

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON FEBRUARY 13, 2020

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, February 13, 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: Commissioner Berges noted a correction to Item number 8 of the January 23, 2020 Commission meeting minutes. A question regarding the property taxes on the land at 22nd and Wheatland was asked by Commissioner Ruder not Commissioner Berges.

Sandy Jacobs moved, Mason Ruder seconded, to approve the amended minutes of the regular meeting held on January 23, 2020.

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

3. FINANCIAL STATEMENT: Finance Director, Kim Rupp, reviewed the financial summaries of the revenue and expenditure activities of the City of Hays for the month ended December 31, 2019.

Month-to-date general fund sales tax collections were at \$664,553, which was an increase of \$74,055 or 12.5% as compared to last year. Year-to-date general fund sales tax collections are at \$7,411,238 up \$264,712 or 3.7%. The

six month average is at 5.44% which is an increase of 4.9% when compared to a year ago.

The report of top ten quarter-to-date sales tax collections by classification was up \$187,721 or 10% when compared to the same time last year. Once again the largest increase among them being in new and used car dealers. These top ten now represent 74.6% of the total sales tax collections for December.

The portfolio of certificates of deposit on December 31, 2019 totaled \$58,050,000 with a weighted average interest rate of 2.26% down .03% from a year ago. The total of US Treasuries at par value is now \$1,477,000 with a weighted average yield to maturity of 1.59%. The total balance of the Money Market account on December 31, 2019 was \$1,750,000 with a current yield of .90%. Total investments are up \$6,320,000 when compared to this time last year.

Ron Mellick moved, Michael Berges seconded, to approve the Financial Statement for the month of December, 2019 as presented.

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

4. CITIZEN COMMENTS: There were no comments.

5. EMPLOYEE PROMOTIONS AND NEW HIRES: The following employees were recognized for promotions or as new hires:

Human Resources

Alissa Disney was promoted to Human Resources Generalist position.

Fire Department

Ty Neill was recently hired as a Firefighter.

Police Department

Jennie Baker was recently hired as a Police Officer.

6. CONSENT AGENDA: A. The following appointments were recommended by Mayor Musil at the January 23, 2020 City Commission meeting and are now being presented for approval.

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)

B. The following proposed appointments will be presented for approval at the
February 27, 2020 City Commission meeting.

Hays Area Board of Zoning Appeals

Brian Garrett (resides in city limits) – three year term to expire May 1, 2022 (1st
term)

Russell Koenigsman (resides in city limits) – term to expire May 1, 2021 (1st
term)

Hays Area Planning Commission

Ralph (Bernie) Gribben (three mile radius) – term to expire April 30, 2022 (1st
term)

Sandy Jacobs 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

7. RESOLUTION REGARDING ELLIS COUNTY SALES TAX PROCEEDS:

Toby Dougherty, City Manager, stated at the February 6, 2020 Work Session, the City Commission discussed a request from the Ellis County Commission regarding the remaining \$284,000 of the sales tax proceeds for the remodel of the Law Enforcement Center, the Courthouse, the Ellis County Jail, and the construction of the Ellis County Rural Fire EMS facility. The County Commission asked the City Commission if they would consider reallocating those funds to the Northwest Business Corridor Project that they are currently pursuing. The City Commission was amenable to consideration and asked the City Attorney to prepare a resolution which is being presented for consideration.

Sandy Jacobs moved, Michael Berges seconded, to approve Resolution No. 2020-003 regarding remaining proceeds from the Countywide Retailer's Sales Tax established by the Interlocal Cooperation Agreement dated February 14, 2013.

Mayor Musil stated if this helps to get that project done, it will be good for our county and our community.

Vote: Ayes: Shaun Musil

Sandy Jacobs

Michael Berges

Ron Mellick

Mayor Musil noted that Commissioner Ruder recused himself from the vote, as he is an employee of Ellis County.

8. VINE STREET RECONSTRUCTION, 13TH STREET TO BYPASS – DESIGN

AGREEMENT: John Braun, Project Manager, reported that in July 2019, the City of Hays received a \$1,000,000 KDOT City Connecting Link Improvement Program (CCLIP) Grant for the reconstruction of Vine Street from 350 feet south of 13th Street to the intersection of the US-183 By-pass (south City limit). The project is estimated to cost nearly \$4M and is scheduled for construction during the 2022 construction season.

The project includes the replacement of the concrete pavement, select areas of curb and gutter, sidewalk ramps, pedestrian signals at 8th Street, storm sewer inlet tops, and pavement markings.

In December, City staff solicited proposals for design engineering services necessary to produce construction documents for KDOT to put this project out to bid. On January 6, 2020, the City received proposals from six firms. The lowest cost proposal came from Kaw Valley Engineers out of Junction City, Kansas. Mr. Braun noted that Kaw Valley is the design engineer for the I-70 Waterline Crossing and Booster Pump Station Project currently under construction.

Mason Ruder moved, Ron Mellick seconded, to authorize the City Manager to enter an agreement with Kaw Valley Engineers in the amount of \$86,745 for engineering services related to the design of the reconstruction of Vine Street from 350 feet south of 13th Street to the south city limit, to be funded from Commission Capital Reserves.

Commissioner Mellick asked who would be inspecting this project. Mr. Braun stated they will partner with KDOT on hiring a consultant to handle the inspections.

Vice-Mayor Jacobs stated she appreciates the new pedestrian crosswalks at the 8th Street location given the new housing being developed in the nearby hotel.

Commissioner Ruder asked if this would get us to ADA compliance. Mr. Braun noted that part of the project will be to make sure that all sidewalks and crosswalks are ADA compliant.

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

9. NORTH VINE STREET CORRIDOR PROJECT – BUILD GRANT

AGREEMENT: John Braun, Project Manager, stated in December 2018, the City of Hays received a \$6M BUILD Grant for the reconstruction of Vine Street from

32nd Street to 41st/Mopar to include four roundabouts. The project is estimated to cost approximately \$9.3M and is scheduled for construction during the 2020 and 2021 construction seasons. The CIP within the 2020 budget includes \$3.3M for the City share of project costs.

The Governing Body is asked to authorize the City Manager to enter a three-party agreement setting forth terms and provisions to accomplishing the project. This three-party agreement will be between the City of Hays, the US Department of Transportation (USDOT), and the Kansas Department of Transportation (KDOT).

Mr. Braun reviewed the key elements of the BUILD Grant Agreement:

- The amount of the award is for \$6,057,827 of fiscal year 2018 BUILD Transportation Discretionary Grant funds.

- Construction must begin by July 31, 2020 and all costs must be incurred by May 15, 2022.

- The estimated total construction cost is \$8,750,223.

- The City must submit quarterly and project closeout reports to USDOT.

- The City must submit annual performance reports to USDOT in the form of auto crash rates and intersection delay for three years following the completion of the project.

- KDOT is the pass-through agency, which means KDOT will advertise, open bids, and administer the project.

Sandy Jacobs moved, Ron Mellick seconded, to authorize the City Manager to enter the FHWA FY 2018 BUILD Grant with USDOT to construct the North Vine Street Corridor Project.

Vote: Ayes: Shaun Musil

Sandy Jacobs

Mason Ruder

Michael Berges

Ron Mellick

10. NORTH VINE STREET CORRIDOR PROJECT – KDOT AGREEMENT:

John Braun, Project Manager, stated to formalize the responsibilities of both the

City of Hays and the Kansas Department of Transportation for the North Vine Street Corridor Project, KDOT has provided an agreement to be executed by the Mayor and the Secretary of Transportation.

Mr. Braun also reviewed the KDOT City/State Agreement:

- KDOT will be a limited agent of the City for the purposes of assisting in the receipt and disbursement of \$6,057,827 of federal BUILD Grant funds for this project.

- This will be a KDOT let project. KDOT will advertise, open bids, and administer the project.

- Within 50 days after the bid letting, the City shall pay to KDOT the City's share, which is the amount of the project cost exceeding the \$6,057,827 of BUILD Grant funds.

- Inspection shall be accomplished by certified inspectors under direction of a licensed engineer. The City and KDOT will hire a consultant to perform construction engineering services from KDOT's list of pre-approved construction engineering firms.

- Following an audit of final project costs after construction is complete, the City and KDOT will reconcile any additional funds due to KDOT, or reimbursement of overpayment by the City.

Ron Mellick moved, Mason Ruder seconded, to authorize the Mayor to enter Agreement No. 245-19, with the Kansas Department of Transportation for the North Vine Street Corridor Project.

Vote: Ayes: Shaun Musil

Sandy Jacobs

Mason Ruder

Michael Berges

Ron Mellick

11. REZONING OF 2909 ROOSEVELT AVENUE FROM PUBLIC AND INSTITUTIONAL DISTRICT "P-I: TO RESIDENTIAL GENERAL DISTRICT "R-G":

Jesse Rohr, Director of Public Works, stated an application has been submitted to request a change in zoning for 2909 Roosevelt Avenue from "P-I"

Public and Institutional District to “R-G” Residential General District. The property owner recently split this lot from the 1605 East 29th Street parcel. The adjacent neighborhood is zoned “NC.2” Single Family and it is logical for this area to continue residential uses. “P-I” zoning districts do not allow residential uses; therefore, the reason for the rezoning request. A public hearing was conducted on January 27, 2020 at the regular meeting of the Planning Commission and a vote of 6-0 in favor of the request was passed.

Mr. Rohr stated city water is available, but city sewer will have to be extended from the north to allow connection. The cost of that will be borne by the lot owner. He added that the rezoning request does conform with the residential character of the neighborhood surrounding the property.

Michael Berges moved, Sandy Jacobs seconded, to approve Ordinance No. 3980 rezoning the property at 2909 Roosevelt Avenue from “P-I” Public and Institutional District to “R-G” Residential General District.

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

12. NUISANCE ABATEMENT AT 1723 AGNES DRIVE: Jesse Rohr, Director of Public Works, reported that the property at 1723 Agnes Drive has general nuisance items on the property in violation of City Ordinance. The property owner resides in Kansas City and has not responded to written notifications. All proper notification has been given to the owner of the property. To date, no action has been taken by the owner of the property or resident. If all of the nuisance items are removed by the City, all costs of abatement will be charged to the owner of the property.

Mason Ruder moved, Ron Mellick seconded, to approve Resolution No. 2020-004 to abate the nuisance items located on the property at 1723 Agnes Drive, ten days after the approval date.

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

13. VEHICLE AND NUISANCE ABATEMENT AT 520 WEST 17TH STREET:

Jesse Rohr, Director of Public Works, reported that the property owner of 520 West 17th Street has an abandoned vehicle located in the driveway that has no current tags; therefore, deeming it inoperable. The property owner also has general nuisance items in violation of City ordinance. All proper notification has been given to the owner of the property. To date, no action has been taken by the owner of the property. If the vehicle and all nuisance items are removed by the City, all costs of abatement will be charged to the owner of the property. Mr. Rohr noted that there are two resolutions being presented, one to abate the nuisance items and one to abate the vehicle.

A. Michael Berges moved, Mason Ruder seconded, to approve Resolution No. 2020-005 to abate the nuisance items located on the property at 520 West 17th Street, ten days after the approval date.

Commissioner Berges asked how it is determined what items are abated and if the items in the shed with the broken door will be abated. Mr. Rohr stated if it was cited in the abatement notifications it will be removed. He noted that a majority of the roof on the shed is gone and not affording adequate covering for the items within the shed. He added that they don't take items that are normally found in a back yard or anything that looks like it has value to it. He added that the shed itself will not be abated at this time.

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

B. Sandy Jacobs moved, Mason Ruder seconded, to approve Resolution No. 2020-006 to abate the inoperable vehicle located on the property at 520 West 17th Street, ten days after the approval date.

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

14. PUBLIC HEARING FOR THE ESTABLISHMENT OF A REDEVELOPMENT DISTRICT (D&J LAND TIF): Mayor Musil opened a public hearing for the establishment of a Redevelopment District (D&J Land TIF).

Kim Rupp, Director of Finance, stated D&J Land Development, LLC, (the Developer) submitted an application for economic incentives and the required application fee relating to a multi-use commercial project. The Developer is requesting tax increment financing (TIF), a community improvement district (CID) sales tax, assignment of a grant made by the Kansas Department of Transportation (KDOT) to Ellis County, and the conveyance to Developer of an approximately 4.611-acre tract currently owned by the City at no cost to the Developer.

On January 9, 2020, the City Commission passed Resolution 2020-002 setting February 13, 2020 as the public hearing date regarding the creation of a TIF district. This public hearing and consideration of the Ordinance are the next steps in the statutory process for TIF financing.

The Developer seeks to develop the site located at the northwest corner of 230th Avenue and 55th Street. Phase I 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 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 two bays for washing semitrailer trucks. The Developer anticipates the remaining lots in Phase I will be sold or leased to other end users for potential development of hotels, restaurants, or other commercial uses.

Mr. Rupp stated the primary effect of passing the Ordinance is locking in the base year assessed valuation of the project site. After the Ordinance becomes effective, any future increase in property tax generated within the TIF district boundaries will accrue to the TIF fund, with the exception of certain State and school district mill levies that are exempt from TIF. The TIF fund will be held separately by the City for the purpose of reimbursing the Developer for eligible project costs on a pay-as-you-go basis pursuant to the Development Agreement to be entered into by the City and Developer.

According to the City's economic development policy, this TIF district will capture the incremental taxes only; not the sales tax. Since this 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 reviewed some of the financial considerations according to the summary of economic development incentives request received from the Developer. 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 to 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.

There were no comments from the public.

Sandy Jacobs moved, Ron Mellick seconded, to close the public hearing.

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

15. ORDINANCE ESTABLISHING A REDEVELOPMENT DISTRICT (D&J LAND TIF): Sandy Jacobs moved, Mason Ruder seconded, to approve Ordinance No. 3981 establishing a Redevelopment District (D&J Land TIF).

Commissioner Berges stated the rendering from the Developer looks different than the aerial view, which shows the extension going onto 55th Street.

Toby Dougherty, City Manager, stated part of the project is to rebuild the intersection of 230th and 55th. The County was awarded a grant in 2016 from KDOT for construction support for the rebuilding of that intersection. The Developer has asked to have that Grant transferred from the City to them upon successful completion of the project. When the TIF boundary was drawn in, they included enough to capture the right-of-way and the fullest extent of that intersection possible that would accommodate future improvements.

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

16. COMMISSION INQUIRIES AND COMMENTS: Commissioner Berges wished everyone a happy Valentine's Day.

The meeting was adjourned at 7:16 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk