

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON OCTOBER 23, 2014

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, October 23, 2014 at 6:30 p.m.

Roll Call: Present: Eber Phelps

Shaun Musil

Ron Mellick

Kent Steward

Absent: Henry Schwaller IV

Vice-Chairperson Phelps declared that a quorum was present and called the meeting to order.

2. MINUTES: There were no corrections or additions to the minutes of the regular session held on September 25, 2014.

Ron Mellick moved, Shaun Musil seconded, to approve the minutes from the September 25, 2014 Commission meeting.

Vote: Ayes: Eber Phelps

Shaun Musil

Ron Mellick

Kent Steward

3. FINANCIAL STATEMENT: Finance Director Kim Rupp reported that month-to-date general fund sales tax collections were at \$647,126 which is a rebound of \$35,344 as compared to last year. This puts the year-to-date general fund sales tax collections down \$22,799 or just -.41%.

The Finance/City Clerk's Office invested \$4,750,000 of maturing or renewing certificates with a weighted average interest rate of .24%. The portfolio of certificates of deposit on September 30, 2014 totaled \$53,200,000 with a weighted average interest rate of .23%. The total balance of the Money Market

account on September 30, 2014 was \$1,000,000 with a current yield of .20%. Total investments are up \$200,000 when compared to this time last year.

Ron Mellick moved, Shaun Musil seconded, that the Financial Statement for the month of September, 2014 be approved.

Vote: Ayes: Eber Phelps
Shaun Musil
Ron Mellick
Kent Steward

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: There were no items on the consent agenda.

NEW BUSINESS

6. PUBLIC HEARING FOR THE CREATION OF THE MALL AT HAYS COMMUNITY IMPROVEMENT DISTRICT (CID) AND THE IMPOSITION OF A CID SALES TAX IN THAT DISTRICT: Hays Mall LLC filed a petition asking for the creation of a Community Improvement District. The petition seeks to create a CID encompassing the area bounded on the north by East 33rd, on the west by Vine, on the south by East 29th, and on the east by the access road on the east side of the mall. The proposed CID would impose a new 1% sales tax used to reimburse the developer, Hays Mall, LLC on a pay-as-you-go basis for up to \$3,144,936 of costs incurred to make improvements to The Mall which includes interior renovation, parking lot mill and overlay, exterior LED lighting and entrance upgrades, landscaping, and demolition of the bank drive thru and Montana Mike's. The necessary filing fee has been paid and the completed application for economic incentives as required by the City of Hays Economic Development policy along with the petition and resolution have been reviewed by the City's legal counsel Gilmore and Bell. This public hearing allows for public comment as well as advisability of creating the CID.

Vice-Chairperson Phelps opened the public hearing on the creation of The Mall at Hays Community Improvement District and the imposition of a CID Sales Tax in that district.

Melanie Valley, a Hays resident disputed the claim the program would not cost the City of Hays. She suggested an increased sales tax would discourage customers and hurt stores' sales. She stated that she believes the corporation is responsible for their own expenses, or they could sell The Mall to another investor. She proposed the City leaders reject this CID Resolution.

Matthew Gough, the attorney representing DP Management, the management company for Hays Mall, LLC stated among all the various types of public-private partnerships that are possible for a developer like this, the CID is probably the best one for a win-win-win scenario for the City, the applicant and the public. He also stated the financing agreement reimburses the company for completed renovations. The only thing The Mall's ownership is asking for is to do some very basic, necessary interior and exterior improvements that it hopes will be a catalyst to bring major national retailers both inside and outside The Mall.

Linn Ann Huntington, Hays resident said she often shops at The Mall, however, lack of air conditioning in the building's south end makes shopping unpleasant, and suggested including air conditioning in the CID agreement, if it is passed.

Laura Atkinson, Mall shopper stated she enjoys shopping there, but has noticed the floor has not been kept up. She said she would hesitate to put all this money in a project if it will not be kept up.

Clare Gustin commented that she is certified in economic development finance and was a teenager when The Mall opened. She stated the Liberty Group's project in downtown Hays is a perfect example of a successful public/private partnership. She added this can be an important redevelopment tool for The Mall.

Aaron White, Executive Director for the Ellis County Coalition for Economic Development, stated a more appealing shopping center could counteract the City's declining retail pull factor. The number fell to 1.85

compared to 1.91 in 2013. It is important to take steps to stop that slide from continuing.

Alan Leiker, owner of G & L Tire and a mall tenant stated he would like to see improvements done to The Mall and he feels the improvements would be good for the City. He also recommended the Commissioners stipulate local contractors must do the renovations so the money stays in Hays.

Commissioner Steward read a letter sent by Gina Stern owner of the Centennial Plaza on Vine Street, in which she asked the City to turn down the proposal for this sales tax stating that it is unfair to the local community to pay for a private company to make these refurbishments on their property. She stated in the letter that her company renovated the Centennial Mall property in 2009 and 2012 using local contractors and its own money.

Commissioner Steward stated contrary to all the things we see happening in so many other communities, the last thing a municipal government should be doing is meddling in the marketplace and by doing that, short-circuiting the free enterprise system.

Commissioner Mellick stated some of Centennial Plaza's construction was not eligible for a CID because the Kansas Legislature had not passed the law allowing the program at that time. He also stated he considered the special sales tax a user fee and that people do not have to shop at The Mall because the items sold there are considered discretionary purchases.

Ron Mellick moved, Kent Steward seconded, to close the public hearing for the CID request for The Mall.

Vote: Ayes: Eber Phelps
Shaun Musil
Ron Mellick
Kent Steward

7. REHABILITATION OF SANITARY SEWER MANHOLES – AWARD OF BID:

Bernie Kitten, Director of Utilities explained the need for manhole rehabilitation, stating manholes are a critical part of the wastewater collection system. They are required by law and allow for access to sewer pipes for maintenance and repair.

Hundreds of manholes in Hays need rehabilitation due to various reasons of acidic environments, erosion, age, and stormwater infiltration. This project will significantly lengthen the lifespan of these manholes through the application of 100% calcium aluminate cement material.

Utility Solutions, LLC from Basehor, Kansas provided the low bid and is experienced in manhole rehabilitation.

Shaun Musil moved, Ron Mellick seconded, to accept the bid from Utility Solutions, LLC, for the rehabilitation of deteriorated sewer manholes, not to exceed \$30,000, to be paid from the Wastewater Treatment/Collection budget Other Contractual Services line item.

Vote: Ayes: Eber Phelps
Shaun Musil
Ron Mellick
Kent Steward

8. STORM SEWER STRUCTURES LINING – AWARD OF BID: Steven Walters, Stormwater Specialist explained this project is in essence an extension of the rehabilitation of the aging storm sewer infrastructure started in 2011 and continuing through 2015. The project will consist of the structural lining of inlets and manholes with a cementitious based product.

Utility Solutions, LLC of Basehor, Kansas provided the low bid. The base and alternate bid items include approximately 100 structures consisting of inlets and manholes. This represents approximately 6% of the total number of storm sewer structures in the City of Hays.

Kent Steward moved, Shaun Musil seconded, to authorize the City Manager to enter into a contract with Utility Solutions, LLC for storm sewer structure rehabilitation in the amount not to exceed \$50,000 to be funded from the Stormwater Management budget – Projects line item.

Vote: Ayes: Eber Phelps
Shaun Musil
Ron Mellick
Kent Steward

9. VEHICLE ABATEMENT AT 418 WEST 11TH STREET: The abandoned vehicle, located on the rear property at 418 West 11th Street, has expired tags and missing parts, therefore deeming it inoperable. All proper notification has been given to the owner of the property. If the vehicle is removed by the City, all costs of abatement will be charged to the owner of the property.

Ron Mellick moved, Kent Steward seconded, to approve Resolution No. 2014-023 to abate the vehicle located on the property at 418 West 11th Street ten days after the approval date.

Vote: Ayes: Eber Phelps
Shaun Musil
Ron Mellick
Kent Steward

10. CREATION OF CITY COMMISSION CAPITAL RESERVES: City Commission Financial Policy Projects is based on budgeted projections and therefore the balance available is subject to change. It also over-inflates the budget adding an unnecessary layer of complexity. City staff recommends the creation of a Commission Capital Reserve to alleviate these concerns.

Shaun Musil moved, Ron Mellick seconded, to authorize the creation of a Commission Capital Reserve.

Vote: Ayes: Eber Phelps
Shaun Musil
Ron Mellick
Kent Steward

11. PROGRESS REPORT: Assistant City Manager Paul Briseno reported on various city related events, activities, and projects.

John Braun, Assistant Director of Public Works gave an update on the 41st Street project.

12. REPORT OF THE CITY MANAGER: The City Manager had nothing to report.

13. COMMISSION INQUIRIES AND COMMENTS: Vice-Chairperson Phelps commented that the Sky West Airline report showed they have had a 92% on time rating for flights from October 1st to present.

The meeting was adjourned at 8:16 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk