house approximately two bays for washing semitrailer trucks. The developer anticipates the remaining lots in Phase I will be sold or leased to other entities for potential development of hotels, restaurants, or other commercial uses.

According to the City's economic development policy, this TIF district will capture the incremental taxes only, not the sales tax. Since this property has been annexed, all taxing authorities will receive the retailer sales tax generated by the property. The TIF is a 20 year term according to statute and will be on a pay as you go basis which means the developer fronts all the financing of the development with no bonds issued by the city.

Mr. Rupp stated according to the summary of the economic development incentives request received from the developer, this is some of the financial considerations they included. Total construction cost of the travel plaza and truck wash will be \$20.9M. Upon sale of all development lots and completion of the Phase I Development, the developer estimates that the appraised value of Phase I and all improvements will be \$40.8M. The developer also estimates that the Phase I Development will, upon full completion, create \$38.7M of annual retail sales and \$3M of monthly gas/diesel sales. Over the 20 year life of the TIF it is expected it would generate \$14.9M in ad valorem property tax revenue and the reimbursement of TIF eligible costs would be \$12.4M which excludes the \$1.5M KDOT Grant.

Adopting this Resolution, to call a public hearing on the establishment of a TIF district, would be the initial step in the statutory process for TIF financing. The public hearing and subsequent consideration of an Ordinance establishing the TIF district would be scheduled for February 13, 2020.

Sandy Jacobs moved, Mason Ruder seconded, to approve Resolution 2020-002 setting a public hearing for February 13, 2020 for the establishment of a TIF District.

Mayor Musil asked if the developer can begin work on the project before the TIF is approved. Mr. Rupp stated they can do what they want on their own property; however, before the TIF or CID is approved, all work done prior to that time frame is not eligible for reimbursement.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Mason Ruder
Michael Berges
Ron Mellick

9. COMMISSION INQUIRIES AND COMMENTS: Commissioner Mellick welcomed the newly elected Commissioners.

Commissioner Berges thanked the voters and stated he is excited to get going and looks forward to several of the big projects that are coming to the City.

Commissioner Ruder also thanked the voters and thanked Commissioners Schwaller and Phelps for all the work they have done for the City over the years.

Commissioner Jacobs stated she has a tremendous amount of respect for the service Commissioner Schwaller has given this community for the last number of years and will miss him on the Commission. She also welcomed the new Commissioners.

Mayor Musil stated he plans to have Commissioner Schwaller attend a future meeting to formally thank him for his service. He also welcomed the new Commissioners and thanked all of the family members for attending the meeting to show support for the new Commissioners.

The meeting was adjourned at 6:47 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk