

City of Hays
City Commission
Work Session Notes

Thursday, May 21, 2020 – 6:30 p.m.

Present: Shaun Musil, Sandy Jacobs, Mason Ruder, Michael Berges, Ron Mellick, Toby Dougherty, Kim Rupp, and John T. Bird

May 7, 2020 Work Session Notes

There were no corrections or additions to the minutes of the work session held on May 7, 2020; the minutes stand approved as presented.

230th Avenue and 55th Street Intersection Improvements – KDOT Agreement

John Braun, Project Manager, stated in 2013, Ellis County applied for and was awarded Economic Development funding from Kansas Department of Transportation (KDOT) in the amount of \$1.5M for improvements to the intersection of 230th Avenue and 55th Street just north of I-70 Exit 157. The proposed development of the Hays Truck Plaza Project prompted the annexation of property and right of way in the area of the Economic Development Project. In December 2019, the Ellis County Board of Commissioners requested that project sponsorship be transferred to the City of Hays. Because KDOT funds are involved, it is necessary for the City of Hays to manage this project. The City's role in this project is only management and oversight.

At the May 14, 2020 City Commission Meeting, Tax Increment Financing (TIF), Community Improvement District (CID) creation, and a Development Agreement were approved in support of the truck plaza and the 230th Avenue and 55th Street Project. The Economic Development Project covered under the KDOT Agreement includes grading, pavement, curb and gutter, storm sewer, sidewalk, and pavement markings to improve 230th Avenue from just north of the westbound I-70 ramps to approximately 1300 feet north of the intersection with 55th Street; and 55th Street from 230th Avenue to approximately 800 feet east.

To formalize the responsibilities of both the City of Hays and the Department of Transportation, KDOT has provided an agreement to be executed by the Mayor and the Secretary of Transportation. Mr. Braun reviewed the key elements of the agreement.

Construction is scheduled for 2021. The City of Hays has no monetary contribution to this project. Any costs exceeding the \$1.5M KDOT grant will be covered by D & J Land Development, LLC under the Development Agreement.

At the May 28, 2020 Commission meeting, Commissioners will be asked to authorize the Mayor to enter Agreement No. 121-20, with the Kansas Department of Transportation for the 230th Avenue and 55th Street Project.

FHSU Sternberg Water Tower Logo

Jeff Crispin, Director of Water Resources, discussed the project plan to repaint the logos at the top of the water tower near Sternberg Museum. In mid-2018 staff presented a project to repaint both of the Cities' water towers. This involved the removal of the original Fort Hays State University (FHSU) logo that was painted on the Sternberg water tower in 1997. When the original FHSU logo was added to the tower, the City executed an agreement with the University. In preparation of this year's University project, an updated agreement was drafted by the City Attorney that is similar to the agreement from 1997. The addition of the FHSU logos to the top of the water tower will be at no cost to the City of Hays. FHSU is simply asking for the City Commission's blessing to proceed with this project.

Scott Cason, Chief Communications Officer, Fort Hays State University, proposed a logo be used on both sides of the water tower. The east side would say "Welcome to Hays, Home of Fort Hays State University" and the west side would say "Next Exit Sternberg Museum of Natural History". He assured the Commissioners that the logos can be affixed so they don't run together and would be clearly visible from each side. The Commissioners were pleased with the new logos.

Ordinance Terminating the Home Depot Transportation Development District (TDD)

Kim Rupp, Director of Finance, stated the current Home Depot Transportation Development District (TDD) includes Home Depot, IHOP, Hampton Inn, Town Place Suites by Marriott, and JT Travel Plaza. A $\frac{3}{4}\%$ TDD sales tax in that district has been in place since April 1, 2005 garnering approximately \$3.2M for Phase 1 and a portion of Phase 2 improvements in that area. The $\frac{3}{4}\%$ outperformed initial projections and therefore the 2004 TDD bonds financing the Phase 1 improvements were called early and completed in January 2018 saving approximately \$356,000 in interest costs. Most recently the Commission approved a portion of Phase 2 improvements which included extending East 41st Street past Home Depot to the Vineyard Park entrance. That project is now complete and the TDD sales tax collected since the pay off of the TDD bonds was sufficient to reimburse the capital projects fund for the improvements. Therefore, it is now time to terminate the Home Depot Transportation Development District thus ending the $\frac{3}{4}\%$ TDD sales tax by passage of an ordinance. He clarified that the TIF still remains. Those bonds are being paid by the City's portion of the tax increment financing as well as a $\frac{1}{2}\%$ of the City's general fund sales tax in that district. Those bonds are scheduled to be paid out in 2024.

Commissioner Mellick asked if TDD funds could be used to repair streets and sidewalks in the district. He noted that the intersection of 43rd and Sherman is not in good shape. City Manager, Toby Dougherty, stated the monies captured between now and when the TDD is terminated would be placed in the general fund and could be used for repairs. He added that if there are sidewalks in disrepair, that is the property owner's responsibility, but if there are areas where there are no sidewalks the City could install them.

At the May 28, 2020 Commission meeting, Commissioners will be asked to approve the Ordinance terminating the Home Depot Transportation Development District and TDD Sales Tax.

North Vine Street Corridor Project – Authorizing General Obligation Bond Financing

Kim Rupp, Director of Finance, stated as the North Vine Street Corridor Project gets underway, and due to the fact that expenditures up to this point have already occurred, it is necessary to authorize general obligation bond financing for these improvements by adopting a resolution.

The main trafficway act K.S.A. 12-685 allows for financing certain main trafficway improvements with GO bonds using a two-step process. The first step involves designating the streets as main trafficways. The City has previously designated the subject streets within the City as main trafficways in the North Vine project. The second step of the process involves adopting a resolution authorizing GO bond financing for the project. Pursuant to an agreement previously entered into between KDOT and the City, KDOT will administer construction of the project, and the City will provide a portion of the financing in the estimated amount of \$7,111,000. The City plans to initially pay such costs with available funds from Capital Projects and will later be reimbursed with proceeds of GO bonds, which are expected to be issued in late 2020 or early 2021. At such time, the Commission will consider an ordinance authorizing the issuance of the GO bonds. The debt service for that issue will come from the Transient Guest Tax.

At the May 28, 2020 Commission meeting, Commissioners will be asked to approve the resolution authorizing general obligation bond financing for the Main Trafficway Projects.

Other Items for Discussion

The Commissioners wished everyone a safe and happy Memorial Day.

The work session was adjourned at 6:53 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk