

# Memo

To: City Commission  
From: Toby Dougherty, City Manager  
Date: 12-18-14  
Re: December 30, 2014 Work Session

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Please find the attached agenda and supporting documentation for the December 30, 2014 Work Session.

Item 2 – Air Compressor – Award of Bid

Please refer to the attached memorandum from John Braun, Assistant Director of Public Works, regarding air compressor bids. City staff is requesting to replace a failing air compressor that is no longer adequate for the intended use. This compressor is an integral part of our operations and is used by several departments.

Item 3 – Vacate of Utility Easement in RAG Addition

Please refer to the attached memorandum from Jesse Rohr, Planning, Inspection and Enforcement Division Superintendent, regarding the request to vacate a utility easement in the RAG Addition. This addition was platted in 2013. Midwest Energy initially requested a utility easement; however, the way the property is going to be developed renders the utility easement unnecessary. The property owner has, therefore, requested to vacate the easement.

Items 4 and 5 – 46<sup>th</sup> Street 2<sup>nd</sup> Addition Phase II (Coolidge Ct. and Adams Dr.) – Resolution to Establish Benefit District and Engineering Services Agreement

These items are self-explanatory.

Item 6 – CID Policy Review

Please refer to my memorandum regarding the CID Policy review. As part of the discussion, following the CID request by the Mall owners, the City Commission asked that the policy be placed on a future work session agenda for discussion. More specifically, the Commission discussed the possibility of placing a limit on what percentage of a total project could be comprised of a CID.

aw



**CITY OF HAYS**  
**CITY COMMISSION WORK SESSION**  
**TUESDAY, DECEMBER 30, 2014 – 6:30 P.M.**  
**AGENDA**

1. **ITEM FOR REVIEW: December 18, 2014 Work Session Notes (PAGE 1)**  
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
2. **ITEM FOR REVIEW: Air Compressor – Award of Bid (PAGE 5)**  
DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works
3. **ITEM FOR REVIEW: Vacate of Utility Easement in RAG Addition (PAGE 25)**  
DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works
4. **ITEM FOR REVIEW: 46<sup>th</sup> Street 2<sup>nd</sup> Addition Phase II Resolution to Establish Benefit District (Coolidge Ct. and Adams Dr.) (PAGE 35)**  
DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works
5. **ITEM FOR REVIEW: 46<sup>th</sup> Street 2<sup>nd</sup> Addition Phase II Engineering Services Agreement (Coolidge Ct. and Adams Dr.) (PAGE 43)**  
DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works
6. **ITEM FOR REVIEW: CID Policy Review (PAGE 53)**  
PERSON RESPONSIBLE: Toby Dougherty, City Manager
7. **OTHER ITEMS FOR DISCUSSION**
8. **EXECUTIVE SESSION (IF REQUIRED)**
9. **ADJOURNMENT**

**ANY PERSON WITH A DISABILITY NEEDING SPECIAL ACCOMMODATIONS TO ATTEND THIS MEETING SHOULD CONTACT THE CITY MANAGER'S OFFICE 48 HOURS PRIOR TO THE SCHEDULED MEETING TIME. EVERY ATTEMPT WILL BE MADE TO ACCOMMODATE ANY REQUESTS FOR ASSISTANCE.**



City of Hays  
City Commission  
Work Session Notes  
December 18, 2014 – 6:30 p.m.

Present: Henry Schwaller IV, Eber Phelps, Shaun Musil, Ron Mellick, Kent Steward, John Bird, Toby Dougherty

**December 4, 2014 Work Session Notes**

There were no corrections or additions to the minutes of the work session held on December 4, 2014; the minutes stand approved as presented.

**Proposed Annexation of Lots 5 and 6, Block 3, North Hays Addition (48<sup>th</sup> Street & General Hays Rd.)**

The owners of Lots 5 and 6, Block 3, North Hays Addition have submitted a signed consent to request annexation of the property under K.S.A. 12-520a. This property lies adjacent to the reverse access roads (General Hays Rd. and 48<sup>th</sup> St.) and is contiguous with incorporated territory. The owners intend to develop the property for commercial uses. Approval of the annexation will allow the property owner to receive full benefits of City services, including utilities and fire/police protection. Annexing this property and allowing for its development will increase the property tax base for the City of Hays. Staff recommends annexing this property due to its contiguous nature and plan for commercial growth in the immediate area.

Commissioners will be requested to approve an ordinance for the annexation of Lots 5 and 6, Block 3, North Hays Addition, at the December 23, 2014 Commission meeting.

**Rezoning of Lots 5 and 6, Block 3, North Hays Addition (48<sup>th</sup> Street & General Hays Rd.) – A-L to C-2**

The owners of Lots 5 and 6, Block 3, North Hays Addition have submitted a request asking that the property be rezoned from Agricultural District (A-L) to General Commercial and Service District (C-2). A public hearing was conducted on October 20, 2014 at the regular meeting of the Planning Commission and it was recommended by a vote of 5-0 that the rezoning be approved. Examples of uses allowed in the C-2 district are auto dealerships/repair shops, banks, retail sales of goods and services, hotels, business and medical offices, restaurants, and convenience stores. This property is contiguous with other C-2 zoned property.

At the December 23, 2014 Commission meeting Commissioners will be requested to approve an ordinance rezoning Lots 5, 6, Block 3, North Hays Addition from A-L to C-2.

#### **Wastewater Treatment Plant – Design Build Owner Representative**

Assistant City Manager Paul Briseno presented information to the Commissioners regarding the need for a new wastewater treatment plant. He stated the current City of Hays wastewater treatment facility was built in the 1950's and received some modifications and upgrades since its original construction. The plant was built to treat to specific wastewater standards. Standards have become more restrictive over the years and harder for the plant to meet due to technological limitations of the facility.

The City was put on notice by the Kansas Department of Health and Environment (KDHE) that nitrogen and phosphorous levels in the effluent stream need to be significantly reduced in the near future. Despite staff efforts and collaboration with KDHE, the facility is not able to meet these required levels without a significant rebuild. Construction will need to be completed by late 2017 to meet the next permit in July of 2018.

Burns and McDonnell's initial evaluation of the current facility shows an expected preliminary cost of \$26-\$28 million to reconstruct and meet KDHE requirements.

Assistant City Manager Paul Briseno stated that traditional design-bid-build processes have caused issues with recent projects. The process works well for most of our projects; what it doesn't work so well on is those large, multi-faceted projects with a lot of moving parts. City staff is recommending moving forward with the design build process instead of the design-bid-build process. To ensure an effective and efficient plant is attained, costs are controlled and to protect the City's interest, staff also recommends the solicitation of an Owner Representative to guide a design build process.

Finance Director Kim Rupp stated we will look at various types of funding including bonds and state revolving loans, but water and sewer rates will have to go up to pay for the plant. He stated he would like to order a water and sewer rate study as rates have to keep up with the cost of the plant, as well as regular maintenance and operations.

Chairperson Schwaller requested staff develop a flow chart showing how the processes work.

The Commissioners directed staff to advertise a request for qualifications for Owner Representative Services.

### **2014 Boundary Resolution**

Kansas statutes require cities to pass a resolution re-defining the entire boundary line of the city whenever property is annexed into the city limits during a calendar year.

One piece of property was annexed into the city during 2014 by Ordinance No. 3879, Geist Addition (22<sup>nd</sup> Street from Canterbury to Wheatland).

At the December 23, 2014 Commission meeting, Commissioners will be requested to approve a resolution which re-defines the boundaries or corporate limits of the City of Hays, Kansas.

### **Scheduling Conflict – Work Session/Chamber Banquet Scheduled for February 19, 2015**

It will be necessary to move the February 19, 2015 work session to Tuesday, February 17, 2015 to accommodate the Commissioners' attendance at the Chamber Banquet on February 19, 2015.

**Add-On Item – Interlocal Cooperation Agreement**

City Manager Toby Dougherty discussed with the Commissioners the Interlocal Cooperative Agreement between the City of Hays and the City of Russell regarding the R9 Ranch. The City of Hays purchased the R9 Ranch in 1995 as a future source of water. The City of Russell owns 18% of the ranch and therefore 18% of the water rights. The Russell City Council unanimously passed this agreement at their last meeting.

City Attorney John Bird explained the details of the agreement to the Commissioners; basically this agreement gives the City of Hays the authority to make applications to move forward on this project.

At the December 23<sup>rd</sup>, 2014 Commission meeting, Commissioners will be requested to approve the Interlocal Cooperation Agreement between the City of Hays and the City of Russell.

**Other Items for Discussion**

Commissioner Phelps commented that Jason Riegel, Water Conservation Specialist, is doing a good job educating school children on water conservation. He also encouraged the Mayor to tour the NEW building.

The work session was adjourned at 7:53 p.m.

Submitted by: \_\_\_\_\_

Brenda Kitchen – City Clerk

# Commission Work Session Agenda

## Memo

**From:** John Braun, Assistant Director of Public Works

**Work Session:** December 30, 2014

**Subject:** Air Compressor – Award of Bids

**Person(s) Responsible:** Toby Dougherty, City Manager  
ID Creech, Director of Public Works

### Summary

The existing Portable Air Compressor has reached the end of its service life and needs to be replaced. City staff solicited bids from various equipment vendors, and the lowest responsible bid was from Logan Contractors, Overland Park, KS for a 185 CFM Air Compressor in the amount of \$22,000. This amount exceeds the \$15,000 listed on the 2015 Fleet Replacement Schedule for this piece of equipment.

While over the budgeted amount, sufficient funds are available in the New Equipment Reserve Fund; therefore, City Staff recommends accepting the \$22,000 bid from Logan Contractors.

### Background

One of the staple street maintenance activities performed in-house by Service Division crews is the sealing of cracks and joints in street pavement. Historically, \$45K to \$50K per year is spent on crack seal material, which equates to approximately 100,000 pounds of material applied annually. The majority of that amount is in preparation for the annual Chip Seal project. For several months from fall to spring, unless the weather gets to cold or wet, crews are crack sealing nearly every day. In order to apply that amount of crack seal material, it is necessary to have the proper, reliable equipment.

Two of the primary pieces of equipment required are the Crack Sealing Machine (melter) and the Air Compressor. The existing air compressor is 20 years old and no longer adequate for the demanding use of crack seal preparation. After an hour or two of operation, it overheats and shuts down. Various mechanics have been consulted and none can fix the problem.

The new air compressor would also be used regularly to run the jack hammer and sand blaster for both the Service Division and Utilities Maintenance. The old air compressor would be retained as a back up for other short duration uses and for use by Parks Department for blowing out irrigation lines.

## Discussion

The replacement of this equipment was identified in the 2015 budget; however, since the time of budget preparation staff has been made aware of price increases due to new emission requirements for the diesel engines used in this type of air compressors. This requirement is called Tier 4. For that reason, bids were higher than the amount budgeted.

Sealed bids were received on November 5, 2014. The tabulation of bids is listed below:

	Central Power Doosan	Hertz Doosan	<b>Logan Airman</b>
*Interim Tier 4			
Tier 4 Final	\$ 23,595.00	\$21,715.00	<b>\$22,000.00</b>

Hertz (Doosan) – non-responsive bidder

**Logan (Airman) – lowest responsible bidder**

The bids for the Air Compressor were solicited for both Interim Tier 4 and Tier 4 Final diesel engines. \*No valid bid were received for the Interim Tier 4 engine. Attempts to confirm bid specifications with the apparent low bidder have failed as they have been non-responsive; therefore, staff recommends purchasing the Airman compressor from Logan Contractors at a cost of \$22,000.

The warranty is 5-years on the engine, 2-years on air compressor, 1-year on undercarriage and other components. Delivery is to be within 2-3 weeks from the order date.

Acknowledging that the \$22,000 cost is \$7,000 over the \$15,000 budgeted; staff researched the cost to rent an air compressor to complete the crack seal project. That cost would be approximately \$6,750 annually.

At a life expectancy of 15 years, the simple annualized cost of the \$22,000 compressor is \$1,466 per year.

## Legal Consideration

There are no known legal obstacles to proceeding as recommended by City Staff.

## Financial Consideration

The Fleet Replacement Schedule in the 2015 Budget included \$15,000 for a new Air Compressor. Staff recommends the purchase of the Airman portable air compress at a cost of \$22,000.

While the cost of the air compressor exceeds the budgeted amount by \$7,000, the New Equipment Reserve Fund contains sufficient funds to absorb the overage, and the annual set aside for the future replacement of the air compressor would be adjusted accordingly.

## Options

The City Commission has the following options:

- Accept the bid as recommended by City Staff
- Reject all bids and direct staff to rent an air compressor for crack seal operations at an estimated cost of \$6,750 annually.
- Direct Staff to another option;
- Do nothing.

### **Recommendation**

City Staff recommends accepting the bid from Logan Contractors for the Airman portable air compressor at a cost of \$22,000.

### **Action Requested**

Accept the bid from Logan Contractors for the Airman portable air compressor at a cost of \$22,000 to be funded out of the New Equipment Reserve.

### **Supporting Documentation**

City Request for Bids  
Low Bid Proposal

**CITY OF HAYS, KANSAS**  
**BID PROPOSAL REQUEST**  
**FOR**  
**Portable Air Compressor**  
**TABLE OF CONTENTS**

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October 23, 2014

**INVITATION TO BID**

The City of Hays, Kansas, is inviting sealed bids for one new Portable Air Compressor.

Sealed bids will be received at the City Clerk's Office, City Hall, P.O. Box 490, 16<sup>th</sup> and Main Street, Hays, Kansas 67601, until **3:00 p.m. on November 5, 2014. Faxed bids will not be accepted.** Bids received later than specified hour and date shall be returned unopened. Bids must be marked on the outside envelope, "**SEALED BID FOR PORTABLE AIR COMPRESSOR – DO NOT OPEN UNTIL NOVEMBER 5, 2014**".

Bids will be opened at 3:00 p.m., November 5, 2014, in the City Commission room. Bids will be reviewed and a recommendation made to the City Manager.

The City reserves the right to reject or accept any or all bids and to waive any irregularities in such bids and to accept such bids that are the most responsive and best suit the needs of the City of Hays. A bid may be withdrawn up to twenty-four (24) hours prior to expiration of the deadline for submitted bids.

If you have questions regarding the bid specifications or bid process please contact me at (785) 628-7353 or Leroy Kreutzer at (785) 628-7354.

Sincerely,

Donnie Stejskal  
Service Division Supervisor

cc: ID Creech, Director of Public Works  
Kim Rupp, Director of Finance  
Leroy Kreutzer, Service Division Shop Foreman  
File

## **BID INSTRUCTIONS**

The following specifications shall apply to the purchase of one new portable air compressor for the City of Hays. The City reserves the right to waive minor technicalities under this specification. Federal and State laws supersede any conflicting part of this specification.

The unit shall be a new and unused, 2014 or 2015 model under standard production by the manufacturer.

The bidder agrees, if his proposal is accepted, to guarantee the design, material and workmanship of the units according to the standard factory warranty, or for one year, whichever is greater. A copy of the warranty shall accompany the bid. All service called for in the standard warranty shall apply without exception. Warranty coverage shall include costs incurred in the transportation of the unit to and from the dealer's shop, if required, or travel time and expenses to and from the City of Hays facilities, should warranty work be performed in the field.

Complete specifications and literature on the units shall accompany the bid. Any exceptions to these specifications shall be indicated on the bid or on a separate attachment to the bid, labeled as such.

Any "or equal" or "equivalent" items for brand specified components shall be listed with the bid package. Complete description and literature on the "or equal" components shall be supplied for consideration by the City. The burden of proof regarding "or equal" items will be upon the vendor.

**PRE-DELIVERY SERVICE:** The unit shall be delivered complete and fully operational. The unit must comply with all applicable Federal and State regulations. It shall be properly serviced, free of leaks, and all mechanical adjustments made prior to delivery. A minimum of three days notice shall be given prior to delivery. **Delivery shall be made to City of Hays Public Works Department, 1002 Vine Street, Hays, Kansas between the hours of 8:00 a.m. and 4:00 p.m. on weekdays.**

All cost associated with transportation will be bidder's responsibility.

Inspection of the unit will be made as soon as possible after delivery. A unit with missing equipment or otherwise failing to meet specification shall not be accepted and shall become the vendor's responsibility.

The bid shall be awarded to the lowest responsible and responsive bidder whose bid meets the requirements and criteria. The criteria for award is based on but not limited to:

- a) Total cost
- b) Compliance with specifications
- c) The bid considered in the best interest of the City of Hays

Bidders may withdraw their bid 24 hours prior to, but not after, the time set for the opening.

All applicable laws, ordinances, and rules and regulations of any authorities shall be binding upon the bidder throughout the term of this contract. The bidder shall be responsible for compliance with any such law, ordinance, rule or regulation, and shall hold the City of Hays harmless and indemnify in the event of non-compliance.

Each bidder shall be responsible for reading and being thoroughly familiar with the invitation for bid package. The failure or omission of any bidder to do any of the foregoing shall in no way relieve any bidder from this obligation in respect to his bid.

Failure to submit all required information may constitute a non-responsive bid.

Any changes in specification after the contract has been awarded must be with the written consent of the City Manager; otherwise, the responsibility for such changes shall be with the bidder.

## **GENERAL**

These are desired specifications for one new Portable Air Compressor (Chicago Pneumatic CPS 185 KD iT4 or equivalent). All components and accessories shall be new, unused, serviced, and ready for operation upon delivery. A dealer's representative shall provide instructions in the proper operation and maintenance at the time of delivery.

Proposals shall meet, as nearly as possible, the following specifications and requirements.

If specification is met, indicate with a Y on the provided space. If exception is taken, bidder must explain (Use separate page if necessary).

## **TECHNICAL SERVICE**

The services of a competent technician, thoroughly knowledgeable in the use, operation, and servicing of the unit shall instruct the City personnel in the proper use, safety, operation, and preventative maintenance of the unit and to test the unit for satisfactory performance. This instruction shall be performed on a date to be agreed upon by the City of Hays Shop Mechanic, Leroy Kreutzer, or his designee.

## **TAXES**

The City of Hays is tax exempt. Appropriate certification will be supplied to the vendor upon request.

## **LEGAL NOTICES**

The City of Hays reserves the right to reject any and all proposals and waive any or all technicalities, as determined by the City Manager of the City of Hays.

The City of Hays, Kansas, will not award contracts to nor accept proposals from individuals or entities that attempt to include any of the following in any proposed contract:

1. Reduce or diminish the common law or statutory standard of care, make any attempt to limit liability, or reduce responsibility of the contractor for mistake, error, or negligence of any type.
2. Attempt to limit liability for breach of contract or negligent performance to the amount of the payment to the contractor by the City.
3. Attempt to claim ownership of intellectual property created during the performance of the contract with the City.
4. Include binding arbitration agreements.
5. Provide for damages for breach by the owner contrary to common law or statute, including, especially, any attempt to provide for attorney fees as part of recoverable damage.
6. Attempt to select any forum for resolution of disputes other than Ellis County, Kansas.
7. Attempt in any way to reallocate risk contrary to common law or statute, unless specifically requested as an alternate proposal or bid by the City of Hays, Kansas.

All persons awarded and/or entering into purchase orders with the City of Hays shall be subject to and required to comply with all applicable City, State, and Federal provisions.

The City of Hays has an affirmative action program. Any firm will be required to include the following statement in any contract with the City of Hays:

"Contractor shall not discriminate in the employment of persons engaged in the performance of this agreement on account of race, color, national origin, ancestry, religion, sex, marital status, physical handicap, or medical condition, in violation of any federal or state law. Contractor shall comply with all requirements of the City of Hays pertaining to affirmative action with regard to employment while this agreement is in effect."

The contract shall be subject to the provisions of Ordinance 3823 which contains specific inclusions and prohibitions of certain contractual provisions and to the extent that anything herein contradicts said ordinance, the requirements and provisions of the ordinance shall govern.

City of Hays ordinances can be obtained through the City of Hays website, [www.haysusa.com](http://www.haysusa.com).

**ITEM SPECIFICATIONS**  
**PORTABLE AIR COMPRESSOR**

If specification is met, indicate with a “Y” in the provided space. If exception is taken, bidder must indicate with an “N” and explain in the exception comment section following the line item specification. **(Use separate page, if necessary and list page number and item number.)** All components and accessories shall be new, unused, serviced, and ready for operation upon delivery.

**Spec. Met:**  
**(Y/N)**

**COMPRESSOR**

- 1) \_\_\_\_\_ Actual Free Air Delivery – 185 cfm  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- 2) \_\_\_\_\_ Normal Effective Working Pressure – 100 psi  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- 3) \_\_\_\_\_ Maximum Unloading Working Pressure -125 psi  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- 4) \_\_\_\_\_ Discharge Outlet Quantity – 2 x 3/4”, rear discharge.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- 5) \_\_\_\_\_ Working Pressure Range – 58-125 psi  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Engine**

- 6) \_\_\_\_\_ Diesel Engine, 4 cylinder, 49 hp minimum, water cooled.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- 7) \_\_\_\_\_ Fuel Tank – 20 gallon minimum capacity, with fuel gauge.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8) \_\_\_\_\_ Sound Pressure Level – 76 dBa @ 23' @ 75% load  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Trailer**

9) \_\_\_\_\_ Two-wheel trailer, with jack stand and 2 5/16" ball hitch and safety chains.  
Properly sized to carry the specified compressor, engine, and other accessories.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10) \_\_\_\_\_ Reflectors, tail lights, brake lights, turn signal lights, wiring and 7 conductor RV  
Plug type connector - all meeting all federal, state, and local requirements for use  
on public streets and highways.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Accessories**

11) \_\_\_\_\_ 50' single hose reel.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12) \_\_\_\_\_ 18" extended drawbar with jockey wheel.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**BID SHEET**

**Portable Air Compressor**

BID ITEM (Option 1)	UNIT PRICE
One Each - Portable Air Compressor (Interim Tier 4 Emissions)	\$ _____
Year _____ Brand and Model _____	
Warranty _____	
Delivery Date _____	
BID ITEM (Option 2)	UNIT PRICE
One Each - Portable Air Compressor (Tier 4 Emissions)	\$ _____
Year _____ Brand and Model _____	
Warranty _____	
Delivery Date _____	

(BID PRICE SHOULD INCLUDE ANY RELATED DELIVERY FEES)

Bid shall be valid until January 15, 2015.

DELIVERED FREIGHT ON BOARD TO: City of Hays, Public Works Department, 1002 Vine Street, Hays, KS 67601

REPRESENTATIVE NAME \_\_\_\_\_

REPRESENTATIVE SIGNATURE \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_ DATE \_\_\_\_\_



**BID SHEET**

**Portable Air Compressor**

BID ITEM (Option 1)	UNIT PRICE
One Each - Portable Air Compressor (Interim Tier 4 Emissions)	\$ <u>NOT AVAILABLE</u>
Year _____ Brand and Model _____	
Warranty _____	
Delivery Date _____	
BID ITEM (Option 2)	UNIT PRICE
One Each - Portable Air Compressor (Tier 4 Emissions)	\$ <u>22,000<sup>00</sup></u>
Year <u>2014</u> Brand and Model <u>AIRMAN PDS 185 6E1</u>	
Warranty <u>ONE YEAR - engine 5 yr or 5,000 hrs Air end 2 yr</u> <sup>CAN GO</sup> <u>to 5 years</u>	
Delivery Date <u>2-3 weeks ARD</u>	

(BID PRICE SHOULD INCLUDE ANY RELATED DELIVERY FEES)

Bid shall be valid until January 15, 2015.

DELIVERED FREIGHT ON BOARD TO: City of Hays, Public Works Department, 1002 Vine Street, Hays, KS 67601

REPRESENTATIVE NAME GARY POSS

REPRESENTATIVE SIGNATURE Gary Poss

COMPANY Logan Contractors Supply

ADDRESS 1325 S Enterprise DR Olathe, KS 66061

TELEPHONE NUMBER 913-768-1551 DATE 11-3-14

GARY'S cell 913-207-5550

11-14

**ITEM SPECIFICATIONS**  
**PORTABLE AIR COMPRESSOR**

If specification is met, indicate with a "Y" in the provided space. If exception is taken, bidder must indicate with an "N" and explain in the exception comment section following the line item specification. (Use separate page, if necessary and list page number and item number.) All components and accessories shall be new, unused, serviced, and ready for operation upon delivery.

**Spec. Met:**  
**(Y/N)**

**COMPRESSOR**

1) Y Actual Free Air Delivery – 185 cfm  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_

2) Y Normal Effective Working Pressure – 100 psi  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_

3) Y Maximum Unloading Working Pressure -125 psi  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_

4) Y Discharge Outlet Quantity – 2 x 3/4", rear discharge.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_

5) Y Working Pressure Range – 58-125 psi  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_

**Engine**

6) Y Diesel Engine, 4 cylinder, 49 hp minimum, water cooled.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_

7) Y Fuel Tank – 20 gallon minimum capacity, with fuel gauge.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_

8) Y Sound Pressure Level – 76 dBa @ 23' @ 75% load  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Trailer**

9) Y Two-wheel trailer, with jack stand and 2 5/16" ball hitch and safety chains.  
Properly sized to carry the specified compressor, engine, and other accessories.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10) Y Reflectors, tail lights, brake lights, turn signal lights, wiring and 7 conductor RV  
Plug type connector - all meeting all federal, state, and local requirements for use  
on public streets and highways.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Accessories**

11) Y 50' single hose reel.  
Exception Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12) N 18" extended drawbar with jockey wheel.  
Exception Comments: THE A FRAME TOW BAR IS  
LONGER THAN MOST DRAWBARS.  
NO EXTENDED DRAWBAR NEEDED

## BID SPECIFICATIONS FOR AIRMAN PDS185S-6E1

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### ENGINE:

- YANMAR 4TNV88C-DHKS
  - INLINE DIESEL, WATER COOLED, 4 STROKE  
DIRECT-INJECTED, TIER 4 FINAL COMPLIANT
  - 133.6 CI
  - 49 HP
  - LOW IDLE 1380 RPM
  - HI IDLE 3000 RPM
- FUEL CONSUMPTION
  - 2.3 GPH @ FULL LOAD
  - 1.5 GPH @70% LOAD
  - 0.7 GPH @ NO LOAD
- FUEL CAPACITY
  - 24 GALLONS
- COOLING SYSTEM CAPACITY
  - 1.93 GALLONS
- ENGINE OIL CAPACITY
  - 1.0 GALLONS

### COMPRESSOR:

- TYPE
  - ROTARY TWIN SCREW, SINGLE STAGE , OIL COOLED
- SPECIFICATIONS
  - 185 CFM FREE AIR DELIVERY
  - 100 PSI WORKING PRESSURE
  - 120 PSI MAX WORKING PRESSURE
  - FIBER GEAR DIRECT COUPLING
- LUBRICATING SYSTEM
  - 4.0 GALLONS ISO 32 SYNTHETIC NON FOAMING OIL
  - EXTERNAL SEPERATOR
  - SIDE BY SIDE OIL COOLER/RADIATOR
- AIR OUTLETS
  - 2 X ¾ " NPT
- SOUND LEVEL
  - 62 Dba
- RECEIVER TANK CAPACITY
  - 5.29 GALLONS

# BID SPECIFICATIONS FOR AIRMAN PDS185S-6E1

---

## STANDARD EQUIPMENT:

- GAUGES
  - FUEL, WATER TEMP, DISCHARGE AIR TEMP, AIR PRESSURE
- WARNING LIGHTS
  - CHARGE, HIGH DISCHARGE TEMP, HIGH ENGINE COOLANT TEMP
- AUTO SHUTDOWN
  - LOW OIL PRESSURE, HIGH ENGINE COOLANT TEMP, HIGH DISCHARGE AIR TEMP
- AUTO IDLE/ECO MODE
  - UNLOADS COMPRESSOR WHEN NOT IN USE FOR EXTRA FUEL SAVINGS
- GULL WING DOORS
  - LOCKABLE DOORS WITH GAS STRUTS

## UNDERCARRIAGE:

- ROLLED STEEL "A" FRAME STYLE DRAWBAR
- FULLY ADJUSTABLE BALL OR RING HITCH HEIGHT
- 1000 lb CAPACITY FOLDING JACK WITH WHEEL
- TWO CADMIUM PLATED HI STRENGTH SAFETY CHAINS
- 14 " TIRES
- LED TRAILER LIGHTS

## WEIGHT AND DIMENSIONS:

- DRY WEIGHT 2050 lbs.
- OPERATING WEIGHT 2530 lbs.
- LENGTH 128.7"
- WIDTH 66.3"
- HEIGHT 61"

## OPERATING PARAMETERS:

- MAX ALTITUDE 4921 ft.
- MAX AMBIENT TEMP 104°F.
- MIN AMBIENT TEMP 5°F.
- MAX INCLINE 15 DEGREES

## WARRANTY:

- COMPLETE MACHINE AND UNDERCARRIAGE 1 YEAR
- YANMAR ENGINE 5 YEARS, 5000 HOURS (MAJOR INTERNAL COMPONENTS)
- AIR END 2 YEARS (EXTENDABLE TO 5 YEARS)
- COUPLER 5 YEARS 5000 HOURS



# AIRMAN Air Compressor

**185 SCFM • Tier 4F Yanmar Diesel Engine**



## Model PDS185S-6E1

### ***Quiet, high-efficiency design***

- Noise level is as low as 62dBA at 23 feet when idling. This is substantially less noise than competitors' machines.
- Direct-injection engine meets strict new EPA Tier4F emission standards (PDS185S-6E1).

### ***Top fuel economy***

- The PDS185S-6E1 offers the best fuel economy for any air compressor in its class.
- Automatic engine idle drops speed to 1300 rpm when there is no load on the engine.
- Fuel economy is maximized by "throttling" or restricting the air intake, depending on demand.
- Auto-sensing ECO-MODE decreases receiver tank pressure during unloading.

### ***Convenient access and storage***

- Large, lockable gull-wing style doors with gas struts virtually lift themselves for easy one-hand access to tool storage and service components.
- Larger tool compartments hold 90 pound breakers and other tools and hoses.

### ***Durable, reliable construction***

- Powder-coated finish and stainless steel hardware maintain their attractive appearance.
- Engine is directly coupled to the airend by a fiber gear coupler for improved power transmission, alignment and longevity.
- Improved unloader valve and air pressure regulator feature O-rings instead of diaphragms.

### ***Easy maintenance***

- External separate element.



# AIRMAN Air Compressor Model PDS185S-6E1

## 185 SCMF • Tier 4F Yanmar Diesel Engine

PDS185S-6E1	
<b>COMPRESSOR</b>	
Type	Single-Stage, Oil Cooled, Screw-Type
Free Air Delivery	185 scfm
Working Pressure	100 psig
Max. Working Pressure	120 psig
Air Receiver Tank Capacity	5.29 gal.
Air Outlets	3/4" x 2
Engine Coupling Type	Fiber Gear Direct Coupling
Lubrication System Type	Pressure injected lubrication
Lubrication System Capacity	3.96 gal.
Oil Cooler Type	Separate Side-by-Side Oil Cooler and Radiator
Separation Filter	External
<b>ENGINE</b>	
Model	Yanmar 4TNV88C-DHKS
Type	Water-Cooled 4-Cycle, Direct-Injection, Tier 4F Compliant
Cylinders	4
Displacement	133.6 cu.in. (2.189 L)
Horsepower	47.6 hp (35.3 kw)
Low Idle	1350 rpm
High Idle	3000 rpm
Fuel Consumption	2.4 gph @ Full Load 1.7 gph @ 70% Load 0.8 gph @ No Load
Fuel Capacity	24.0 gal
Cooling System Capacity	1.93 gal.
Oil Capacity	0.9 gal.
Electrical System	12-Volt, Maintenance-Free Battery
<b>WEIGHTS AND DIMENSIONS</b>	
Dry Weight	2120 lb.
Weight with Towing Frame	2420 lb.
Weight w/o Towing Frame	2120 lb.
Length with Towing Frame	132 in.
Length w/o Towing Frame	76 in.
Width with Towing Frame	68 in.
Width w/o Towing Frame	49 in.
Height with Towing Frame	62 in.
Height w/o Towing Frame	45 in.
Operating Weight	2620 lb.
<b>OPERATING PARAMETERS</b>	
Max. Altitude	4921 ft. (1500 m)
Max. Ambient Temperature	113° F
Min. Ambient Temperature	5° F (-15° C)
Max. Incline	15°
Sound Level	62 dBA

Rev. 0 (09/14) • © COPYRIGHT 2014, MMD EQUIPMENT

Features and specifications are subject to change without notice.



# AIRMAN

## MMD Equipment

4175 Guardian Street • Simi Valley, CA 93063  
3 Hawk Court • Swedesboro, NJ 08085  
602 Dunton Street • San Antonio, TX 78226

Phone: 800-433-1382

Fax: 800-225-5579

[www.mmdequipment.com](http://www.mmdequipment.com)



# Commission Work Session Agenda

## Memo

**From:** Jesse Rohr, PIE Superintendent

**Work Session:** December 30, 2014

**Subject:** Vacate of Utility Easement in RAG Addition

**Person(s) Responsible:** Toby Dougherty, City Manager  
I.D. Creech, Director of Public Works

### Summary

The Rag Addition was platted in 2013. Within this plat, there was a utility easement identified for potential use at some point in the future. This particular utility easement was platted at the request of Midwest Energy for the possible placement of gas and/or electric utilities between lots 2 and 4. A request has been made by lot owner David Randa to vacate the platted 15 foot utility easement in the RAG Addition, specifically located between lots 2 and 4. The proposed layout of the site will not require any MWE utilities to occupy this space between the two lots and representatives of MWE support the vacation of the easement. Notice of Public Hearing as required by State Statute was published December 18<sup>th</sup>, 2014. This request has been reviewed by city staff and has gone before the Utility Advisory Committee for review. All those involved have determined that the easement is not necessary for the proposed development and do agree with the vacate request.

### Background

The Rag Addition was platted in 2013. Within this plat, there was a utility easement identified for potential use at some point in the future. The exact layout of the development was unknown at the time of platting and easements were platted to ensure sufficient allowances for on-site utilities.

### Discussion

A request has been made by lot owner David Randa to vacate a platted 15 foot utility easement in the RAG Addition, specifically located between lots 2 and 4. The easement was put in place during the platting process, not knowing exactly how the property would develop. Now that the property has sold, and development will soon occur, the owner has a plan to incorporate both lots 2 and 4 for the construction of the on-site improvements.

This particular utility easement was platted at the request of Midwest Energy for the possible placement of gas and/or electric utilities between lots 2 and 4. However, now that the layout of the site will not require MWE utilities to occupy this space between the two lots, representatives of MWE have conceded to vacation of the easement.

This issue was discussed at the December 2 Utility Advisory Meeting and no utility had issue with the request to vacate this easement. Make it known that there are currently no utilities in the easement.

Attached is a plat drawing showing the location of the easement to be vacated.

### **Legal Consideration**

There are no known legal obstacles to proceeding as proposed by staff.

### **Financial Consideration**

There are no known financial considerations for this request. The lot owner requesting the vacate will pay for any necessary recording of documents if the vacate is approved.

### **Options**

Options include the following:

- Conduct a Public Hearing and approve the ordinance vacating the utility easement
- Do not approve the ordinance
- Provide other alternatives if available

### **Recommendation**

This request has been reviewed by city staff and has gone before the Utility Advisory Committee for review. All those involved have determined that the easement is not necessary for the proposed development and do agree with the vacate request. Assuming no protests at the public hearing, staff recommends approval of the ordinance vacating the utility easement.

### **Action Requested**

Approve the ordinance authorizing the vacate of the 15' wide utility easement between lots 2 and 4 of the RAG Addition.

### **Supporting Documentation**

Map(s)  
Petition Signed by Owner  
Publication Notice  
Ordinance

RAG Addition  
Proposed Utility Vacate  
December 2014

22ND ST

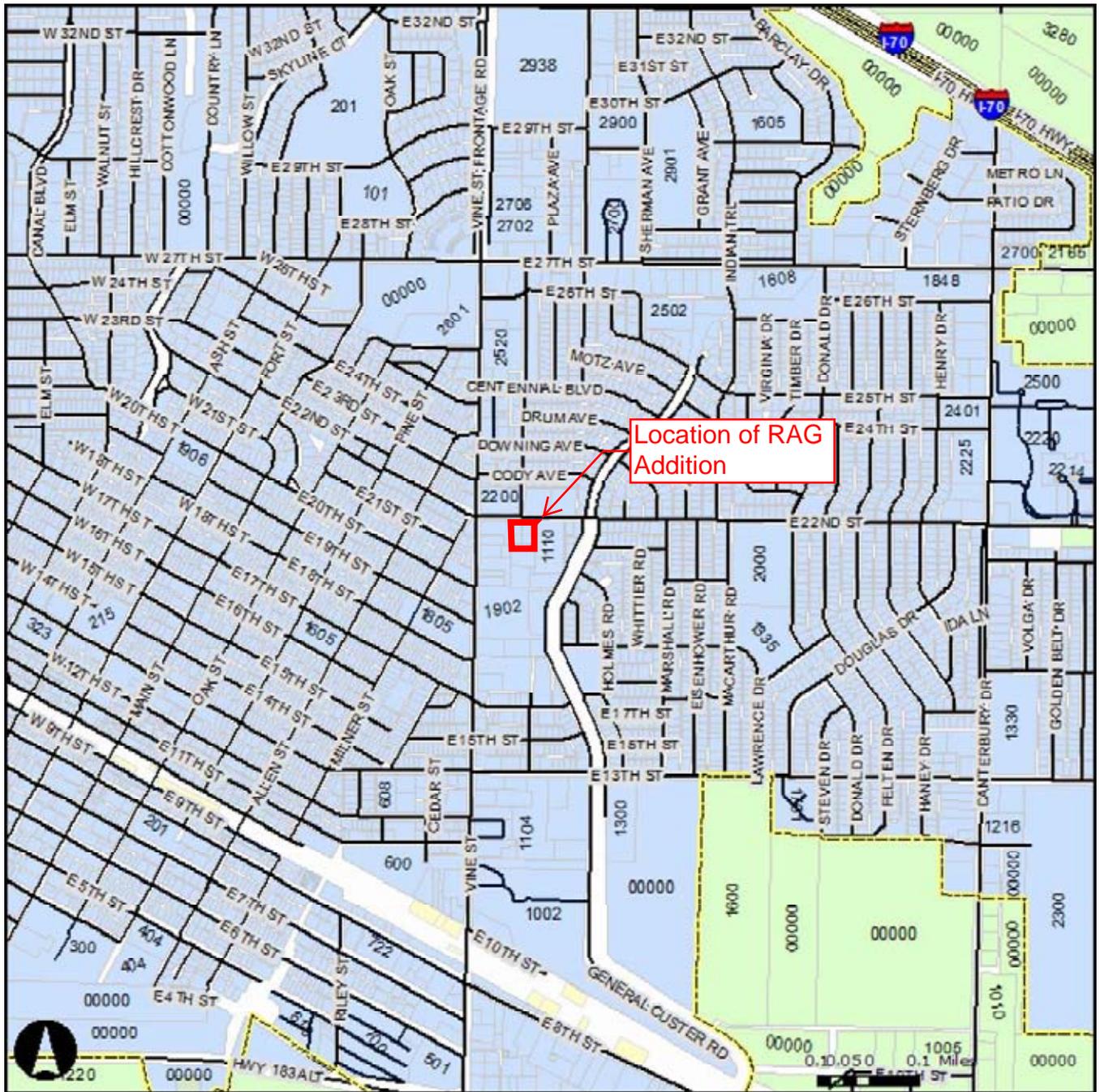
ST

VINE

Easement to be vacated

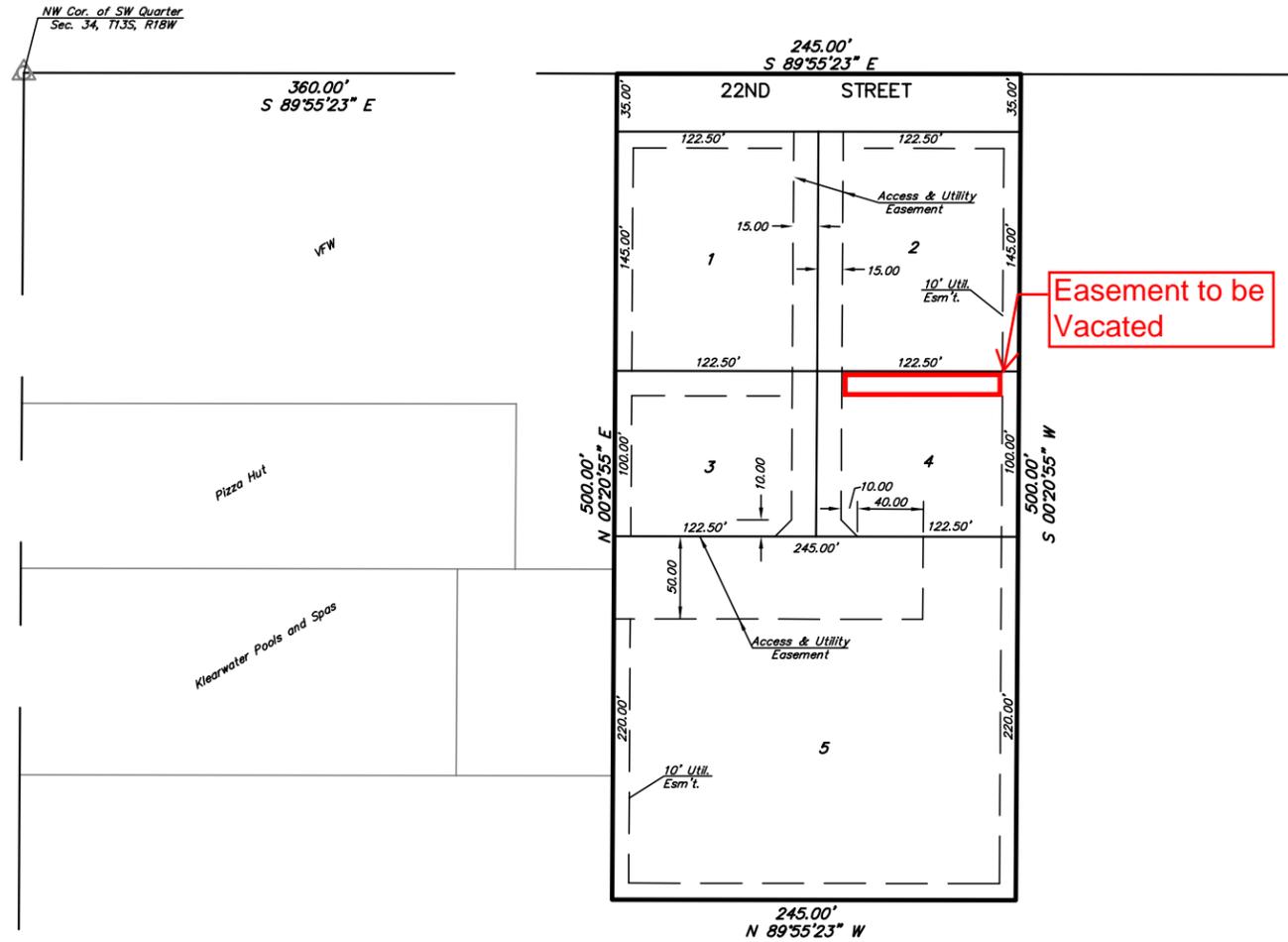
Image February 2012

# RAG Addition

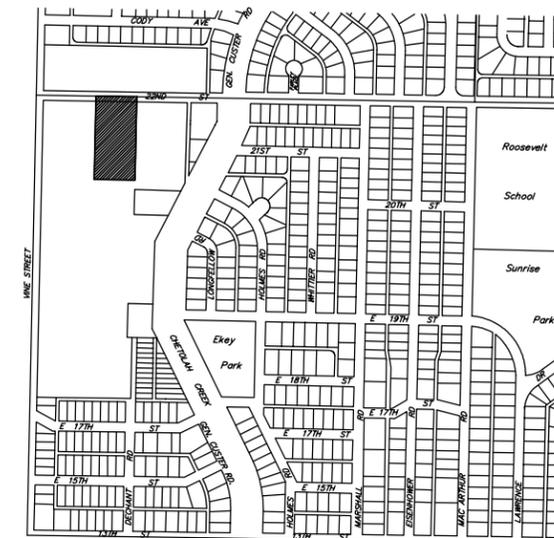




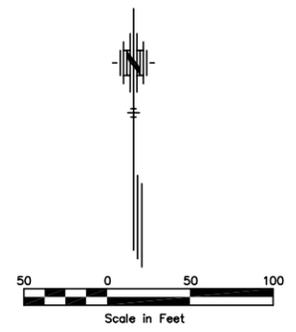
# PLAT OF RAG ADDITION HAYS, KANSAS



Easement to be Vacated



Location Map



**APPROVALS:**

This plat, RAG Addition, has been submitted to and approved by the Hays Planning Commission this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
CHAIRMAN  
\_\_\_\_\_  
SECRETARY  
\_\_\_\_\_  
MAYOR

The dedications shown on this plat accepted by the City Commission of the City of Hays, Kansas, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ATTEST: \_\_\_\_\_, City Clerk

John T. Bird, Attorney for the City of Hays

**OWNER'S CERTIFICATE:**

Know all men by these presents, that we, the undersigned property owners of the land above described have caused the same to be surveyed and platted into Lots, Streets and Easements, the same to be known as "RAG Addition", in Hays, Kansas. The Streets are hereby dedicated to and for the use of the public, and the easements as indicated on the accompanying plat are hereby granted to the public for the purpose of constructing, operating, maintaining, and repairing all public utilities, or for access as shown.

\_\_\_\_\_  
Gary Haselhorst (Husband)      Sandra Haselhorst (Wife)  
\_\_\_\_\_  
Ralph Augustine (Husband)      Lois Augustine (Wife)

**NOTARY CERTIFICATE:**

State of Kansas, County of Ellis, ss:  
Be it remembered that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public in and for said County and State, came Gary and Sandra Haselhorst, husband and wife, and Ralph and Lois Augustine, husband and wife, to me personally known to be the same person who executed the foregoing instrument of writing and duly acknowledged the execution of same. In testimony whereof, I have hereunto set my hand and affixed my notarial seal, the day and year above written.

\_\_\_\_\_  
Notary Public

My Commission Expires:

**RECORDED:**

State of Kansas, County of Ellis, ss:

This is to certify that this instrument was filed for record in the Register of Deeds Office on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ in Book \_\_\_\_\_, Page \_\_\_\_\_.

\_\_\_\_\_  
REGISTER OF DEEDS      DEPUTY

**PLAT DESCRIPTION**

That part of the Southwest Quarter of Section 34, Township 13 South, Range 18 West of the 6th Principal Meridian, Ellis County, Kansas, described as follows:

Commencing at the northwest corner of said Southwest Quarter; thence on an assumed bearing of South 89 degrees 53 minutes 23 seconds East, along the north line of said Southwest Quarter, a distance of 360.00 feet to the point of beginning of the land to be described; thence continuing South 89 degrees 53 minutes 23 seconds East, along the north line of said Southwest Quarter, a distance of 245.00 feet; thence South 00 degrees 20 minutes 55 seconds West, parallel with the west line of said Southwest Quarter, distance of 500.00 feet; thence North 89 degrees 53 minutes 23 seconds West, parallel with the north line of said Southwest Quarter, distance of 245.00 feet; thence North 00 degrees 20 minutes 55 seconds East, parallel with the west line of said Southwest Quarter, a distance of 500.00 feet to the point of beginning. This tract contains 2.812 acres.

**STREETS & EASEMENTS:**

Streets, as shown on this plat and not heretofore dedicated to and for public use are hereby dedicated.  
Easements are hereby dedicated for public use, for access, or as utility easement right-of-way, which are shown as lying between the dashed lines in widths indicated and as set forth on this plat, and said easements may be employed for the purpose of installing, repairing and maintaining gas lines, electric lines, telephone lines, and all other forms and types of public utilities, now or hereafter used, by the public over, under and along the strips marked "Utility Esm't."

**REVIEW SURVEYOR'S CERTIFICATE:**

State of Kansas, County of Ellis, ss:

I hereby certify that the review of this plat was found to be in compliance with the requirements of K.S.A. 58-2005. Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**SURVEYOR'S CERTIFICATE:**

I, Harvey Ruder, a Registered Land Surveyor in the State of Kansas, do hereby certify this Plat to be true and correct to the best of my knowledge.

\_\_\_\_\_  
Harvey Ruder      Date

**RUDER ENGINEERING & SURVEYING, LLC**  
1376 Butterfield Trail Rd.  
Hays, Kansas 67601  
785-628-8134

PETITION TO VACATE A UTILITY EASEMENT

The utility easement to be vacated is 15.00 feet wide and runs parallel with and along the north property line of Lot 4 of the RAG Addition to the City of Hays, Kansas.

TO THE GOVERNING BODY OF THE CITY OF HAYS, KANSAS:

The undersigned is the owner in fee simple of the following described real estate, situated in the City of Hays, Ellis County, Kansas, to-wit:

The utility easement to be vacated is 15.00 feet wide and runs parallel with and along the north property line of Lot 4 of the RAG Addition to the City of Hays, Kansas;

and hereby petitions the Governing Body of the City of Hays, Kansas to vacate the following described utility easement:

The utility easement to be vacated is 15.00 feet wide and runs parallel with and along the north property line of Lot 4 of the RAG Addition to the City of Hays, Kansas.

*David Randa*

David Randa

State of Kansas )

)

County of Ellis )

This instrument was acknowledged before me this 12th day of December, 2014 by David Randa, Owner.

*Linda K. Bixenman*

Notary Public



**Published in the Hays Daily News one time on Thursday, December 18, 2014**

**NOTICE TO VACATE A UTILITY EASEMENT**

**The utility easement to be vacated is 15.00 feet wide and runs parallel with and along the north property line of Lot 4 of the RAG Addition to the City of Hays, Kansas.**

STATE OF KANSAS,  
COUNTY OF ELLIS, SS:

TO WHOM IT MAY CONCERN: TAKE NOTICE that a legal petition signed by David Randa to vacate the 15 foot utility easement that runs parallel with and along the north property line of Lot 4 of the RAG Addition to the City of Hays, Kansas, has been presented to the Governing Body of the City of Hays, Kansas, praying for the vacation of the following utility easement further described as follows:

**The utility easement to be vacated is 15.00 feet wide and runs parallel with and along the north property line of Lot 4 of the RAG Addition to the City of Hays, Kansas**

This notice is given pursuant to K.S.A. 12-504. Further take notice that a Public Hearing regarding the vacate of the utility easement will be held in the Commission Room at the City of Hays Hall, 1507 Main Street, Hays, Kansas on the 8th day of January, 2015 and all persons interested may attend and have a hearing.

Witness my hand and the official seal of said City, this \_\_\_\_ day of \_\_\_\_\_, 2014.

Brenda Kitchen, City Clerk

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE VACATING A PORTION OF A PUBLIC  
UTILITY EASEMENT LOCATED IN THE RAG ADDITION TO  
THE CITY OF HAYS, KANSAS.**

WHEREAS, the Governing Body of the City of Hays, Kansas, finds it necessary and expedient that a portion of a utility easement located in the RAG Addition to the City of Hays (as shown in **Exhibit A**), described as follows, to wit:

The utility easement to be vacated is 15.00 feet wide and runs parallel with and along the north property line of Lot 4 of the RAG Addition to the City of Hays, Kansas,

be vacated;

WHEREAS, K.S.A. 12-504, authorizes the vacation of lands by the City Governing Body under certain conditions, which have now been met;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HAYS, KANSAS:

Section 1. That a portion of the utility easement located in the RAG Addition to the City of Hays, described as follows, to-wit:

The utility easement to be vacated is 15.00 feet wide and runs parallel with and along the north property line of Lot 4 of the RAG Addition to the City of Hays, Kansas,

be and the same is hereby vacated.

Section 2. This ordinance shall be effective upon publication in The Hays Daily News, the official city newspaper.

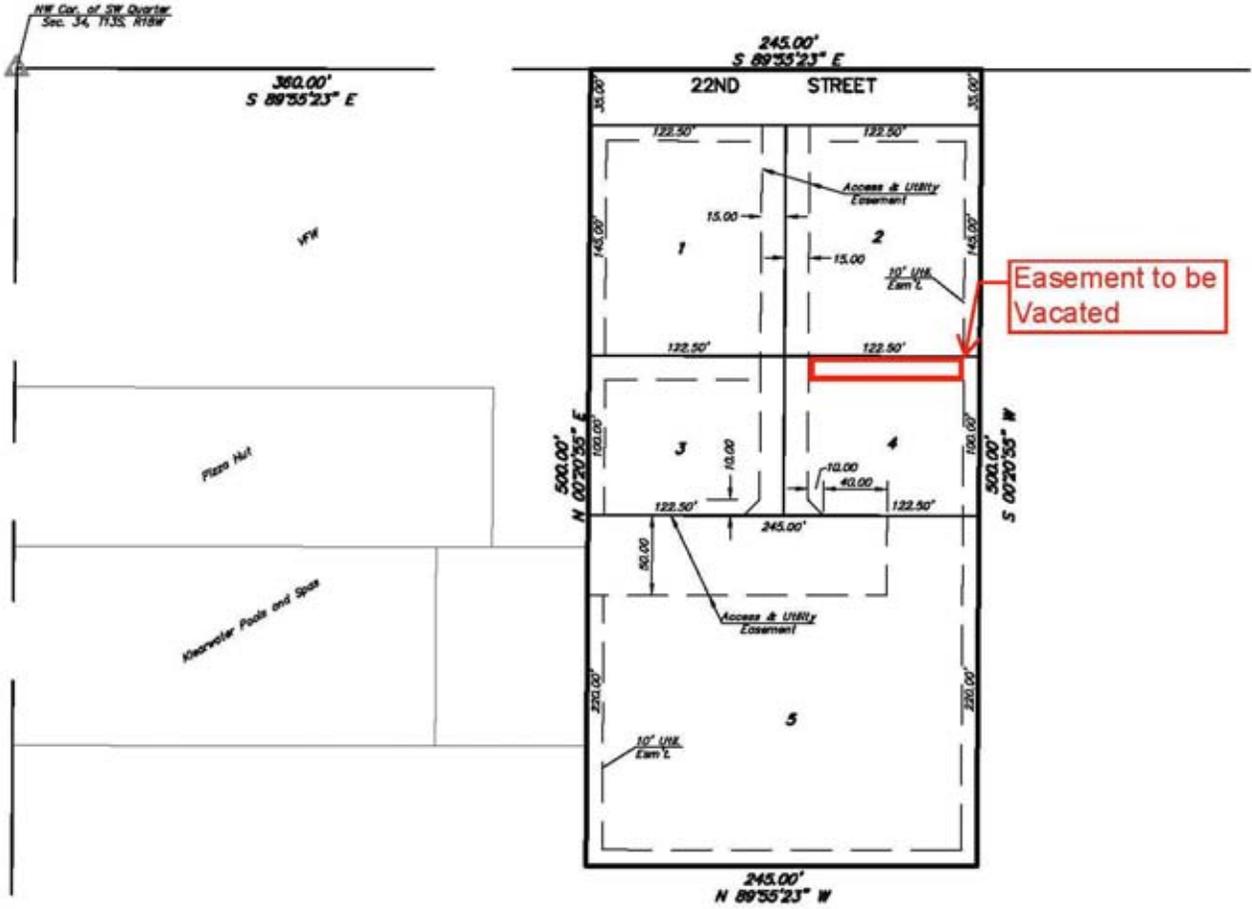
PASSED AND ADOPTED this 8th day of January, 2015.

\_\_\_\_\_  
Henry Schwaller  
Mayor

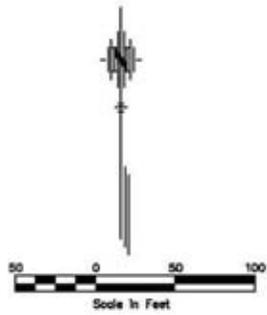
ATTEST:

\_\_\_\_\_  
Brenda Kitchen  
City Clerk

**EXHIBIT A**  
**MAP OF THE UTILITY EASEMENT TO BE VACATED**



*Location Map*



# Commission Work Session Agenda

## Memo

**From:** Jesse Rohr, PIE Superintendent

**Work Session:** December 30, 2014

**Subject:** 46<sup>th</sup> St. 2<sup>nd</sup> Addition Phase II Resolution to Establish Benefit District (Coolidge Ct. and Adams Dr.)

**Person(s) Responsible:** Toby Dougherty, City Manager  
I.D. Creech, Director of Public Works

### Summary

Western Plains Service Corp. has petitioned the City for Street, Storm Sewer, Water, and Sanitary Sewer Improvements to an area containing 18 lots adjacent to West 46<sup>th</sup> St. within the 46th St. 2<sup>nd</sup> Addition for the lots along Coolidge Ct. and Adams Dr. The engineer's estimate for total construction costs are \$550,000. This project is consistent with past residential developments within the City of Hays. There are no over-sizing costs to the City in this project therefore no City capital will be expended for the construction of this project. Staff recommends adopting the attached resolution authorizing the improvements in the estimated amount of \$550,000.

### Background

This is a continuation of an existing development that has been developing in phases over the last several years. This project follows the plan that has been set forth and constructed in various phases over the last 20 years. This is the final phase for the entire area and will end an approximately 20 year development time span for this area.

### Discussion

Western Plains Service Corp. has petitioned the City for Street, Storm Sewer, Water, and Sanitary Sewer Improvements to an area containing 18 lots adjacent to West 46<sup>th</sup> St. within the 46th St. 2<sup>nd</sup> Addition for the lots along Coolidge Ct. and Adams Dr. The engineer's estimate for total construction costs is \$550,000. There are no over-sizing costs to the City in this project. The final extension and construction of two streets (Coolidge Ct. and Adams Dr.) will be completed along with the associated utilities (water, sanitary sewer, and storm sewer) as specified by the City of Hays Development Policy Infrastructure Guidelines for New Development. This project is consistent with past residential developments within the City of Hays and conforms to the Master Plan of the City.

### **Legal Consideration**

Bond Counsel has approved all of the forms and Resolution for this item and there are no other legal concerns.

### **Financial Consideration**

The developer is intending to finance the development project through the creation of a special benefit district. 70% of the costs for this project will be allowed to be special assessed with the remaining 30% being paid in full by the developer prior to award of the construction contract. There are no over-sizing costs to the City in this project therefore no City capital will be expended for the construction of this project.

### **Options**

Options include the following:

- Approve the Resolution authorizing the creation of the special benefit district for the 46<sup>th</sup> St. 2<sup>nd</sup> Addition, Phase II
- Do not approve the Resolution.

### **Recommendation**

Staff recommends adopting the attached resolution authorizing the creation of a special benefit district for improvements in the estimated amount of \$550,000.

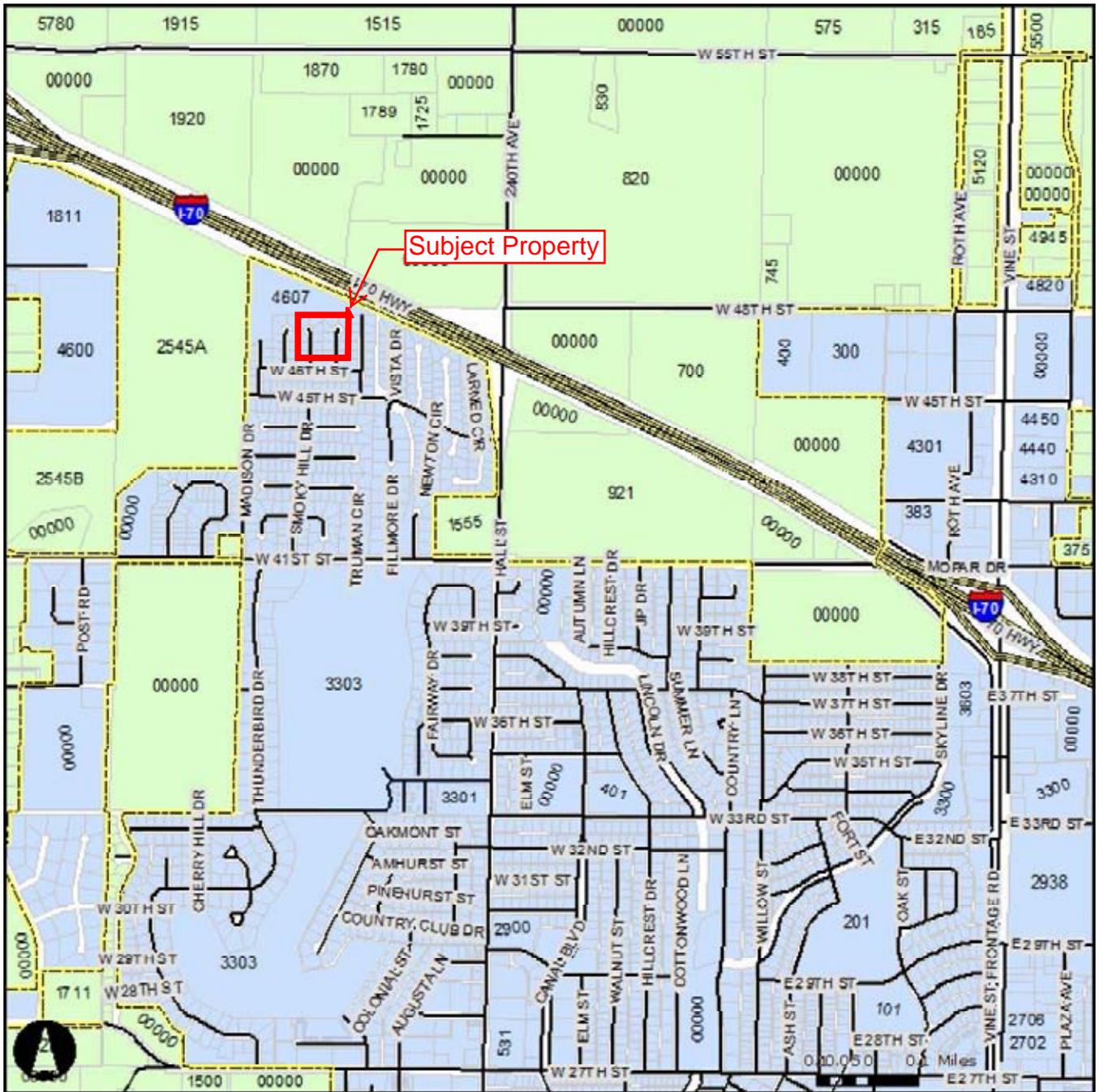
### **Action Requested**

Approve the Resolution authorizing the creation of a special benefit district for infrastructure improvements in the estimated amount of \$550,000 for the development of 18 lots along Coolidge Ct. and Adams Dr. within the 46<sup>th</sup> St. 2<sup>nd</sup> Addition.

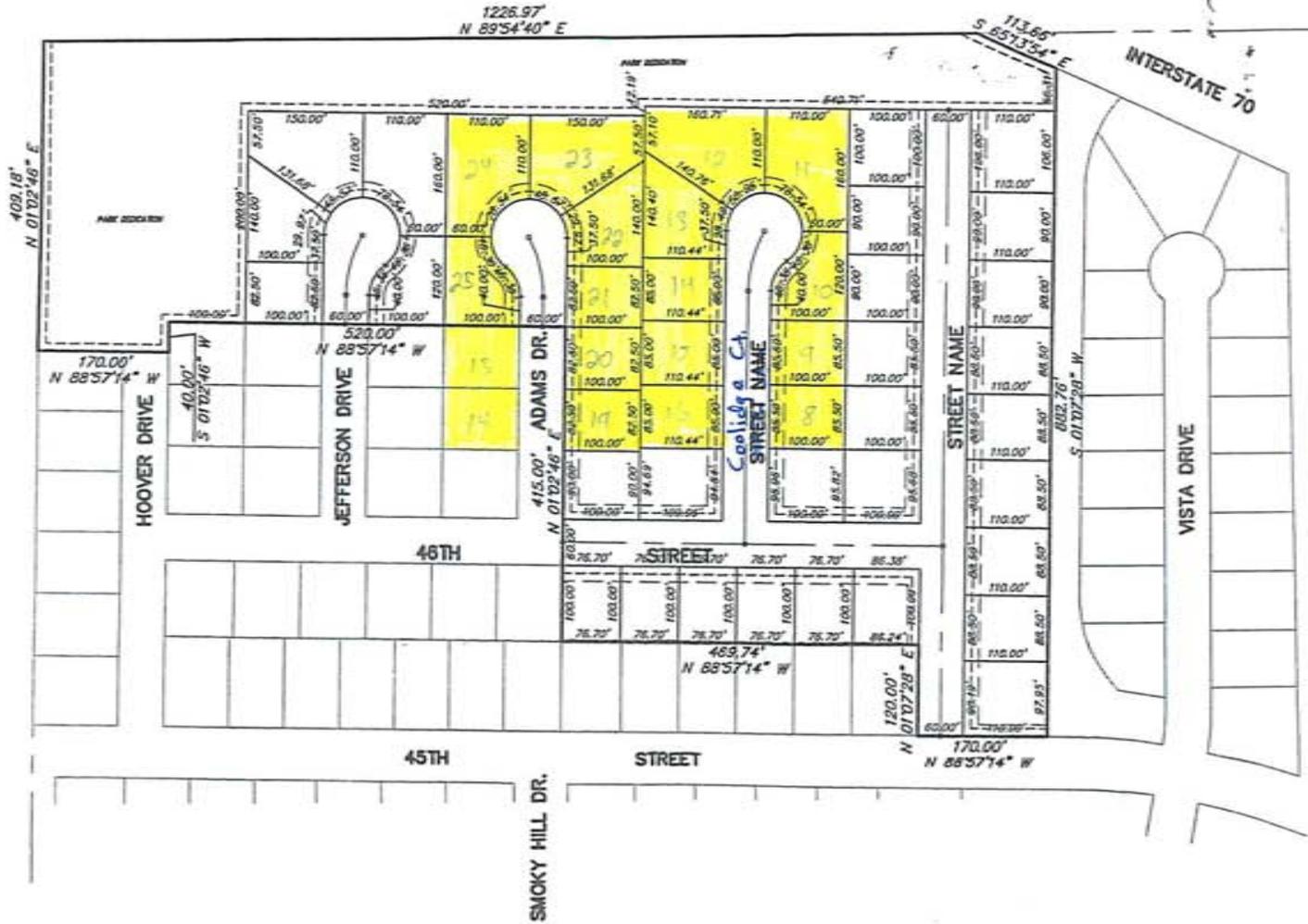
### **Supporting Documentation**

Signed Petition  
Map(s) of Benefit District  
Resolution

# 46th St. 2nd Addition



PLAT OF  
 46TH STREET SECOND ADDITION  
 HAYS, KANSAS



## PETITION FOR PUBLIC IMPROVEMENTS

We the undersigned owner(s) of record of property liable for assessment for the following proposed improvements hereby propose that such improvements be made in the manner provided by K.S.A. 12-6a01 *et seq.*, as amended (the "Act").

(a) The proposed improvements are as follows:

The installation of water lines, sanitary sewer lines, and storm sewers along, and the grading, paving, curbing and guttering of Adams Drive and Coolidge Court cul-de-sacs (the "Improvements"), all in the 46<sup>th</sup> Street First and Second Additions to the City of Hays, Kansas.

(b) The estimated or probable cost of the Improvements is \$550,000.00 to be increased at the pro-rata rate of ½ percent per month from and after the date of adoption of the resolution determining the advisability of the Improvements, plus cost of issuance and plus costs of interest on any temporary financing (the "Improvement Costs").

(c) The extent of the proposed Improvement District to be assessed is:

Lot Thirteen (13) and Lot Fourteen (14), Block Four (4),  
In a Replat of 46<sup>th</sup> Street First Addition to the City of Hays, Ellis County, Kansas; and

Lot Eight (8) through Lot Sixteen (16), Block Three (3);  
Lot Nineteen (19) through Lot Twenty-Five (25), Block Three (3);  
All in 46<sup>th</sup> Street Second Addition to the City of Hays, Ellis County, Kansas

(the "Improvement District") located generally as shown on *Exhibit A* attached hereto.

(d) The proposed method of assessment to the Improvement District is as follows:

Equally on an individual per lot basis being computed without regard to lot size, each lot being assessed 1/18<sup>th</sup> of the Improvement Costs.

(e) The apportionment of the total actual Improvement Costs shall be as follows:

Seventy percent (70%) to the Improvement District and thirty percent (30%) to the city-at-large.

(f) We further propose that the Improvements be made without notice and hearing as required by the Act, specifically K.S.A. 12-6a04(a).

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RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION DETERMINING THE ADVISABILITY OF THE MAKING OF CERTAIN INTERNAL IMPROVEMENTS IN THE CITY OF HAYS, KANSAS, MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AND AUTHORIZING AND PROVIDING FOR THE MAKING OF CERTAIN WATER LINE, SANITARY SEWER, STORM SEWER, STREET IMPROVEMENTS, AND OTHER NECESSARY AND APPROPRIATE IMPROVEMENTS IN ACCORDANCE WITH SUCH FINDINGS.**

**WHEREAS**, a petition (the “Petition”) was filed on November 29, 2014 with the City Clerk of the City of Hays, Kansas, (the “City”), proposing certain internal improvements described herein; and said petition sets forth: (a) the general nature of the proposed improvements, (b) the estimated or probable cost of the proposed improvements; (c) the extent of the proposed improvements; (d) the proposed method of assessment; (e) the proposed apportionment of the cost between the Improvement District and the City-at-large; and (f) a request that such improvements be made without notice and hearing as required by K.S.A. 12-6a04 (the “Act”); and

**WHEREAS**, the Governing Body of the City hereby finds and determines that said petition has been signed by all the owners of property to be included in the proposed improvement district and is therefore sufficient pursuant to the Act.

**THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HAYS, KANSAS:**

**SECTION 1. Findings of Advisability.** The Governing Body hereby finds and determines that it is advisable to make the following improvements in accordance with K.S.A 12-6a01 *et seq.*:

- (a) General nature of the improvements: The installation of water lines, sanitary sewer lines, and storm sewers along, and the grading, paving, curbing and guttering of Adams Drive and Coolidge Court cul-de-sacs (the “Improvements”). All construction shall be done in accordance with the City of Hays Standards.
- (b) The estimated or probable cost of the Improvements is: \$550,000.00 to be increased at the pro-rata rate of 0.50% per month from and after the date of adoption of this Resolution, plus costs of issuance and plus costs of interest on any temporary financing (the “Improvement Costs”).
- (c) The extent of the Improvement District to be assessed for the Improvement Costs is:

Lot Thirteen (13) and Lot Fourteen (14), Block Four (4)  
In a Replat of 46<sup>th</sup> Street First Addition to the City of Hays, Ellis County, Kansas;

And

Lot Eight (8) through Lot Sixteen (16), Block Three (3);  
Lot Nineteen (19) through Lot Twenty-Five (25), Block Three (3);  
All in 46<sup>th</sup> Street Second Addition to the City of Hays, Ellis County, Kansas.

(the “Improvement District”)

- (d) The method of assessment is: equally per lot without regard to lot size, each lot being assessed 1/18<sup>th</sup> of the Improvement Costs.
- (e) The apportionment of the Improvement Costs between the Improvement District and the City-at-large shall be as follows:

Seventy percent (70%) of the total Improvement Costs shall be apportioned to the Improvement District and thirty percent (30%) to the City-at-large.

**SECTION 2. Authorization of Improvements.** The Improvements are hereby authorized and ordered to be made in accordance with the findings of the Governing Body of the City as set forth in Section 1 of this Resolution.

**SECTION 3. Intent to Reimburse.** The City expects to make capital expenditures on and after the date of this Resolution in connection with the Improvements, and intends to reimburse itself for such expenditures with the proceeds of one or more series of general obligation bonds and temporary notes of the City in the maximum principal amount of \$550,000.00 increased by 0.50% per month from and after the date of adoption of this Resolution, plus costs of issuance and plus costs of interest on any temporary financing.

**SECTION 4. Effective Date.** This Resolution shall be effective upon adoption. This Resolution shall be published one time in the *Hays Daily News*, the official City newspaper, and shall also be filed of record in the Office of the Register of Deeds of Ellis County, Kansas.

**ADOPTED AND APPROVED** by the Governing Body of the City of Hays, on \_\_\_\_\_, 2015.

(Seal)

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

# Commission Work Session Agenda

## Memo

**From:** Jesse Rohr, PIE Superintendent

**Work Session:** December 30, 2014

**Subject:** 46<sup>th</sup> St. 2<sup>nd</sup> Addition Phase II Engineering Services Agreement (Coolidge Ct. and Adams Dr.)

**Person(s) Responsible:** Toby Dougherty, City Manager  
I.D. Creech, Director of Public Works

### Summary

Western Plains Service Corp. has petitioned the City for Street, Storm Sewer, Water, and Sanitary Sewer Improvements to an area containing 18 lots adjacent to West 46<sup>th</sup> St. within the 46th St. 2<sup>nd</sup> Addition. The resolution accepting the petition is moving forward under a separate agenda item. Ruder Engineering and Surveying, L.L.C. has now prepared a contract for engineering services to include engineering design, contractor solicitation, construction engineering, and warranty inspection. The contract is for a not-to-exceed amount of \$26,000. Staff recommends that the commission authorize the Mayor to sign the Engineering Services Agreement with Ruder Engineering & Surveying, LLC for professional services related to improvements to Phase II of the 46<sup>th</sup> St, 2<sup>nd</sup> Addition in an amount not to exceed \$26,000.

### Background

This is a continuation of an existing development that has been developing in phases over the last several years. This project follows the plan that has been set forth and constructed in various phases over the last 20 years. This is the final phase for the entire area and will end an approximately 20 year development time span for this area.

### Discussion

Western Plains Service Corp. has petitioned the City for Street, Storm Sewer, Water, and Sanitary Sewer Improvements to an area containing 18 lots adjacent to West 46<sup>th</sup> St. within the 46th St. 2<sup>nd</sup> Addition. The resolution accepting the petition is moving forward under a separate agenda item. Ruder Engineering and Surveying, L.L.C. has prepared a contract for engineering services to include engineering design, contractor solicitation, construction engineering, and warranty inspection. The contract is for a not-to-exceed amount of \$26,000. The final extension and construction of two streets (Coolidge Ct. and Adams Dr.) will be completed along with the associated utilities (water, sanitary sewer,

and storm sewer) as specified by the City of Hays Development Policy Infrastructure Guidelines for New Development.

### **Legal Consideration**

The transaction is a pass-through procedure for the City and there are no known legal obstacles to proceeding as recommended by City Staff.

### **Options**

Options include the following:

- Approve the Engineering Services Agreement
- Do not approve the Agreement

### **Recommendation**

Staff recommends that the commission authorize the Mayor to sign the Engineering Services Agreement with Ruder Engineering & Surveying, LLC for professional services related to improvements to Phase II of the 46<sup>th</sup> St. 2<sup>nd</sup> Addition in an amount not to exceed \$26,000.

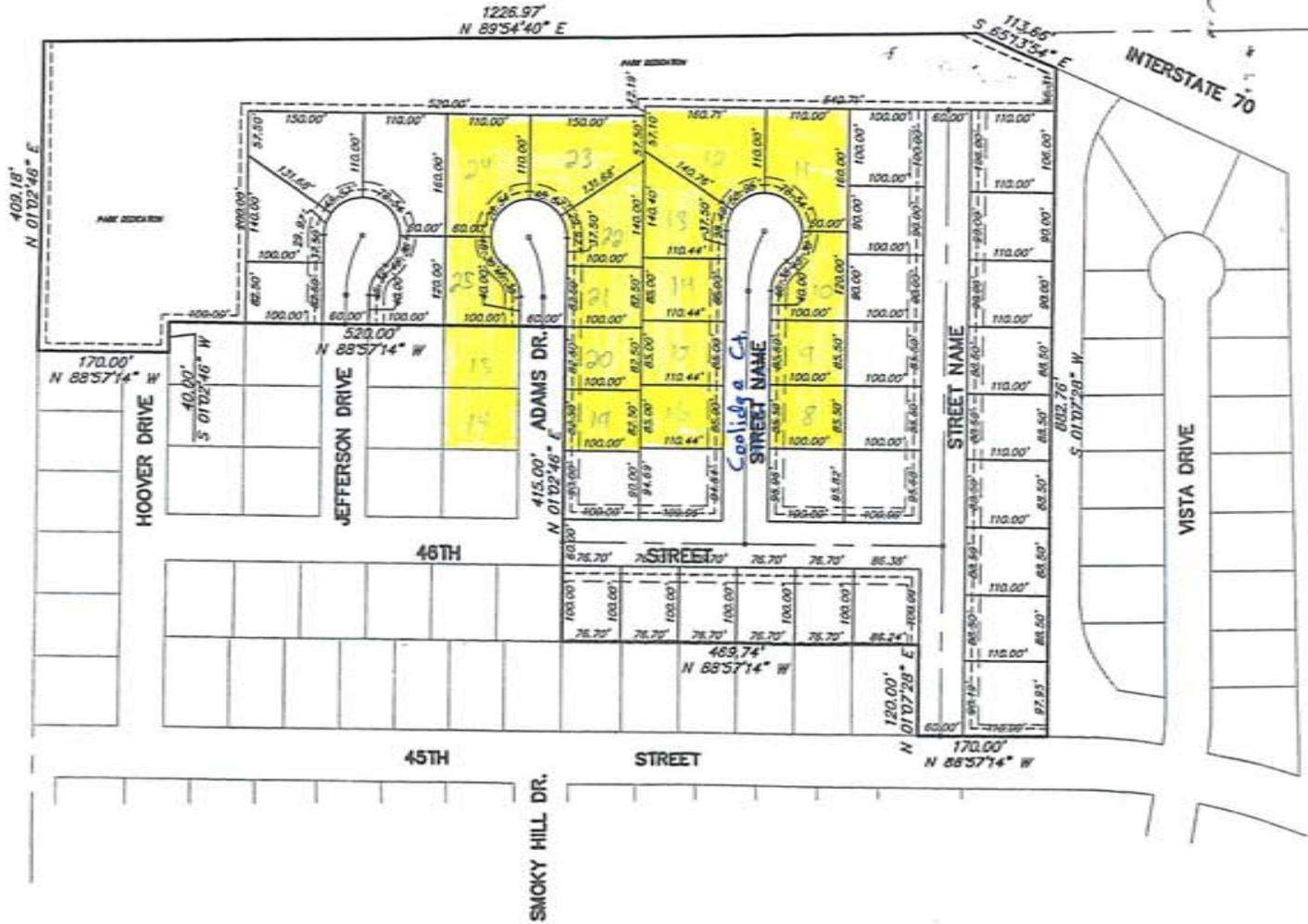
### **Action Requested**

Approve the Engineering Services Agreement with Ruder Engineering & Surveying, LLC for an amount not to exceed \$26,000 for the development of Phase II of the 46<sup>th</sup> St. 2<sup>nd</sup> Addition.

### **Supporting Documentation**

Map of Area  
Engineering Services Agreement

PLAT OF  
 46TH STREET SECOND ADDITION  
 HAYS, KANSAS



# ENGINEERING SERVICES AGREEMENT

THIS AGREEMENT, entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by the City of Hays, Kansas, party of the first part, hereinafter referred to as the "City", and Western Plains Service Corporation, party of the second part, hereinafter referred to as the "Developer" and the firm of Ruder Engineering & Surveying, LLC, party of the third part, hereinafter referred to as the "Consultant".

WITNESSETH:

That the City and the Developer plan to complete improvements to and within the Replat of a Portion of 46<sup>th</sup> Street First Addition and also the 46<sup>th</sup> Street Second Addition to the City of Hays. The improvements include the sanitary sewer lines, water lines and street construction needed to serve the lots on Adams Drive and Coolidge Court in said Additions.

These improvements will be hereinafter referred to as the "IMPROVEMENT".

That the City and the Developer require professional engineering services to assist them in implementing the IMPROVEMENT.

That the City and the Developer have selected Ruder Engineering & Surveying, LLC to perform these services;

NOW, THEREFORE, in consideration of these premises and the mutual covenants herein contained, the Parties hereto agree as follows:

## ARTICLE I SCOPE OF SERVICES

Ruder Engineering & Surveying, LLC shall be responsible for engineering services required by the various portions of the "IMPROVEMENT". The services required on the "IMPROVEMENT" are described as follows:

### *Engineering Design Phase:*

1. Perform field surveys to collect pertinent topographic and engineering data necessary to complete the design of the water lines, sewer lines and streets as listed above.
2. Prepare bid and construction documents in sufficient detail, using City's standards, where applicable, to allow competitive bids to be received. All portions of the project shall be included in the same set of the bid and construction documents.
3. Review documents and project budget and perform a field check of the project with City Staff and the Developer.

4. Prepare "Engineers Estimate of Probable Cost" to be used in evaluating bids.
5. Assist in obtaining necessary approvals and permits from KDHE.
6. Design a complete Stormwater Pollution Prevention Plan in accordance with KDHE General Construction Stormwater Permit. The Plan shall require that the contractor for the Improvements, shall maintain the sediment and erosion controls during the construction of the Improvements.

***Contractor Solicitation Phase:***

1. Assist the City and the Developer in soliciting interest from contractors by:
  - a. Preparing a Notice to Contractors, which can be published (at the City's expense) in appropriate newspapers.
  - b. Mailing the Notice to Contractors to approved contractors.
2. Provide bid documents to interested contractors and plan rooms.
3. Address contractor questions and issue appropriate addenda during the bid preparation period.
4. Attend the bid opening, tabulate the submitted bids, analyze the bids and make recommendations to the City and the Developer regarding award of the construction contracts.
5. Prepare contract documents and distribute for execution. Collect fully executed documents and distribute to the appropriate parties.

***Construction Engineering Phase:***

1. Conduct a pre-construction conference.
2. Review all shop drawings and submittals.
3. Review contractor schedules.
4. Provide on-site inspection to maintain compliance with the construction and contract documents.
5. Review and submit periodic Contractor pay estimates to the City and the Developer for payment.
6. Prepare change orders as necessary.
7. Conduct a final inspection of every part of the work prior to acceptance of the work by the City and the Developer.
8. Prepare record drawings.

9. Inspect stormwater controls in accordance with a schedule as listed on the Stormwater Pollution Prevention Plan and ensure that the Contractor maintains the erosion and sediment controls.

***Warranty Inspection Phase:***

1. Conduct a warranty inspection approximately one year from the date of acceptance of the project and monitor repair of any deficient items.

**ARTICLE II  
TIME SCHEDULE**

The services listed in the above scope of services shall be completed as shown on the following schedule:

<b>Task</b>	<b>Proposed Date of Completion</b>
Notice to Proceed	<u>1-8-15</u>
Review Plans	<u>1-19-15</u>
Final Review Due	<u>1-23-15</u>
Send out for bids	<u>1-26-15</u>
Pre-bid meeting	<u>1-28-15</u>
Open bids	<u>2-4-15</u>
City Work Session	<u>2-19-15</u>
Award bids	<u>2-26-15</u>
Construction Engineering Phase	<u>80</u> Working Days
Warranty Inspection	<u>20</u> Working Days

**ARTICLE III  
COMPENSATION**

**Water Line:**

Engineering Design Phase	Not-to-Exceed	\$2,200.00	
Contractor Solicitation Phase	Not-to-Exceed	\$400.00	
Construction Engineering Phase	Not-to-Exceed	\$2,200.00	
Warranty Inspection	Not-to-Exceed	<u>\$200.00</u>	
		<i>Water Line Subtotal</i>	<b>\$5,000.00</b>

**Sewer Line:**

Engineering Design Phase	Not-to-Exceed	\$3,500.00	
Contractor Solicitation Phase	Not-to-Exceed	\$400.00	
Construction Engineering Phase	Not-to-Exceed	\$3,500.00	
Warranty Inspection	Not-to-Exceed	<u>\$200.00</u>	
		<i>Sewer Line Subtotal</i>	<b>\$7,600.00</b>

**Streets:**

Engineering Design Phase	Not-to-Exceed	\$6,400.00	
Contractor Solicitation Phase	Not-to-Exceed	\$400.00	
Construction Engineering Phase	Not-to-Exceed	\$6,400.00	
Warranty Inspection	Not-to-Exceed	<u>\$200.00</u>	
		<i>Streets Subtotal</i>	<b>\$13,400.00</b>

**GRAND TOTAL NOT-TO-EXCEED      \$26,000.00**

The Consultant shall submit an invoice to the City on a monthly basis. The invoice shall show the percentage complete for each phase as shown above. The sum of all invoices submitted for each phase shall not exceed the amount listed above for the applicable phase.

The Consultant will submit invoices within 20 days after the last day of each month during which work on the Project has been in progress. The City will pay the Consultant within thirty days after receipt of the Consultant's statement.

**ARTICLE IV  
MISCELLANEOUS PROVISIONS**

1. **Change in Scope.** The scope of the work described in Article I, Scope of Services shall be subject to modification or supplement upon the written agreement of the contracting parties. Any such modifications in the scope of the work shall be incorporated by supplemental agreement. At the time of such modification of work, equitable adjustments will be made by the parties in the time of performance and the compensation to be paid on the project.

2. **Conferences.** Representatives of the City and the Developer may arrange for such conference and visits as may be deemed necessary or desirable during the progress of the work.

3. **Termination.** The City and the Developer reserve the right to terminate this Agreement at any time, upon written notice, in the event the services of the Consultant are unsatisfactory, or upon failure to prosecute the work with due diligence or to complete the work within the time limits specified; provided, however, that in any such case, the Consultant shall be paid the reasonable value of the services rendered up to the time of termination on the basis of the payment provisions of this Agreement.

4. **Binding Upon Successors.** This Agreement shall be binding upon the undersigned parties, their successors, partners, assigns, and legal representatives.

5. **Liability and Indemnification.**

a. **General.** Having considered the potential liabilities that may exist during performance of the Services, the benefits of the Project, and the Consultant's fee for the Services, and in consideration of the promises contained in this Agreement, the Agreement Parties agree to allocate and limit such liabilities in accordance with this Article.

b. **Indemnification.** The Agreement Parties each agree to defend, indemnify, and hold harmless each other, its agents and employees, from and against legal liability for all claims, losses, damages and expenses to the extent such claims, losses, damages or expenses are caused by its negligent acts, errors or omissions. In the event such claims, losses, damages or expenses are caused by the joint or concurrent negligence of the Agreement Parties, they shall be borne by each party in proportion to its own negligence.

c. **Employee Claims.** Each party of the Agreement shall indemnify the other parties against legal liability for damages arising out of claims by said party's employees.

d. **Survival.** Upon completion of all Services, obligations and duties provided for in this Agreement, or if this Agreement is terminated for any reason, the terms and conditions of this article shall survive.

6. **Opinions of Cost and Schedule.** Since the Consultant has no control over the cost of labor, materials or equipment furnished by others, or over the resources provided by others to meet Project schedules, the Consultant's opinion of probable costs and of Project schedules shall be made on the basis of experience and qualifications as a professional engineer. The Consultant does not guarantee that proposals, bids, or actual Project costs will not vary from the Consultant's opinion of probable costs or that actual schedules will not vary from the Consultant's projected schedules.

7. **Reuse of Documents.** All documents, including, but not limited to, drawings, specifications, and computer software prepared by the Consultant pursuant to this Agreement are instruments of service in respect to a Project. They are not intended or represented to be suitable for reuse by the City or others on extensions of a project or on any other project. Any reuse without prior written verification or adaptation by the Consultant for the specific purpose intended will be at the City's

sole risk and without liability or legal exposure to the Consultant. The City shall defend, indemnify, and hold harmless the Consultant against all claims, losses, damages, injuries, and expenses, including attorneys' fees, arising out of or resulting from such reuse. Any verification or adaptation of documents will entitle the Consultant to additional compensation at rates to be agreed upon by the involved parties.

**8. Ownership of Documents and Intellectual Property.** Except as otherwise provided herein, engineering documents, drawings, and specifications prepared by the Consultant as part of the Services shall become the property of the Developer, provided, however, that the Consultant shall have the unrestricted right to their use. The Consultant shall retain its rights in its standard drawing details, specifications, databases, computer software and other proprietary property. Rights to intellectual property developed, utilized or modified in the performance of the Services shall be the joint property of the Consultant and the Developer, provided that the Consultant shall have the right to use said property in its ordinary course of business.

IN WITNESS WHEREOF, said parties have caused this Agreement to be signed by their duly authorized officers in four counterparts, each of which shall be deemed an original, on the day and year first written.

ATTEST:

CITY OF HAYS, KANSAS

\_\_\_\_\_  
Hays City Clerk

\_\_\_\_\_  
Mayor

ATTEST:

WESTERN PLAINS SERVICE CORPORATION

\_\_\_\_\_

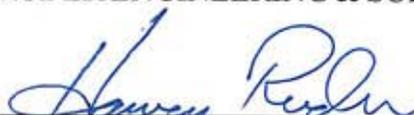
By \_\_\_\_\_

Title \_\_\_\_\_

ATTEST:

RUDER ENGINEERING & SURVEYING, LLC

  
\_\_\_\_\_

  
\_\_\_\_\_  
Harvey Ruder, PE, RLS



# **Commission Work Session Agenda**

## **Memo**

**From:** Toby Dougherty, City Manager

**Work Session:** December 30, 2014

**Subject:** CID Policy Discussion

**Person(s) Responsible:** Toby Dougherty, City Manager

### **Summary**

After the submission, discussion, and approval of a CID request by the owners of the Hays Mall, the City Commission asked that discussion of the CID Policy be placed on a future work session to determine if further restrictions or requirements should be incorporated into the policy.

### **Background**

Currently, the Community Improvement District (CID) Policy is part of the City's overall Economic Development Policy. The CID Policy states that CIDs are to be used for, "reimbursable expenses in the amount of \$250,000 or greater in order to promote economic development and tourism within the City." When discussing the CID Policy, it was assumed that any applicant wishing to utilize a Community Improvement District would be incorporating CID funds into a much larger project. With the application by the Mall owners, this was not the case.

### **Discussion**

The proposal for utilization of a CID at the Hays Mall did not include any capital input other than revenues created by the Community Improvement District. According to one Commissioner, the applicant had "no skin in the game". This led to a brief discussion by the City Commission on the merits of placing requirements in the Community Improvement District Policy that would limit, by percentage, the amount of a project that could be funded with a Community Improvement District. For example, the language could be stated as follows. "Revenues anticipated from a Community Improvement District may not make up more than \_\_\_% of the total project cost."

### **Legal Consideration**

As this is a discussion item only, there are no legal concerns at this time.

### **Financial Consideration**

There are no financial considerations for the City at this time.

## **Action Requested**

City staff is bringing this forward at the request of the Commission and awaits further direction on the subject.

## **Supporting Documentation**

Economic Development Policy

SUBJECT	ISSUED BY	LAST REVISION DATE	CURRENT EFFECTIVE DATE
<b>ECONOMIC DEVELOPMENT POLICY</b>	City Commission	4-26-12	<b>7-11-13</b>

**SECTION 1. INTRODUCTION**

The City of Hays is interested in encouraging economic activity and the creation of jobs, thereby broadening its tax base and improving the quality of life for its citizens. Further, the use of public funds to stimulate business growth may be necessary or desirable in certain cases. The decision to provide incentives to a business is guided by the expectation that the financial benefits to the City will produce a sufficient return on the City’s investment and that the business will be a good fit for the community. All proposed incentives are subject to a public hearing. Governmental agencies are not eligible for financial incentives under this policy. No elected or appointed officer, employee or committee of the City, Hays Area Chamber of Commerce or Ellis County Coalition for Economic Development employee, board, or other public or private body or individual, shall be authorized to speak for and/or commit the City Commission to the granting of an incentive. This policy is meant to encourage the following:

- A. Research and development-based businesses
- B. High-tech businesses
- C. Environmentally friendly businesses
- D. Expansion of existing industry
- E. Business start-ups
- F. Recruitment of new companies from out-of-state
- G. The retention of businesses which are good corporate citizens that will add to the quality of life in Hays through their leadership and support of local civic and philanthropic organizations.
- H. Training and development of Hays area employees
- I. The establishment of businesses that will be good stewards of the City of Hays’ water sources.

The City Commission reserves the right to deviate from this policy when, in the opinion of the Commission, it is in the best interests of the City to do so.

**SECTION 2. DEFINITIONS**

“City” means the City of Hays, Kansas.

"Economic development purposes" shall mean the establishment of a new business or the expansion of an existing business, which:

- A. is or will be primarily engaged in any one or more of the Kansas basic industries; or
- B. is or will be primarily engaged in the development or production of goods or the provision of services for out-of-state sale; or
- C. is or will be primarily engaged in the production of raw materials, ingredients or components for other enterprises which export the majority of their products; or

- D. is a national or regional enterprise which is primarily engaged in interstate commerce; or
- E. is or will be primarily engaged in the production of goods or the provision of services which will supplant goods or services which would be imported into the city; or
- F. is the corporate or regional headquarters of an enterprise, which is primarily engaged in out-of-state business activities.

“Environmentally friendly businesses” shall mean:

- Firms with programs or activities that reduce the impact of activities on the environment.
- Businesses that are not damaging to the environment, or directed at preventing environmental damage.

“High-Tech Businesses” shall mean both manufacturing and non-manufacturing businesses that have a great dependence on science and technology innovation that leads to new or improved products or services. High-Tech Business involves intensive use of new scientific and technical knowledge. It is often characterized by reliance on significant inputs of knowledge, depending more on having access to the knowledge produced in universities and other educational institutions. It tends to hire and keep personnel who have advanced skills. High-Tech Businesses are more sensitive to the quality of local universities and other educational institutions as providers of knowledge and education of high-skilled workers and may be more sensitive to local quality of life, encouraging high-skilled workers from elsewhere to be hired. High-Tech Business often has special infrastructure needs, such as broadband communications. Goods and services produced by High-Tech Businesses frequently require a longer development time than ordinary goods and services, requiring some ability to generate equity capital or other “maturing” capital.

“Kansas basic industry” shall mean:

- Agriculture;
- Mining;
- Manufacturing;
- Interstate transportation;
- Wholesale trade which is primarily engaged in multi-state activity or which has a major import supplanting effect within the state;
- Financial services which are primarily engaged in providing such services for interstate or international transactions;
- Business services which are primarily engaged in providing such services to out-of-town markets;
- Research and development of new products, processes or technologies;
- Tourism activities, which are primarily engaged in for the purpose of attracting out-of-state tourists.

As used in these subsections, “primarily engaged” means engagement in an activity by an enterprise to the extent that not less than 51% of the gross income of the enterprise is derived from such engagement.

### **SECTION 3. INDUSTRIAL ECONOMIC DEVELOPMENT**

The City will be selective as to the kinds of industrial businesses (i.e., businesses that are not retail businesses) that are recruited and assisted. In general, the primary objective of the City’s industrial Economic Development Policy is to target new and expanding businesses that are environmentally sound, strengthen our local economy, and demonstrate a need for public financial support in order to locate or expand in Hays. Additionally, the City favors industry that creates high-caliber

employment, such as high-skill, high-wage jobs with increased employee benefits and superior working conditions.

When considering proposals brought before the City, City staff and the City commission shall be cognizant of the investment being made by the business, the risk involved in doing business, and the reputation of the City which is created by decisions that are made.

**Examples of available incentives that may be available to industrial businesses may include; Property Tax Abatement, Industrial Revenue Bonds, Job Bounty Program, Tax Increment Financing (TIF), Transportation Development Districts (TDD), Community Improvement District (CID), or other available programs as approved by the Kansas Legislature.**

## **SECTION 4. RETAIL DEVELOPMENT**

The purpose of this section is to establish the official policy and procedures of the City for the granting of incentives for new and expanding retail businesses not otherwise addressed within this policy.

The primary objectives of the City in granting incentives to retail businesses for development include the expansion of the sales tax base, general enhancement of quality of life, development as the regional hub for goods and services in northwestern Kansas, and the expansion of the property tax base.

**Examples of available incentives that may be available to retail businesses may include; Job Bounty Program, Tax Increment Financing (TIF), Transportation Development Districts (TDD), Community Improvement District (CID), Sales Tax and Revenue Bonds (STAR Bonds), or other available programs as approved by the Kansas Legislature.**

A single development requesting additional assistance must also meet all of the following criteria:

- A. The development must be at least 50,000 square feet
- B. Generate \$10,000,000/yr. in retail sales
- C. Employ twenty five (25) or more employees

## **SECTION 5. ECONOMIC DEVELOPMENT APPLICATION**

New or existing businesses that seek financial incentives from the City must file an *Application for Economic Incentives* before their request can be considered. The application shall contain the following information:

- A. Specific information on incentives being requested
- B. Company profile including longevity of company, principal officers, stockholders and clients
- C. Audited financial statements – last five (5) years or since date of incorporation if company has not been in existence for five (5) years
- D. Completed (attached) *Application for Economic Incentives* and *Supplemental Questionnaire*
- E. Business Plan as it relates to the proposed business to be located in Hays
- F. Cost Benefit Analysis (See Section 14)

The City will not consider the granting of any incentive unless the business submits a full and complete application, and provides additional information as may be requested by the City

Commission. The accuracy of the information provided in the application shall be verifiable by the applicant. Any misstatement of or error in fact may render the application null and void and may be cause for the repeal of any resolution adopted in reliance on said information. Applications will not be considered after the issuance of building permits. Refer to Section 6 for application and renewal fee information.

## **SECTION 6. FEE SCHEDULE**

Any individual business requesting any incentive shall pay to the City a nonrefundable application fee of \$1000 plus a deposit of \$5,000.00 to be retained by the City to pay for the City's out of pocket costs associated with the City's review of the application and other actions and agreements associated with the proposed incentive, including but not limited to the City's cost of legal counsel, financial advisors and consultants necessary to evaluate the application and administer the incentive. In the event that costs for third-party services incurred by the City exceed the fee collected, the applicant shall reimburse the City for such additional cost, immediately upon request, but no later than prior to final consideration of the incentive by the Governing Body. The application fee and deposit shall be submitted at the same time the *Application for Economic Incentives* is submitted. At its discretion, the City Commission may consider waiving a portion of the fee or deposit upon request, based upon need. In addition, any business which has been granted an incentive shall pay an annual nonrefundable renewal fee in the amount of \$100.00.

The City requires the use of its designated Bond Counsel and its designated Financial Advisor. The City reserves the right to approve the selection of other necessary participants in the administration of an incentive, including but not limited to, the underwriter and trustee/fiscal agent. The City, at its discretion, may retain additional independent advisors to assist the City in analyzing the merits of the application and in making a determination of its approval at the applicant's expense. Examples of additional advisors include economic or environmental specialists, or a certified public accountant.

## **SECTION 7. PROPERTY TAX ABATEMENT POLICY**

### **A. Policy.**

The grant of property tax abatement will be considered for real and personal property being added to the tax rolls by "Kansas basic industry," in accordance with the provisions set by Article 11, Section 13 of the Constitution of the State of Kansas and the provisions of K.S.A. 12-1740 *et seq.* and K.S.A. 79-201a.

The City may approve for economic development purposes a property tax abatement on real and personal property used exclusively in the following business activities:

- Conducting research and development;
- Manufacturing articles of commerce;
- Storing goods that are sold or traded in interstate commerce;
- Corporate or regional headquarters of a multi-state enterprise which is primarily engaged in activities that take place outside of Kansas;
- High-tech businesses.

**B. Abatement Amount and Term.**

While Kansas law permits an exemption up to 100 percent of the qualified investment for up to 10 years, it shall be the policy of the City to normally provide property tax abatement and require payments in lieu of taxes (PILOTs) as set forth in the following schedule for portions of a project that meet the economic development goals of the City set forth in Sections 1 and 3 and that qualify for abatement under Kansas law. The abatement level is based on the **higher of the capital investment AND job creation.**

<u>Abatement Level</u>	<u>Capital Investment<sup>1</sup></u>	<u>Job Creation<sup>2</sup></u>
<b><u>Matrix for High-Tech Businesses and Research and Development-Based Businesses</u></b>		
50% abatement for 10 years	Minimum: \$500,000 Maximum: \$3,750,000	Minimum: 25 Eligible Net New Jobs Maximum: 50 Eligible Net New Jobs
100% abatement for 10 years	>\$3,750,000	>50 Eligible Net New Jobs
<b><u>Matrix for All Other Business Types</u></b>		
25% abatement for 10 years	Minimum: \$500,000 Maximum: \$2,500,000	Minimum: 25 Eligible Net New Jobs Maximum: 50 Eligible Net New Jobs
50% abatement for 10 years	Minimum: \$2,500,001 Maximum: \$10,000,000	Minimum: 51 Eligible Net New Jobs Maximum: 125 Eligible Net New Jobs
75% abatement for 10 years	Minimum: \$10,000,001 Maximum: \$30,000,000	Minimum: 126 Eligible Net New Jobs Maximum: 250 Eligible Net New Jobs
100% abatement for 10 years	>\$30,000,000	>250 Eligible Net New Jobs

<sup>1</sup> Capital Investment will be determined by increase in appraised value from the appraised value of the property on the date of the application compared to the appraised value on the January 1 after completion of improvements, all as determined by tax appraisal from the Ellis County Appraiser’s office.

<sup>2</sup> “Eligible Net New Jobs” means each full-time equivalent job created above the monthly average full-time equivalent employee count for the 12-month period preceding the date of application. In order for a job to qualify as a “Eligible Net New Job,” each job must pay wages greater than 100% of the Region 1 wage average based on the applicant’s 4-digit NAICS code. The number of Eligible Net New Jobs must be reported annually pursuant to Section 15, and if the actual number of Eligible Net New Jobs in any year during the abatement term is less than the Eligible Net New Jobs set forth in the application, the abatement level for the remaining abatement term will be reduced in accordance with the table above.

The abatement term for projects considered under the authority of Article 11, Section 13 of the Constitution of the State of Kansas shall begin in the calendar year after the calendar year in which the business commences its operations locally. The abatement term for projects considered under the authority of K.S.A. 12-1740 *et seq.* and K.S.A. 79-201a shall begin in the calendar year after the calendar year in which industrial revenue bonds are issued.

**C. Procedure.**

**1. Action by the City.** The City shall consider granting a tax exemption pursuant to this Policy after receipt of a complete application from the applicant in a form prescribed by the City together with the application fee and deposit. The application shall be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the

project's preliminary site plans and building elevations, to prepare a cost benefit analysis, and to contact the county and the unified school district within which the property proposed for exemption is located. The project's site plans and building elevations are subject to final approval to ensure that they are similar to the preliminary plans and elevations submitted.

Based on each application and such additional information as may be requested by the City, the City shall prepare or cause to be prepared a cost benefit analysis of the proposed exemption on the city and state of Kansas, which analysis shall be used by the Governing Body in considering the request for abatement, and shall be sufficient to meet statutory requirements for obtaining property tax abatement. In making its decision, the Governing Body may also consider any fiscal and/or economic impact analyses performed by the county and the unified school district within which the property proposed for exemption is located.

Prior to formal action on each resolution of intent, the Governing Body shall conduct a public hearing thereon, to be scheduled at least seven days after publication of notice. Notice of the hearing shall also be sent to the Ellis County Clerk's Office and the unified school district within which the property proposed for exemption is located.

Any grant of property tax abatement shall be accompanied by Performance Agreement as set forth in Section 13 of this Policy, and continuing abatement shall be subject to annual review as set forth in Section 15 of this Policy.

All documents necessary to consider granting a tax exemption, including the cost benefit analysis, notice of hearing, and any resolutions or ordinances, shall be prepared or reviewed by the City's Bond Counsel.

**2. Action by the State Court of Tax Appeals.** If the abatement request is granted, the applicant shall prepare and submit to the City by each February 1, a copy of the abatement application required by K.S.A. 79-213 and 79-210, and the statement required by K.S.A. 79-214 for the cessation of an exempt use of property. The City Clerk shall submit such application and statement to the County Appraiser, who will forward to the Court of Tax Appeals. The City Clerk shall provide a copy of the ordinance, as published in the official city newspaper, granting an abatement from taxation to the applicant for use in filing an initial request for tax abatement as required by K.S.A. 79-213, and by K.S.A. 79-210 for subsequent years. The City expressly notes to applicants that no abatement can be provided without the approval of the State Court of Tax Appeals.

**D. Payment of PILOTs.**

Any payment in lieu of taxes, which shall be required of a business granted a property tax abatement of less than 100% for 10 years, shall be paid to the County Treasurer, with notice of the amount and date paid provided to the City. The County Treasurer is directed to apportion the payment, under the provisions of subsection (3) of K.S.A. 12-148, to the general fund of all taxing subdivisions, excluding the state, which levy taxes on property where the business is situated. The apportionment shall be based on the relative amount of taxes levied, for any and all purposes by each of the applicable taxing subdivisions. The specific provisions for payment of PILOTs shall be set forth in the Performance Agreement between the City and the applicant.

## **SECTION 8. INDUSTRIAL REVENUE BOND POLICY**

### **A. Policy.**

It shall be the policy of the City to consider the issuance of industrial revenue bonds pursuant to K.S.A. 12-1740 *et seq.* (the "IRB Act") for the purposes set out in Section 1 of this Policy, and the IRB Act. Industrial revenue bonds may also be issued for the purpose of property tax abatement, as set forth in Section 7 of this Policy.

### **B. Sales Tax Exemption for Construction Materials.**

Labor and materials, as well as equipment purchased with IRB proceeds may be exempt from State and local sales tax. The City reserves the right to grant or deny such sales tax exemption in connection with the issuance of IRBs, to be determined on a case-by-case basis.

### **C. Cost Reimbursement/Issuance Fee.**

The applicant shall reimburse the City for all costs associated with the issuance of bonds, including but not limited to, the cost-benefit analysis, all legal publication notices, application fees to the Court of Tax Appeals, the City's bond counsel fees and all other miscellaneous costs.

For projects requesting tax abatement in connection with the issuance of industrial revenue bonds, the City shall receive an issuance fee of (i) 25 basis points (.0025) of the first \$10 million par amount of bonds being issued or the amount of constitutional tax abatement being requested, plus (ii) 20 basis points (.002) of the par amount of the second \$10 million of bonds being issued or the amount of constitutional tax abatement being requested, plus (iii) 10 basis points (.001) of the par amount in excess of \$20 million of bonds being issued or the amount of constitutional tax abatement being requested. In no event shall the issuance fee be less than \$1,500 or more than \$100,000. The fee shall be due and payable at the time the bonds are issued.

## **SECTION 9. COMMUNITY IMPROVEMENT DISTRICT POLICY**

### **A: POLICY STATEMENT**

It is the policy of the City to consider the establishment of CIDs for reimbursable expenses in the amount of \$250,000 or greater in order to promote economic development and tourism within the City. An applicant may petition the City to utilize special assessments or a special sales tax to fund projects eligible under the CID statutes. In considering the establishment of a CID, the Governing Body shall consider whether the proposed CID will achieve the economic development purposes outlined in Section 1 of this Policy.

It is the further policy of the City that a CID shall only be established for projects where the applicant/developer pays for the cost of eligible CID improvements (at no cost to the City) and agrees to be reimbursed on a pay-as-you-go basis for such costs from the City's receipt of CID sales tax revenues or CID special assessment revenues.

The use of CIDs should not alter the requirements of the City's Economic Development Policy in regard to the development paying for public infrastructure or meeting building codes. When

establishing a CID, special consideration will be given to public benefits. These benefits may include, but are not limited to, strengthening economic development and employment opportunities, reducing blight, enhancing tourism and cultural amenities, upgrading older retail real estate and commercial neighborhoods, and promoting sustainability and energy efficiency.

#### B: CRITERIA

It shall be the policy of the City to create a CID, if, in the opinion of the Governing Body, it is in the best interest of the City to do so. The Governing Body shall consider the following factors when creating a CID:

1. The project meets the City's economic development goals by expanding existing businesses or develops new businesses described in Section 1 of this Policy, and/or strengthens economic development and employment opportunities, reduces blight, enhances tourism and cultural amenities, upgrades older retail real estate and commercial neighborhoods, and promotes sustainability and energy efficiency.
2. The project uses higher standards for the design of improvements and materials used in making improvements within the CID, compared to the minimum requirements set forth in the City's current design guidelines.
3. The project extends public infrastructure to parts of the City that are not currently served by such infrastructure.

#### C: PROJECT ELIGIBILITY

1. It is the intent of the City to allow only projects involving capital investment and improvements to qualify for reimbursement. Purchase of consumables, and items or property considered to be operating expenses shall not qualify for reimbursement.

The following projects within the district to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, equip or extend shall be eligible for reimbursement out of the proceeds of the community improvement district sales tax:

- a. Public buildings, structures and facilities, and private not-for-profit museums;
- b. Sidewalks, streets, roads, interchanges, highway access roads, intersections, alleys, parking lots, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, utilities, pedestrian amenities, abandoned cemeteries, drainage systems, water systems, storm systems, sewer systems, lift stations, underground gas, heating and electrical services and connections located within or without the public right-of-way, water mains and extensions and other site improvements;
- c. Parking garages;
- d. Streetscape, lighting, street light fixtures, street light connections, street light facilities, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls and barriers;
- e. Parks, lawns, trees and other landscape;
- f. Communication and information booths, bus stops and other shelters, stations, terminals, hangers, rest rooms and kiosks;
- g. Outdoor cultural amenities, including but not limited to, sculptures and fountains;
- h. Private buildings, structures and facilities;

- i. To produce and promote any tourism, recreational or cultural activity or special event, including, but not limited to, decoration of any public place in the district, promotion of such activity and special events;
  - j. To support business activity and economic development, including, but not limited to, development, retention, and the recruitment of developers and businesses;
  - k. To provide or support training programs for employees of businesses.
2. Generally, projects not listed in the foregoing eligibility section shall not be eligible for reimbursement out of the proceeds of a Community Improvement District sales tax. Additionally, the following projects within the district to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, furnish, equip or extend shall be ineligible for reimbursement out of the proceeds of a community improvement district sales tax:
- a. Airports, railroads, light rail and other mass transit facilities;
  - b. Lakes, dams, docks, wharfs, lakes or river ports, channels and levies, waterways and drainage conduits.
  - c. To provide or contract for the provision of security personnel, equipment or facilities for the protection of property and persons for public property, buildings and outdoor spaces.
  - d. To provide or contract for cleaning, maintenance and other services to public property, buildings and outdoor spaces;
  - e. To contract for or conduct economic impact, planning, marketing or other studies related to the district.
  - f. Indoor cultural amenities, including but not limited to, paintings, murals and display cases, which are not located in a private not-for-profit museum;
  - g. To operate or to contract for the provision of music, news, child-care, or parking lots or garages, and buses, minibuses or other modes of transportation;
  - h. To provide or contract for the provision of security personnel, equipment or facilities for the protection of property and persons inside private buildings;
  - i. To provide or contract for cleaning, maintenance and other services to private property;
  - j. The purchase of inventory and/or supplies for use or resale.
  - k. To purchase interior furnishings.
  - l. To purchase advertising or participation and any promotional expenses.
  - m. Any other projects not permitted by state statute, as amended from time to time.

#### D: METHOD OF FINANCING

The governing body will consider creation of a CID where (1) the costs of CID improvements will be financed on a pay-as-you-go basis from CID sales tax revenues or (2) the costs of CID improvements consisting only of public infrastructure improvements will be financed from CID special assessments. In the instance where public infrastructure CID improvements will be financed from CID special assessments, the City will consider the issuance of special obligation CID special assessment bonds. The City will not issue special obligation or general obligation bonds for CID improvements, other than the limited circumstances set forth in this section. The proposed method of financing will be clearly shown in the petition.

#### E: PROCESS

The process for creation of a CID shall be as follows:

1. *Petition and Supplemental Information.* An applicant requesting that the City create a CID shall first submit a petition to the City. Such petition shall contain all of the information

required by K.S.A. 12-6a26 *et seq.* and shall contain all of the required signatures of property owners as set forth in the Community Improvement District Act. Such petition shall also contain an agreement by the applicant to pay all out of pocket costs incurred by the City related to the City's review of the petition, including but not limited to the City's cost of legal counsel and financial advisors necessary to evaluate the petition. In addition to the information required by K.S.A. 12-6a26 *et seq.*, applicants must file (a) an Application for Economic Incentives and Supplemental Questionnaire, as provided by the City's Economic Development Policy, (b) a site plan for all public and private improvements to be located within the proposed CID, and (c) a business plan evidencing that the applicant has the financial ability to complete the proposed project in a timely manner and operate the project for the term of the proposed CID. The applicant shall furnish such additional information as requested by the City in order to clarify the petition or to assist staff or the Governing Body with the evaluation of the petition.

2. *Application Fee and Deposit.* The application fee and deposit, as well as any costs and expenses required to be paid by the applicant pursuant to Section 6 may be deemed costs of the improvements, and may be reimbursable to the extent permitted by the Community Improvement District Act and as authorized by the Governing Body.
3. *Timing of Submissions.* The petition and all additional information required by this Policy must be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the project's site plans, and to analyze the merits of the proposed CID in the context of existing economic development and infrastructure projects.
4. *Public Hearing.* Upon receipt of the petition and all additional information required by this Policy, the Governing Body may order a public hearing on the creation of a CID and the imposition of a CID sales tax. The Governing Body shall give public notice and hold such hearing in the manner required by the Community Improvement District Act.
5. *Governing Body Findings; Development Agreement Required.* After the public hearing is conducted, the Governing Body shall determine the advisability of creating a CID pursuant to the Community Improvement District Act. If advisable, the Governing Body may create a CID by adopting an ordinance. Contemporaneously with the adoption of an ordinance creating a CID, the Governing Body shall consider a Development Agreement between the City and the applicant setting forth the specific terms and conditions under which the City will reimburse the applicant on a pay-as-you-go basis for the costs of certain CID Improvements.

#### F: APPLICANT REQUIREMENTS

1. The applicant shall provide a tax clearance letter from the State of Kansas Department of Revenue to determine and ensure the applicant is compliant with all primary Kansas Tax Laws. An annual submission of the tax clearance from the State of Kansas Department of Revenue is required.
2. If a CID is created, the applicant must complete an annual report by March 1 of each year covering the previous calendar year.
3. If a CID is created, the applicant must agree in the Development Agreement to pay to the City an annual administrative fee equal to 0.5% of the annual CID revenue generated within the CID, to cover the administration and other City costs related to the CID. This fee is in

lieu of the annual renewal fee of \$100.00 set forth in the City's Economic Development Policy for other economic development incentives.

#### G: PAYMENT OF CERTAIN COSTS

The City shall require the applicant to enter into a funding agreement or other evidence of the applicant's agreement to pay costs incurred by the City for additional legal, financial and/or planning consultants, or for direct out-of-pocket expenses and other costs relating from services rendered to the City to review, evaluate, process and consider the petition for a CID, as well as the continued maintenance of the escrow account for CID revenues and for the processing of payments of CID eligible costs. Such costs and expenses may be deemed costs of the project, to the extent permitted by the Community Improvement District Act.

#### H: AUTHORITY OF GOVERNING BODY

The Governing Body reserves the right to deviate from any policy when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that is in the best interests of the City. Additionally, the Governing Body, by its inherent authority, reserves the right to reject any proposal or petition for creation of a CID at any time in the review process when it considers such action to be in the best interests of the City.

## **SECTION 10. RURAL HOUSING IMPROVEMENT DISTRICT POLICY**

#### A: POLICY STATEMENT

It is the policy of the City to consider the establishment of a RHID for a development containing a minimum of ten renter occupied low-income or income-qualified units. It is the further policy of the City that a RHID shall only be established for projects where the applicant/developer pays for the cost of eligible RHID improvements (at no cost to the City) and agrees to be reimbursed on a pay-as-you-go basis for such costs from the City's receipt of RHID revenues.

#### B. CRITERIA

It shall be the policy of the City to create a RHID, if, in the opinion of the Governing Body, it is in the best interest of the City to do so. The Governing Body shall consider the following factors when creating a RHID:

1. Assure taxpayers that the City is not financing an already viable project.
2. Assure taxpayers that the City is not financing an unreasonably high profit margin for developers. Each developer will be required to submit a detail of development costs and net operating income including an Internal Rate of Return to be compared to the market for reasonableness.
3. Assure taxpayers that the development provides the City safeguards committing the developer to complete the project.

The Development Plan required by statute for each project must determine that the incremental ad valorem property tax revenues generated by the RHID, together with other funds committed by the Developer, will cover the estimated eligible costs of the project. All Development Plans must assume that the initial estimated incremental property tax revenues will remain flat over

the term of the RHID (i.e., no plan may assume increasing incremental property tax revenues will be available to cover project costs).

All development requests must utilize drought tolerant landscaping and water efficient fixtures in order to minimize impact on water resources. City staff will provide the necessary guidance.

#### C: ELIGIBLE COSTS

It is the intent of the City to allow only the following development expenditures within a RHID to qualify for reimbursement out of RHID revenues:

1. Acquisition of property within the RHID
2. Payment of relocation assistance
3. Site Preparation
4. Sanitary and storm sewers and lift stations
5. Drainage conduits, channels and levees
6. Street grading, paving, curbs and gutters
7. Street lighting
8. Underground public and limited private utilities, all located within the public right-of-way
9. Sidewalks
10. Water mains and extensions

#### D: METHOD OF FINANCING

The governing body will consider creation of a RHID where eligible costs will be financed on a pay-as-you-go basis from incremental ad valorem tax revenues generated within the RHID. The City will not issue special obligation bonds for RHID improvements.

#### E: PROCESS

The process for the creation of an RHID District shall be as follows:

1. *Application and Supplemental Information.* An applicant requesting that the City create a RHID must file:
  - a. an Application for Economic Incentives and Supplemental Questionnaire, as provided by the City's Economic Development Policy,
  - b. a Housing Needs Analysis meeting the requirements of K.S.A. 12-5244(a) and the guidelines of the Kansas Department of Commerce, and incorporating the findings contained in the Current Hays Housing Assessment.
  - c. a Development Plan meeting the requirements of K.S.A. 12-5245, and
  - d. a business plan evidencing that the applicant has the financial ability to complete the proposed project in a timely manner and that the project meets the criteria for establishment of a RHID, as set forth in this Policy.

The applicant shall furnish such additional information as requested by the City in order to clarify the application or to assist staff or the Governing Body with the evaluation of the application.

2. *Application Fee and Deposit.* The application fee and deposit as well as any costs and expenses required to be paid by the applicant pursuant to Section 6 of the Economic Development Policy are not reimbursable pursuant to the Rural Housing Incentive District Act. The applicant will pay all out of pocket costs incurred by the City related to the City's review of the application, all documents related to consideration of a RHID and the development agreement, including but not limited to the City's cost of legal counsel and financial advisors necessary to evaluate and create the proposed RHID.
3. *Timing of Submissions.* The application and other information required by this Policy must be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the submitted documents and analyze the merits of the proposed RHID in the context of existing economic development policy.
4. *Secretary of Commerce Approval.* If the Governing Body determines that it is in the best interest of the City to approve the the Housing Needs Analysis and move forward with the proposed Development Plan, the Governing Body shall adopt a resolution approving the Housing Needs Analysis and submit such analysis to the Kansas Secretary of Commerce for approval. If the Secretary of Commerce agrees within the findings of the Governing Body set forth in such resolution, the Governing Body may proceed with the establishment of an RHID.
5. *Development Agreement.* Upon receipt of approval from the Secretary of Commerce, but before the Governing Body takes further action with respect to the creation of the RHID, the City and the Developer shall negotiate a development/performance agreement to implement the proposed Development Plan and including the requirements of this Policy, including particularly the requirements of Section 14 of this Policy related to Performance Agreements.
6. *Public Hearing.* When the Development Plan, a draft Development Agreement, and all additional information required by the RHID Act and this Policy are ready to be presented to the Governing Body the Governing Body will consider adopting a resolution ordering a public hearing on creation of the RHID and adoption of the plan. The Governing Body shall give such notice and hold such hearing in the manner required by the RHID Act.
7. *Governing Body Findings.* After the public hearing is conducted, if advisable, the Governing body may create an RHID district by adopting an ordinance creating the district, adopting the Development Plan, and approving the Development Agreement.

#### F: PAYMENT OF CERTAIN COSTS

The City shall require the applicant to enter into a funding agreement or other evidence of the applicant's agreement to pay costs incurred by the City for additional legal, financial and/or planning consultants, or for direct out-of pocket expenses and other costs relating from services rendered to the City to review, evaluate, process and consider the request for RHID. Such costs and expenses are the applicant's sole responsibility, and are not generally reimbursable pursuant to the RHID Act.

## G: AUTHORITY OF THE GOVERNING BODY

The Governing Body reserves the right to deviate from any policy when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that is in the best interests of the City. Additionally, the Governing Body, by its inherent authority, reserves the right to reject any proposal or request for the creation of an RHID at any time in the review process when it considers such action to be in the best interest of the City or whenever, in the opinion of the City Commission sufficient properties are already available for the type of development being considered.

## I: REVIEW

The RHID policy will be in place as long as there is a need for low-income and income-qualified housing. The City expects the Housing Needs Assessment will be updated every three to five years.

## SECTION 11. JOB BOUNTY PROGRAM

The Job Bounty Program of the City is to encourage new and/or existing businesses to hire employees. To participate in the Job Bounty Program, a prospective employer must agree to hire at least ten (10) full-time employees at an hourly wage of no less than \$10.00/hr. For the purpose of this program, a full-time employee is one that works forty (40) hours per week or two thousand eighty (2080) hours per year. Anything below these levels will be considered part-time and will not be eligible for benefits under this program.

For those employers creating ten (10) or more full-time jobs paying no less than \$10.00/hr., the Job Bounty Program, subject to the City's budgetary limitations, shall receive the following:

1. For each full-time position created paying no less than \$10.00/hr. base salary, not including employee benefits, tips, commissions, bonuses, or other incentives, the City will pay to the employer \$1,000 per job provided that funds shall be paid in 20% increments over a five (5) year period. The employer will be required to provide, at the end of each year, in order to receive Job Bounty funds for that year, an audited payroll showing those ten (10) or more jobs were filled throughout the one year period.
2. For full-time jobs exceeding \$15.00/hr base salary, not including employee benefits, tips, commissions, or other incentives, the City will pay \$1500 per job on the same basis as noted previously including creation of a minimum of ten (10) jobs per company per agreement.

No Job Bounty proceeds will be paid for the creation of jobs that do not meet established hour and wage requirements as outlined above. It is specifically noted that an employer will apply for a specified number of jobs with the initial application. If the employer creates less than the number of jobs included in the application, no Job Bounty funds will be distributed. Job Bounty funding is allocated on a one-time occurrence per company. Retroactive funding activities, as stated in Section 17 of this policy, are not allowed under this policy.

No jobs may be created, or employees hired, under Job Bounty application until formal review by the City Manager's Office and formal approval has been given by the City Commission subject to all of the activities contained in this policy.

## **SECTION 12. MEMORANDUM OF UNDERSTANDING**

Authority to issue memorandums of understanding to consider requests for economic development incentives shall lie only with the City Commission. Such memorandums of understanding shall only be issued by the City Commission, and as an expression of good faith intent, but shall not in any way bind the City to the granting of an incentive. Such memorandums of understanding shall expire six months after issuance, but may be renewed. A public hearing shall not be required prior to the issuance of memorandums of understanding.

## **SECTION 13. NOTICE AND HEARING**

No incentive shall be granted by the City prior to a public hearing thereon. Notice of the public hearing shall be published at least seven days prior to the hearing in the official city newspaper, giving the time and place, and the hearing may be held at a regular or special meeting of the City Commission. The City Manager shall thereupon notify the Ellis County Commissioners, the superintendent of the appropriate school district, and the clerk of any taxing jurisdiction, excluding the state, which derives or could derive property taxes from the affected business advising them of the scheduled public hearing and inviting their review and comment. Upon request, the City Manager shall provide any such public agency with a copy of the application, which shall remain confidential unless released by the City Commission. The applicant business shall be invited, but not required, to attend the public hearings.

## **SECTION 14. PERFORMANCE AGREEMENT**

Any incentive granted pursuant to this policy shall be accompanied by a Performance Agreement between the applicant and the City, which shall include provisions governing the situation if an applicant fails to meet the wage, number of jobs, and/or capital investment projections set forth in the original application. Each incentive shall be reviewed annually. The City Commission shall receive the annual review report, and if the City Commission determines that a business or project is not in compliance with the provisions of the Performance Agreement, then the incentive may be modified pursuant to the Performance Agreement as the City Commission deems appropriate. Modifications to the incentive may include, but are not limited to, termination of the incentive, reduction of any incentive (including but not limited to reductions in tax abatement due to failure to meet requirements as set forth in Section 7) and claw-back of any existing incentive. To the extent necessary, the County Appraiser and the State Court of Tax Appeals shall be notified of appropriate actions to modify any incentive.

## **SECTION 15. COST BENEFIT ANALYSIS**

The Cost Benefit Analysis will offer a wide spectrum of information as it pertains to development, the adequacy, or inadequacy of, financial incentives, and finally, the net gain, current and future, of entering into these types of endeavors on behalf of the citizens of the City. The Cost Benefit Analysis should address the following items:

1. **DIRECT COSTS TO THE CITY.** Any identified direct cost should be included in the analysis. Examples of these types of costs include municipal infrastructure to the business site, and costs of providing city emergency services such as fire and police protection.
2. **BENEFIT TO THE CITY.** Direct benefits include wages/salaries/benefits paid to employees, any taxes collected (property, sales, franchise fees), purchases of products/services from local vendors.
3. **COST VERSUS BENEFIT.** From a community perspective, incentives are used because a net benefit is expected. A desired benefit to cost ratio must be at least in the 1.25:1 ratio. Proposed economic development projects that achieve this benchmark traditionally employ a higher proportion of local labor, including managers, at an above-average hourly wage.

This analysis should identify the particulars involving the developer's proposal. This should include confirmation of the size of the store, financial information, number of employees, pay scale, tax collections, and other areas involving development. The developer is responsible for the development of this analysis including any cost incurred.

## **SECTION 16. ANNUAL REVIEW FOR COMPLIANCE**

All incentives granted shall be subject to an annual review to ensure that the ownership, use of property, and the economic performance of the business, including the capital investment, employment, and wages, are pursuant to requirements and criteria of this policy, the application, and the conditions of the granting of incentives. The review shall also include a comprehensive review of the entire incentive period for the business (if applicable), including milestones and project phases for the business. The annual review shall provide an opportunity for the company receiving the incentive to describe their achievements, especially in the areas of environmentally sound practice, community engagement and services, and job training. If the business:

- A. no longer qualifies for the incentive pursuant to law or this policy;
- B. substantially fails to meet the expectations set forth in the application for an incentive, including failure to meet employment, wage, or capital investment plans in the application; or
- C. substantially fails to meet the criteria or objectives of this policy;

the City Commission, after notice and a public hearing, may modify any incentive by ordinance or resolution.

The City reserves the right to issue any level of penalties that it deems necessary. These may include; 1) rescissions, which is a complete cancellation of the incentive, 2) penalties, which are fines charged when the business does not meet a certain level of performance or relocates, and finally, 3) recalibrations, which are the provisions for changing the incentive in some manner in order to accommodate an evolving economic climate. The use of these tools will provide a safety net to the community, ensuring that its investment in the business will result in the positive benefits it expects.

Each business receiving an incentive shall be required to complete an annual report by March 1. The information in the report will cover the time period of January 1 through December 31 of the previous year. The annual report will be reviewed by May 1.

By May 1 of each year, an annual report listing all financial incentives that remain in effect will be presented to the City Commission. The annual report shall include information regarding when the incentive was granted, when the incentive expires, current property taxes paid for the property, in lieu of tax payments, amount of any industrial revenue bonds issued, the assessed value of the property, number of employees, salary and payroll of employees, and any additional information concerning the operation of the business receiving the incentive, and other information as requested by the City Commission.

The failure of a business (a) to provide accurate and timely information to the City in the preparation of the annual report or (b) to comply with the performance standards set forth in the Performance Agreement, shall be grounds for the modification or revocation of the incentive granted.

The City may require an annual renewal application to be filed or other information necessary to assure the continued qualification of the exempt business. Any material omission or misstatement of fact in information provided to the City in any such statement or renewal application may be cause for repeal of any incentive ordinance adopted, renewed or extended in reliance thereon.

## **SECTION 17. TRANSFER OF OWNERSHIP OR USE**

Incentives granted by the City may be transferred as a result of a change in the majority ownership of the business. Any new owner shall file a new application, along with the renewal fee, for an incentive. The City shall be notified by the business of any change in ownership and any substantive change in the use of a tax exempt property.

## **SECTION 18. RETROACTIVE GRANTING OF INCENTIVES; “BUT FOR” PRINCIPLE**

No incentives, including the granting of Job Bounty funding, will be distributed on a retroactive funding basis. Incentives will be granted pursuant to the guidelines of this policy and effective on the date indicated and approved by the City Commission.

Each application for incentive shall demonstrate that the incentive will make such a difference in determining the decision of the business to locate, expand or remain in the City that the business would not otherwise be established, expanded or retained without the availability of the abatement.

## **SECTION 19. WAIVER OF STATEMENT REQUIREMENTS**

The City Commission reserves the right to grant or not to grant an incentive under circumstances beyond the scope of this Statement, or to waive any procedural requirement. However, no such action or waiver shall be taken or made except upon a finding by the City Commission that a compelling or imperative reason or emergency exists, and that such action or waiver is found and declared to be in the public interest.

## **SECTION 20. AMENDMENTS**

The City Commission of the City retains the right to amend any portion of this policy as needed.

## **SECTION 21. TAX CLEARANCE CERTIFICATION**

Any person, company, or entity receiving economic incentives under this policy must provide a Tax Clearance Certificate from the State of Kansas Department of Revenue on an annual basis prior to December 31. The Tax Clearance Certificate requirement will be in effect until such time that incentives are no longer being utilized.

## **SECTION 22. MANDATORY REVIEW**

This policy will be subject to a mandatory review by the City Commission every three years.