

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JANUARY 23, 2020

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, January 23, 2020 at 6:30 p.m.

Roll Call: Present: Shaun Musil
Sandy Jacobs
Mason Ruder
Michael Berges
Ron Mellick

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 January 9, 2020; the minutes stand approved as presented.

3. CITIZEN COMMENTS: There were no comments.

4. CONSENT AGENDA: A. The following appointments were recommended by Mayor Musil at the January 9, 2020 City Commission meeting and are now being presented for approval.

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. The following proposed appointments will be presented for approval at the February 13, 2020 City Commission meeting.

Hays Area Planning Commission

Dustin Schlaefli (resides in city limits) – three-year term to expire April 30, 2023 (2nd term)

Jim Schreiber (resides in city limits) – three-year term to expire April 30, 2023
(2nd term)

Michael Vitztum (resides in city limits) – three-year term to expire April 30, 2023
(2nd term)

Hays Public Library Board

Patti Park – four-year term to expire April 30, 2024 (2nd term)

Katherine Wolfe – four-year term to expire April 30, 2024 (3rd term)

Ron Mellick moved, Mason Ruder seconded, to approve the Consent Agenda as presented.

Vote: Ayes: Shaun Musil

Sandy Jacobs

Mason Ruder

Michael Berges

Ron Mellick

NEW BUSINESS

5. HAYS RECREATION COMMISSION POOL REIMBURSEMENT REQUEST:

Jeff Boyle, Director of Parks, reported that each year the Hays Recreation Commission (HRC) and the City of Hays conduct a joint meeting to discuss general operations, financial reports and/or any other facility needs or expectations that may need to be addressed. The joint meeting was held on January 16, 2020. One of the items discussed which requires City Commission approval is the pool reimbursement request from the Hays Recreation Commission.

City staff recommends proceeding with the pool reimbursement request, as outlined in the Pool Services Agreement, for HRC operational losses at Wilson Pool and the Hays Aquatic Park for an amount of \$26,289.31. This amount reflects the City's share of the total HRC loss for the 2019 season of \$52,289.31.

Sandy Jacobs moved, Michael Berges seconded, to approve the pool reimbursement request from the Hays Recreation Commission for the 2019 pool loss amount of \$26,289.31, with funding from the Contractual Services line item of the 2019 General Fund Pool Budget.

Mayor Musil stated we have a lot of good quality of life things going on in this community. He hates to see this loss, but it is one of the things we have to deal with.

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

6. REZONING REQUEST FOR 700 WEST 48th FROM COMMERCIAL GENERAL DISTRICT (C-2) TO AGRICULTURE DISTRICT (A-L): Jesse Rohr,

Director of Public Works, reported that an application has been submitted to request a change in zoning for property located at 700 West 48th Street from (C-2) Commercial General District to (A-L) Agriculture. This property was recently annexed into the City of Hays. This request is favorable according to the Comprehensive Plan and Compatibility Matrix. A public hearing was conducted on December 16, 2019 at the regular meeting of the Planning Commission and a vote of 5-1 in favor of the request was passed. Staff recommends approval of this request to change the zoning from C-2 to A-L.

This property was formerly Mid Kansas Auto Auction and is generally located north of I-70 and west of Vine. The property owner has changed business plans for this location and is requesting a change of zoning to allow uses within an A-L zoned district for a portion of the property. The property does have private water and septic; however, sanitary sewer will be extended from the Ottley Addition near the Hilton Garden Inn from the east and water will be available to this property upon completion of a city waterline project in 2020.

Rezoning of this property restricts and limits the uses compared to the C-2 zoning currently.

Mr. Rohr stated it was brought up at the Planning Commission meeting how the floodplain would affect this property. He noted that we are in the midst of a remapping project with FEMA and the State of Kansas and the proposed new floodplain will pull that 100 year floodplain area back into the waterway that is along the east part of this property and will significantly reduce the floodplain and benefit the owner making it easier to develop.

Commissioner Mellick asked Mr. Rohr to explain why the floodplain area is getting smaller. Mr. Rohr stated the current floodplain maps were adopted in 1986 and current technologies and the data and modeling they now have available allows for much more accurate floodplain mapping than it did 30 plus years ago.

Vice-Mayor Jacobs asked when the new maps will be adopted. Mr. Rohr stated the new floodplain maps won't be fully adopted until early 2021; however, the state does allow the data to be used for current projects prior to full adoption of the official maps.

Mason Ruder moved, Sandy Jacobs seconded, to approve Ordinance No. 3978 rezoning a portion of the property described as 700 West 48th Street from C-2 Commercial General District to A-L Agriculture.

Commissioner Berges noted that there was no reason given for the one dissenting vote against the zoning change from the Planning Commission. From that standpoint with the other five voting to approve it he does not see any issues with this change.

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

**7. HESS LAND, LLC AND CITY OF HAYS REZONING (5809 230TH AVENUE)
– AGRICULTURE DISTRICT (A-L) TO COMMERCIAL GENERAL DISTRICT**

(C-2): Jesse Rohr, Director of Public Works, stated an application has been submitted to request a change in zoning from A-L (Agriculture) to C-2 (Commercial General District) for a tract of land owned by Hess Land, LLC, and a tract of land owned by the City of Hays located at 5809 230th Avenue. This property is located north of I-70 at Exit 157. The request is favorable according to the comprehensive plan and compatibility matrix. A public hearing was conducted on December 16, 2019 at the regular meeting of the Planning Commission and a vote of 6-0 in favor of the request was passed. Staff recommends approval of the rezoning request.

A development group has come forward with plans to develop the property that would accommodate local consumers and the traveling public. The property is currently being used as pasture/grassland. Development of the property will begin once approvals for rezoning, platting, and any economic packages are completed. The properties do not have city utilities to the property. The developer will be extending water and sewer utilities across I-70. The developer will also be making improvements to 230th Avenue and portions of 55th Street as part of the project.

Michael Berges moved, Ron Mellick seconded, to approve Ordinance No. 3979 rezoning the property described as 5809 230th Avenue from A-L Agriculture to C-2 Commercial General District.

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

8. ECONOMIC DEVELOPMENT POLICY AMENDMENT – RURAL HOUSING IMPROVEMENT DISTRICT (RHID) POLICY SECTION:

Doug Williams, Grow Hays Executive Director, provided an update on an affordable housing project they are working on. He stated the availability of affordable housing is critical to the recruitment and retention of a workforce in our community. Without an adequate workforce we cannot attract new businesses or retain the ones we

have. He stated affordable housing, from a workforce standpoint, would include new homes costing between \$175,000 and \$225,000. He showed an example to quantify that price. He stated Grow Hays plans to develop an affordable housing development with new homes priced from \$175,000 to \$225,000. The target audience would be workforce housing, downsizers, and single people. Mr. Williams noted that a real estate report from this past week showed only 10 homes for sale in Hays in the \$175,000 to \$225,000 range and the average year built was 1966. He stated new housing in that price range will be appealing and he believes we will resolve a lot of our housing issues in terms of recruitment of a work force.

Mr. Williams stated Heart of America Development Corp., an investment consortium in Ellis County, has developed industrial business areas throughout the county the past 40 years. He stated he approached the local Heart of America Development Corp. about using its resources for developing affordable housing, which in turn, may allow Grow Hays to help them with industrial development. Heart of America supported the concept and the local financial lenders Mr. Williams has already talked to have agreed to participate, as have four builders. He added that construction and design departments at Fort Hays State University and NCK-Tech College would also be involved in the project development.

Mr. Williams stated they approached the William Lusk family in Wichita, the owner of the 21.44 acres of land at 22nd and Wheatland, directly east of the NCK-Tech College. They agreed to sell it to Heart of America at a considerably reduced price. Plans call for 75 houses to be built in four phases.

In the effort to make this affordable, they are looking at a Rural Housing Incentive District (RHID) to eliminate special assessments. The City's current RHID policy currently requires the developer to include a minimum of 10 low income apartments in the development. Mr. Williams stated this is not an apartment type development. It is for single family homes only in the range of 1,150 to 1,350 square foot, with three bedrooms, two baths, two-car garages, and some with basements.

City Manager, Toby Dougherty, stated the Commission is presented with an amendment based off of the discussion from the January 16, 2020 Work Session. It is an addition to the policy that states a qualifying non-profit entity may be granted an exemption from the 10 renter unit minimum. Qualifying non-profit entities shall have been in existence for a sufficient period of time to demonstrate its viability and its proposal shall achieve the overall purpose of this policy. The granting of the non-profit exemption from the aforesaid 10 unit requirement shall be at the discretion of the City Governing Body.

Sandy Jacobs moved, Ron Mellick seconded, to approve the addition to the policy as read by the City Manager.

Realtor Adam Pray, with Platinum Group, asked if the Commission would consider eliminating the 10 apartment rule altogether to encourage more developers to use the RHID as the policy has not been used in the past. Mayor Musil stated he doesn't think it should be a free for all, but doesn't disagree with him either. Vice-Mayor Jacobs stated she thinks a rural housing improvement district policy is important for our community when we have a need, but she worries about what it is going to do to the property tax base. She added that this is the cleanest way to take an existing policy that works, and accommodate a nonprofit that is meeting a need in our community.

Commissioner Mellick stated if we open this up and we have rural housing improvement districts all over, our tax base is going to go away. He added that he doesn't think the school district or the county are going to approve these willy-nilly; especially for a for-profit company because of the direct effect it's going to have on their budgets. Mr. Pray stated we haven't had a single RHID yet, and you're concerned about a free-for-all. He is just hoping we get an applicant. If we do get an applicant, the Commission still has the power to say I don't see the need and vote against it.

Michael Berges stated it is impossible to foresee a situation as unique as this, a non-profit coming before you to build houses. He has some hesitations that they are lowering the hurdle and amending the policy to fit something that we are enthusiastic about at this time without thinking about what else they may not

be foreseeing in housing projects. He moved to table the motion to amend the policy, for further discussion at the next Work Session to be brought up for action at the next regularly scheduled Commission meeting.

The motion died for lack of a second.

Mayor Musil asked if this item was tabled would it delay the project. Mr. Williams stated they are eager to move forward as quickly as possible. City Manager, Toby Dougherty, stated in the interest of this project the Commission could amend the policy and take up a discussion of the policy at a future work session.

Commissioner Ruder asked what the undeveloped land collects in property taxes currently. Commissioner Mellick stated the undeveloped land brings in approximately \$58 per acre per year. Mr. Williams stated you're really not giving away any taxes that you're currently getting, your giving away the opportunity to collect taxes if someone else were to develop something on this property.

Mayor Musil called for the vote from the previous motion by Sandy Jacobs and second by Ron Mellick, to approve the addition to the policy as read by the City Manager.

Vote: Ayes: Shaun Musil

Sandy Jacobs

Mason Ruder

Ron Mellick

No: Michael Berges

Commissioner Berges clarified that he voted no, not for his lack of enthusiasm for the project, but because he does not want to keep amending the policy each time. He added that he is excited about this project.

The Commission will discuss the possible revision of the RHID policy at a future meeting.

9. PROGRESS REPORT: City Manager, Toby Dougherty, presented a monthly report of city-related activities, services, and programs.

10. COMMISSION INQUIRIES AND COMMENTS: Commissioner Berges stated he heard from citizens regarding the traffic lights that were recently down on Main Street. The comments were that traffic flowed better and it was more convenient while the lights were down. He added that he has enjoyed the department tours he attended as a new Commissioner and has learned a lot.

Commissioner Ruder echoed Commissioner Berges and stated it is incredible how much of a well-oiled machine the City of Hays is. He complimented the City Manager and all of the Departments he has met with on the wonderful job they do.

Vice-Mayor Jacobs thanked City Manager, Toby Dougherty, for his leadership.

Mayor Musil thanked staff for the good job they did in treating the streets for the recent snow/ice storm.

The meeting was adjourned at 7:33 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk