

Memo

To: City Commission
From: Toby Dougherty, City Manager
Date: 5-12-14
Re: May 15, 2014 Work Session

Please find the attached agenda and supporting documentation for the May 15, 2014 Work Session.

Item 2 – Mike Woofter Proposal to Develop Property at the SE Corner of 55th Street and 230th Avenue

Please refer to my attached memorandum regarding Mike Woofter's proposal to develop a parcel of property. To summarize the issue, Mr. Woofter would like to approach the City Commission and put forth a proposal to extend the City's water and sewer utilities to serve a piece of property he is wanting to develop at the corner of 55th Street and 230th Avenue. Mr. Woofter would also improve the roadway to meet City specifications. Mr. Woofter is offering to make these infrastructure improvements at no cost to the City. In exchange, Mr. Woofter is asking the City to wait a period of 10 years before annexing the property. This would allow him to utilize a Community Improvement District and a Tax Development District to help pay the infrastructure cost and keep his sales tax commensurate with other endeavors. There are a lot of facets to this request and, as is noted in my memo, City staff does not have any sort of financial analysis of the request as we have not been provided with any business plan or revenue projections.

Staff suggests the Commission listen to Mr. Woofter's proposal, ask any questions they deem necessary, and make sure the terms of the request are clarified. If the City Commission is willing to consider the proposal in more detail, I would suggest staff conduct a fiscal analysis that would be brought back to the Commission at a subsequent work session.

Item 3 – Portable Shipping Containers as Storage Units

The City Commission asked City staff to bring back suggested modifications to the current shipping container ordinance that could allow the more liberal use of shipping containers while still protecting the aesthetic issues that these types of storage units can present. Based on the last discussion of the matter by the City Commission, City staff is recommending some items to

consider should the Commission wish to relax the current restrictions on shipping containers. Please refer to the attached memorandum from Jesse Rohr for more details.

Item 4 – Future Funding of the Hays Regional Airport

During the 2014 Budget development process, the City Commission asked City staff if Airport revenues were adequate to meet operational and capital needs into the future. The short answer is no.

At this time, the revenues generated by the mill levy and user fees are adequate to meet the operational needs as well as a fraction of the capital needs. However, the current revenues do not support the entire capital needs at the Hays Regional Airport. For the last few years, City staff has requested the City Commission utilize its Financial Policy Projects monies to help fund capital expenditures at the Hays Regional Airport. If you refer to the attached memorandum from Public Works Director I.D. Creech, you will see he outlines a series of revenue modifications that should make the Airport solvent for the foreseeable future. This means City staff should not have to come back to the Commission to ask for utilization of their monies for Airport capital expenditures.

Item 5 – Bids for Airport Terminal Project – Hays Regional Airport

Please refer to the attached memorandum from Public Works Director I.D. Creech regarding the bids for the Terminal Project at the Hays Regional Airport. As you will note, we only had one bidder, but the bid did come in under the engineer's estimate, so City staff is recommending moving forward with the proposed improvements.

Item 6 – Sale and Use of Fireworks for 2014

According to the City's ordinances, now is the time the City Commission discusses the sale and use of fireworks for the upcoming fireworks season. At this time, City staff will make the same recommendation as in 2014, to not allow fireworks for the 2014 season.

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CITY OF HAYS
CITY COMMISSION WORK SESSION
THURSDAY, MAY 15, 2014 – 5:30 P.M.
AGENDA

1. **ITEM FOR REVIEW: [May 1, 2014 Work Session Notes \(PAGE 1\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
2. **ITEM FOR REVIEW: [Mike Woofter Proposal to Develop Property at the SE Corner of 55th Street and 230th Avenue \(PAGE 7\)](#)**
PERSON RESPONSIBLE: Paul Briseno, Assistant City Manager
3. **ITEM FOR REVIEW: [Portable Shipping Containers as Storage Units \(PAGE 17\)](#)**
DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works
4. **ITEM FOR REVIEW: [Future Funding of the Hays Regional Airport \(PAGE 23\)](#)**
DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works
5. **ITEM FOR REVIEW: [Bids for Airport Terminal Project – Hays Regional Airport \(PAGE 29\)](#)**
DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works
6. **ITEM FOR REVIEW: Sale and Use of Fireworks for 2014**
PERSONS RESPONSIBLE: City Commission
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
May 1, 2014

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

April 17, 2014 Work Session Notes

There were no corrections or additions to the minutes of the work session held on April 17, 2014; the minutes stand approved as presented.

Skate Park Expansion/Improvement Request from the Western Kansas Skate Park Committee (WKSC)

The Western Kansas Skate Park Committee (WKSC) is requesting support from the City Commission to pursue possible expansion/improvements to the existing skate park at Aubel-Bickle Park. The existing skate park was built in the mid 1990's and is inadequate by today's standards. Improvement/expansion to this facility is a viable and necessary project. The estimate for the total project is \$250,000.00. It is highly possible to improve the existing facility in smaller, more affordable increments, if necessary. The WKSC is requesting approval of the general concept of expanding/improving the current skate park at Aubel-Bickle Park and allow the Western Kansas Skate Park Committee to solicit donations towards expansion/improvements to the skate park.

Derek Hadley and Jordan Rome represented the Western Kansas Skate Park Committee and presented information regarding the proposed expansion and improvements for the skate park and answered questions from the Commissioners.

Several parents also addressed the Commissioners regarding the need for the improvements.

Commissioner Mellick asked if they were seeking funds from the City of Hays.

Jeff Boyle Parks Director stated they have not made any formal request for funds.

Chairperson Schwaller supported the idea, but stated the City does not have the money for this project.

At the May 8, 2014 Commission meeting the Commissioners will be requested to approve the general concept of expanding/improving the current skate park at Aubel-Bickle Park and authorize the Western Kansas Skate Park Committee to solicit donations towards expansion/improvements to the skate park.

13th Street (Main to Milner) – Concept Discussion

The 2012 Comprehensive Plan Update identified 13th Street from Main Street to Milner as an entry corridor to downtown that needs improvement. \$1.5 million has been set aside in a capital project fund for the reconstruction of these four blocks of 13th Street. Driggs Design Group has developed concept plans and cost estimates; stakeholders along the project were contacted; a public information meeting was held; and a presentation made to the Downtown Hays Development Corporation (DHDC) Board. The City Commission is being asked to consider staff's recommendation for additional funds and authorize solicitation of engineering design services.

Buck Driggs with Driggs Design Group presented the options along with details of his assessment, the results of the survey, and answered questions from the Commissioners. He stated the pavement is reaching its life expectancy and is in bad shape.

Chairperson Schwaller agreed with the base plan and pavement replacement option because it would look strange to have the new street with parking and curb in varying conditions, but additional upgrades are not justified.

Commissioner Steward stated he would hate to see us make this kind of investment, something that's going to be there for 50 years, and not add some nice aesthetic touches.

Megan Colson, Executive Director for Downtown Hays Development Corp. addressed the Commissioners and stated 13th Street is the gateway to downtown, and suggested that groups could raise funds for some of the proposed improvements.

At the May 8, 2014 Commission meeting the Commissioners will be requested to authorize staff to solicit an engineering firm to proceed with the design of the Base Option, Storm Sewer Improvements, Water Service Upgrades, and Alternate A.

2014 Waterline Improvements – Award of Bids

Bids have been received for the replacement of City water mains on Hickory and Ash from 27th to 29th Street and on Elm Street from Fort to 4th Street. The low bidder for Hickory and Ash Streets is Stripe and Seal of Hays in the amount of \$233,458.00. The low bidder for Elm Street is JCorp; however, they could not meet the requirement to construct the improvements during Fort Hays State University's summer break. The next lowest bidder is from APAC-Kansas, Inc. of Hays in the amount of \$164,773.50. They can meet the time schedule specified for construction.

At the May 8, 2014 Commission meeting the Commissioners will be requested to authorize the City Manager to enter a Contract with Stripe and Seal in the amount of \$233,458 for waterline improvements on Hickory and Ash from 27th Street to 29th Street and enter a contract with APAC-Kansas, Inc. in the amount of \$164,773.50 for waterline improvements on Elm Street from Fort Street to 4th Street. Funding would be from Water and Sewer Capital Reserve Fund.

Award of Contract for Leak Detection Services

Leak detection is considered a Best Management Practice for water utilities facing water supply constraints. Leak detection consists of “sounding” points on the system with specialized audio equipment. Leaking water has a specific frequency and can be readily heard through most pipe materials. Leaks can be pinpointed with a high degree of accuracy through a process known as leak correlation.

Nick Willis, Interim Assistant Director of Utilities reported that in an effort to reduce water loss in the potable water distribution system and raw water collection system, City staff issued a Request for Proposals for leak detection services. City staff is recommending award of contract to Wachs Water Services for leak detection services not to exceed \$43,920 to be paid from budgeted funds in the 2014 Utilities Department Water Conservation budget.

At the May 8, 2014 Commission meeting the Commissioners will be requested to authorize the City Manager to enter into a contract with Wachs Water Services in an amount not to exceed \$43,920 for leak detection services.

Discussion on Response to Russell Regarding Cedar Bluff Usage

City staff and Commissioners attended the Russell Council meeting on April 15, 2014 to discuss Russell’s letter of support for the R9 Development Project. At that meeting, two Russell Council members brought up Russell’s water rights in Cedar Bluff and wanted to know if the City of Hays had any interest in working together to develop a pipeline to utilize those water rights efficiently.

Commissioner Kent Steward brought up the matter at the April 24th City Commission meeting and asked for the item to be placed on the May 1, 2014 Work Session for discussion.

The Commissioners agreed to have the City Manager draft a letter basically stating that we are open to the suggestion if the City of Russell wants to pursue it.

City Commission Representative on Ellis County Coalition Board

For many years, the Mayor served as the City Commission's representative on the Ellis County Coalition Board. Citing a lack of continuity due to the Mayor changing every year, the City Commission decided a few years back to appoint a representative that would serve for a longer period of time on the Coalition Board. Commissioner Barbara Wasinger and Commissioner Ron Mellick each served for two years, and Commissioner Steward served in 2013 and is still currently serving.

Mayor Schwaller stated he would like to serve on the Ellis County Coalition Board.

This item will be placed on the agenda for formal action at the May 8, 2014 Commission meeting.

Other Items for Discussion

Commissioner Phelps commented that he would like to see information in the monthly progress report regarding the shower heads and plants given out at the Spring Gallery Walk. He also stated that the citizens that attended were impressed with the photographs in City Hall.

Executive Session

Eber Phelps moved, Shaun Musil seconded, that the Governing Body recess to executive session at 8:09 p.m. for ten minutes to discuss union negotiations. The executive session included the City Commissioners, the Assistant City Manager, and the City Attorney. K.S.A. 75-4319 authorizes the use of executive session to discuss the topics stated in the motion.

Vote: Ayes: Henry Schwaller IV

Eber Phelps

Shaun Musil

Ron Mellick

Kent Steward

No action was taken during the executive session.

The work session was adjourned at 8:16 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk

Memo

To: City Commission
From: Toby Dougherty, City Manager
Date: 5-8-14
Re: Mike Woofter Proposal to Develop Property at the SE Corner of 55th Street and 230th Avenue

Mike Woofter with NWK Investments requested to address the Commission in order to present his proposal to develop the property located at the SE corner of 55th Street and 230th Avenue. Kenny Doonan currently owns the property and is building a Peterbilt dealership on the easternmost portion. Mr. Woofter has an option to purchase the remainder of the property and plans to build a travel plaza and hotel.

As you are aware, there is no water and sewer infrastructure in the area and the road is not built to City standards. Currently the property is located outside the city limits. Staff has estimated it could cost upwards of two million dollars to extend and improve infrastructure to serve the area. Mr. Woofter has not submitted any drawings for the proposed development.

Mr. Woofter is proposing to extend and improve the infrastructure, at his cost, as part of the development process. In exchange for this investment, Mr. Woofter is asking to remain outside the city limits for a period of 10 years, or whenever his USDA loan is paid if sooner. The reason Mr. Woofter would like to remain outside the city limits is that he plans on asking the County Commission to approve a CID (Community Improvement District) and a TDD (Tax Development District) for the area in order to help pay for the infrastructure. Mr. Woofter feels that remaining in the county would allow him to charge the higher sales tax and still remain competitive.

This is a unique situation and one that the City has not faced in my memory. From an infrastructure standpoint, the property/area is very isolated and costly to serve. Therefore the City has not proactively invested in infrastructure to accommodate development. Instead, the City has invested in infrastructure along Commerce Parkway & 22nd St, as well as North Vine St to accommodate future growth. That being said, the area does have a significant potential for future development.

With typical developments the developer pays to extend the infrastructure and the City has paid for oversizing. Our past developments have required relatively short extensions of infrastructure and relatively small investments in oversizing. These investments were easily accommodated. The one exception was the area developed in conjunction with Home Depot. This was a very costly development and TDD and TIF (Tax Increment Financing) districts were utilized to pay for the infrastructure improvements. With Mr. Woofter's property, the extension and oversizing of infrastructure is quite expensive, and it will be difficult to find the money to treat it as a traditional development, especially when we are struggling to find enough monies to maintain the street, water, and sewer infrastructure already in place.

City staff has asked for, but has not been provided with, revenue projections for the proposed development and therefore does not have any fiscal analysis of the proposal. What Mr. Woofter is proposing does have a monetary value to the City. That monetary value will not be accurately known until infrastructure costs are finalized. Also, without revenue projections, it is impossible to determine the value to the City of the infrastructure investment in comparison to the lost sales and property tax revenues by the request to remain outside the city limits.

At this time staff feels the Commission does not have enough information to make an informed decision on the proposal. We ask that the Commission listen to Mr. Woofter's proposal and ask any questions they feel necessary. However, at this time it should be a conceptual discussion with specifics to come later.

If the Commission does consider a form of Mr. Woofter's proposal, allowing the property to remain outside the city limits for a specific period of time, City staff suggests the following requirements:

- Adherence to all City building codes, and inspected by City staff.
- Adherence to all City water conservation and landscaping regulations.
- All water, sewer, and street infrastructure built to City standards.
- Adherence to storm water regulations.
- Clear triggers for annexation.
- Possible restrictions of use for the property to ensure water-heavy uses are not developed.

There are many more requirements that I am sure will come up. All of this would have to be spelled out in a development and annexation agreement.

Attached to this memorandum is a proposal letter from Mr. Woofter, a letter from the property owner's attorney explaining Woofter's option to purchase the property, and visuals showing the property location as well as the current and required infrastructure.

**NWK Investments, LLC
1110 Plains Ave.
PO Box 365
Colby KS 67701**

May 6, 2014

Toby Dougherty
City Manager
Hays, KS 67601

Re: Request for Utility Expansion

Dear Mr. Dougherty:

NWK Investments, LLC, a Kansas Limited Liability Company, is currently working on a proposal for commercial development on property along 55th Street and 230th Avenue, which property is located outside city limits. The development will include a travel center/convenience center, hotel, and restaurant mix (fast food and sit-down dining). The capital investment is estimated to be between \$14-\$20 million of which 75% will be a cash investment and 25% will be based upon a loan.

With recent changes to the management of the Rural Economic Development Loans and Grant (REDLG) program available through the USDA, the LLC intends to apply for a \$2 million loan through a qualified utility provider, for a loan term of 10 years.

The water and sewer needs for this development are beyond the capabilities of the Trego County Rural Water District. Therefore, this project will require water and sewer service from the City of Hays. The attached Proposal for the City of Hays to deliver city services to the new development will allow the project and at the same time, the City of Hays will have no financial obligation regarding the infrastructure for the development.

For your review and consideration, I am providing the following:

- Letter from Chris Sook, attorney for BBJ, LLC.
- Site Plan (to be provided upon completion)
- Utility extension proposal

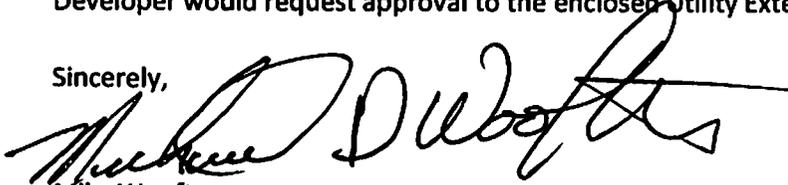
The newly established infrastructure opens up endless new development and growth expansion for the City of Hays at no cost to the City. Keeping this project outside of city limits will give the developer an advantage in the USDA approval process and allow the project to stay competitive while incorporating additional TDD and CID sales tax to repay the bonds. The developer has a commitment from a buyer to purchase the bonds for the infrastructure.

It is my understanding that Ellis County is also considering an application for corridor management funds to develop 230th Avenue and 55th Street.

The new development and infrastructure will create an estimated 115 jobs in Hays, Kansas.

I as the project manager am prepared to address any questions or concerns the City Commission may have regarding the development. Before closing on the contract to purchase the contract, the Developer would request approval to the enclosed Utility Extension Proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Woofter", written in a cursive style.

Mike Woofter
Managing Member

UTILITY EXPANSION PROPOSAL

The City of Hays, Kansas, agrees to provide city utilities to commercial development on property along 55th St. and 230th Ave. to include a travel center/convenience center, hotel and restaurant mix, estimated between \$14-\$20 million.

The following are agreements to be set forth in a formal agreement between the City of Hays and NWK Investments, LLC:

The City of Hays, Kansas, would agree to the following:

- City water/sewer service and street/curb/gutter would be extended to the proposed site on the City's utilities system to accommodate the planned development with the development to remaining outside city limits for a period of ten (10) years.
- The City of Hays will have no financial obligation regarding the infrastructure of the development and will be held whole.

The Developer, would agree to the following:

- The Developer will enter into a formal agreement with the City of Hays to provide for annexation into city limits upon repayment of the REDLG funding (ten-year term loan). If the REDLG funding is paid off prior to the REDLG ten year term, the Developer would agree to annexation at that time.
- The Developer will provide annual reports to the City Commission regarding the revenue generation from the CID and TIF and the status of repayment of the REDLG funds.
- All infrastructure, including street/curb and gutter would be built in compliance with City of Hays building code and development planning requirements. The development team will work with the City staff to ensure the site plan and engineering meets City requirements to facilitate the annexation process upon repayment of the REDLG funding.

NOTE: With a utility extension being fully funded by the Developer, this infrastructure creates tremendous potential for future development north of I-70. Any assessments created for future utility add-ons could generate revenue to pay off the bonds – which would help retire repayment of the annexation into the City that much quicker.

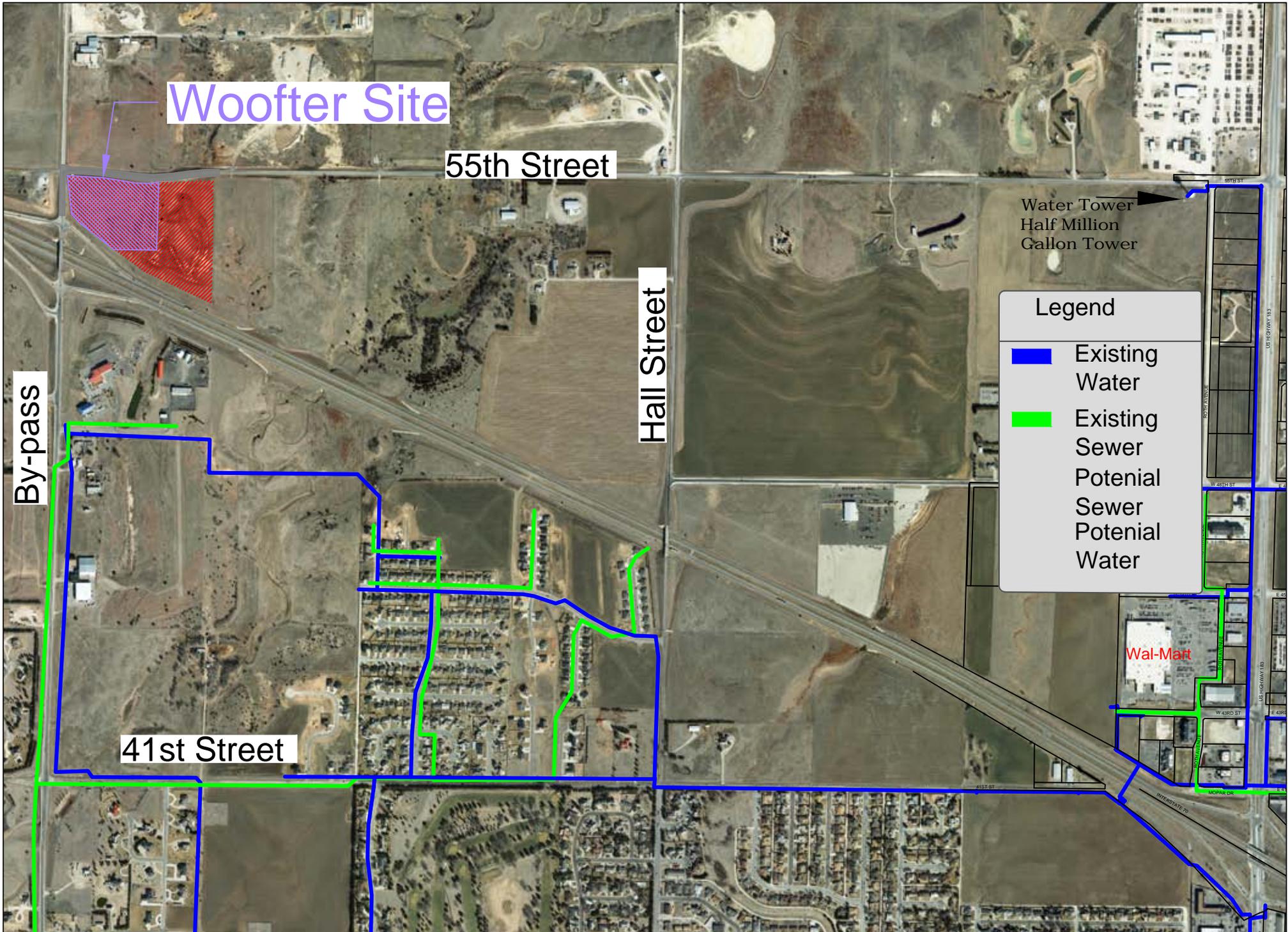
- The Developer agrees to comply with all CITY CODES, TO INCLUDE A WATER CONSERVATION PLAN, INCLUDING ANY CITY LANDSCAPING REQUIREMENTS.
- The Developer agrees to inspections by appropriate City code officials as the project is being built.

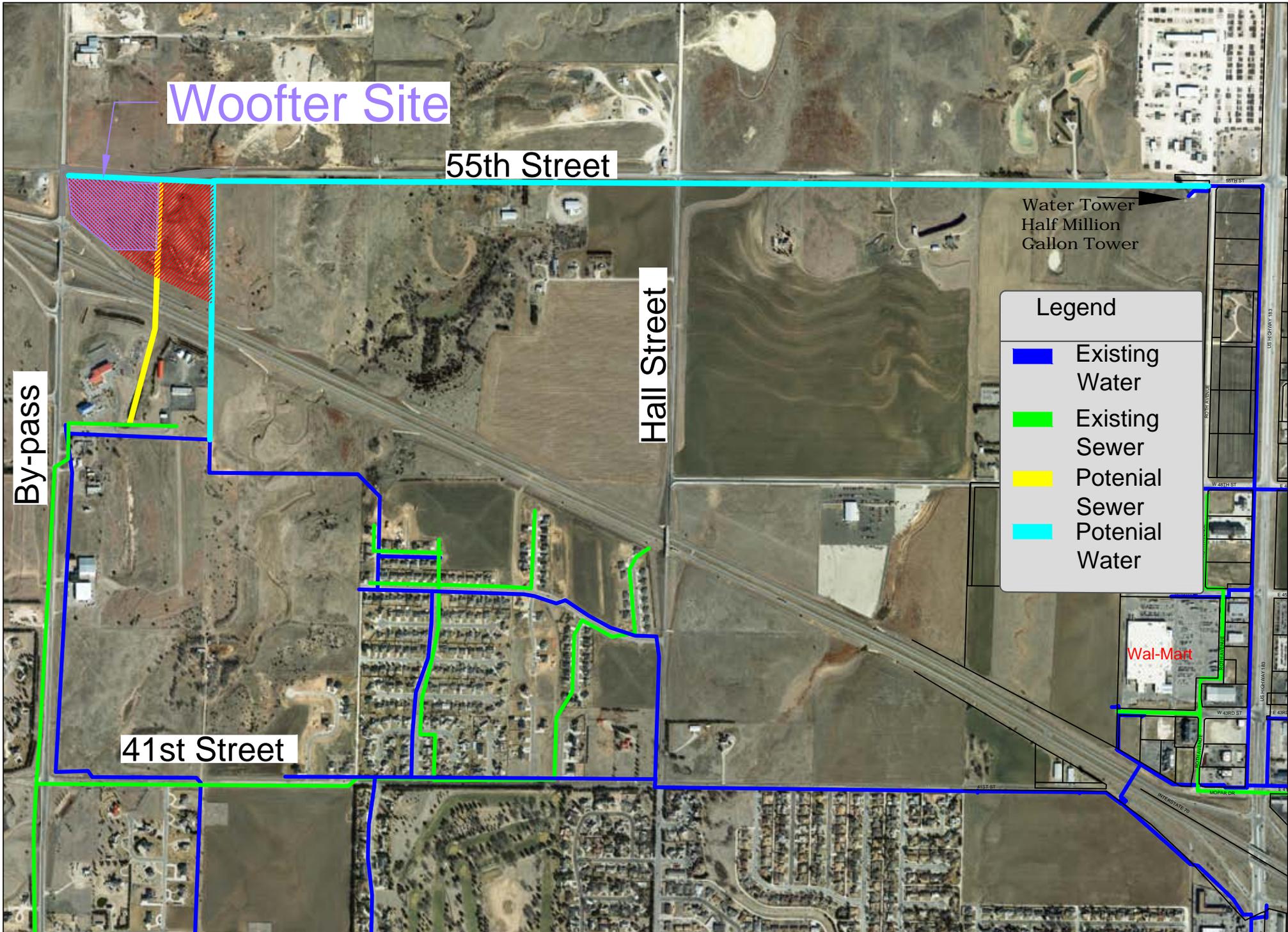
- The Developer intends to use a combination of Community Improvement District (CID) sales tax and Tax Increment Financing (TIF) and TDD for relocation of utilities to repay the bonds and other infrastructure loan.
- The Developer will be responsible for covering any revenue shortfalls from revenue generated from CID, TIF & TDD.
- The Developer would accept any offer by the City to provide infrastructure improvements or services at no additional cost (incentives: i.e. oversizing of lines for future expansion, etc.) but makes NO formal request for incentives from the City of Hays.

The above proposal has been reviewed and agreed to by a majority vote of the Hays City Commission on _____, 2014.

Dated: _____

Chairman, City Commission





SLOAN, EISENBARTH, GLASSMAN, McENTIRE & JARBOE, L.L.C.

Arthur A. Glassman
James R. McEntire
Alan V. Johnson
Martha A. Peterson
Vernon L. Jarboe
*+Stephen D. Lanterman
Brian M. Jacques
*Christopher W. Sook
Shaye L. Downing
Michael S. Heptig
Danielle N. Davey
*Emily A. Hartz
Aaron R. Bailey
*Derek L. Brown
Allison H. Maxwell

Retired:

Myron L. Listrom
Louis F. Eisenbarth
James W. Sloan

All admitted in Kansas
+Admitted in Nebraska
*Admitted in Missouri

Reply to Hays Office

May 6, 2014

VIA EMAIL ONLY (tdougherty@haysusa.com)

Toby Dougherty
City Manager
City of Hays, Kansas

RE: BBJ, L.L.C. to Woofter Construction & Irrigation, Inc.

Dear Toby:

As I believe you know, I represent BBJ, L.L.C. ("BBJ"), whose managing member is Brent Doonan, and whose designated manager is Kenneth Doonan. I was contacted by Mike Woofter today, and he asked that I provide you with some information regarding a contemplated transaction between the BBJ and Woofter Construction & Irrigation, Inc. ("Woofter Construction").

My client has authorized me to confirm to you that BBJ has entered into an executed Purchase Agreement by which BBJ hopes to convey to Woofter Construction approximately 11.175 acres of ground generally located at the SE corner of the intersection of 230th Avenue and 55th Street. This property represents the western 11.175 acres of the ground that BBJ acquired earlier this year, and which I believe you are familiar.

Among the contingencies required to be met before Woofter Construction is obligated to close the contemplated purchase include Woofter Construction having obtained "written evidence from the appropriate utility companies and governmental authorities indicating that utility services, including electricity, gas, water, sanitary and storm sewers...are available to the Property line and that [Woofter Construction] can connect to such utilities or make alternative arrangements to have such utilities service the Property at reasonable and normal costs for [Woofter Construction's] intended use."

As you and I have discussed before, my client is aware that a lot split will be required to permit the ground that BBJ intends to sell to be conveyed to Woofter Construction. We have held off submitting a lot split application while Woofter Construction completes its due diligence with respect to this contract.

I hope this letter satisfies the request of my client for information related to this contemplated transaction. If you need anything further, please do not hesitate to contact me.

Respectfully,

/s/ Christopher W. Sook

Christopher W. Sook

CWS/rmb
CC: Client

Sloan Law Firm

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Commission Work Session Agenda

Memo

From: Jesse Rohr, PIE Superintendent

Work Session: May 15, 2014

Subject: Portable Shipping Containers as Storage Units

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

Summary

Recently the Commission asked staff to bring back regulations allowing portable shipping containers as permanent storage uses. Currently this use is allowed on a temporary basis only as per ordinance Sec. 11-134 adopted July 24, 2008. Staff has researched other communities as well as evaluated the ramifications of Hays having such an ordinance in place that would allow permanent placement of shipping containers. Regulations on this type of use have been put together in draft form for discussion and consideration.

Background

Prior to 2008, shipping containers were not regulated by ordinance. The containers became available from a local vendor which made it very easy for property owners to rent or purchase and have placed on their property. The City and Planning Commission's main issue with the containers was aesthetics. After much discussion by the Planning Commission and the City Commission, the attached ordinance was adopted.

The Ordinance does not allow permanent use of shipping containers in any manner and is enforceable within the entire City limits. The 3-mile area of zoning jurisdiction does not fall under the scope of this ordinance. There are some exceptions found within the ordinance that allow shipping containers on a temporary basis as noted by items (a) 1, 2, and 3 in the attached ordinance.

It is important to note that any shipping containers existing at the time Ordinance #3749 was adopted are considered "existing nonconforming" and are allowed to remain in place. Essentially, they are "grandfathered". There are several in the City limits, such as at the VFW, 11th and Oak, and S & S Plumbing on 8th St. that are grandfathered.

Discussion

Recently a group of local business owners asked the City Commission to allow certain zoning districts to be able to utilize shipping containers as permanent storage options. Regulations allowing containers on a permanent basis should ensure:

- Safe and orderly use of containers in a manner that minimizes aesthetic blight and other possible adverse impacts on surrounding property
- The containers are placed in a safe manner based on factors such as height, the items within the containers, the location and pad site, and methods of securing the containers so as to prevent hazards
- Adequate visual buffering, screening and landscaping from the public right-of-ways and adjacent properties
- Site is of sufficient size to accommodate the clean, safe, and orderly use of the containers as storage units
- Adequate appearance standards are followed that will allow containers to be used while having a minimal impact on adjacent or nearby properties. Such standards include:
 - Containers are unobtrusive and subordinate in size, location, and appearance to existing on-site structures
 - Containers are compatible with adjacent properties and the neighborhood (containers shall blend rather than contrast with existing neighborhood character)

Demand for these types of containers is strong and a result of a local vendor making the units readily available to consumers. The containers do provide very adequate, safe, secure, and dry storage hence their high demand and popularity. Below are some proposed changes for consideration that would allow permanent use of shipping containers as storage units:

ITEMS TO CONSIDER

Should the City Commission wish to allow the usage of storage containers in a more relaxed manner, staff suggests the following considerations:

- Allow shipping containers as an accessory use only and subject to the requirements of the zoning district in which they are located
- Containers shall meet all adopted building and fire code requirements including tie downs, setbacks, etc.
- All signage on the container shall be removed and the container painted an earth tone color or a color compatible with the adjacent surrounding properties **OR** the container shall be sided with a siding material compatible with the surrounding environment and adjacent structures
- Containers shall be safe, structurally sound, and in good repair
- Any container that becomes unsound, unstable or otherwise dangerous, as determined by the City, shall be immediately repaired or removed by the property owner
- Containers shall not be stored in a manner that impedes access to public right-of-ways, public utility or drainage easements, adjacent structures, or buildings
- Materials stored inside the container shall only include items normally associated with the business use of the property
- Minimum lot size – Properties upon which the container(s) are located shall have a minimum lot size of one (1) acre
- Containers shall be placed on a stable surface

- Containers shall be set back a minimum of 35 ft. from property lines, except front property lines, in which the setback shall be 100 ft. minimum. At no time shall the containers be placed between the main structure and public street.
- Containers shall be setback a minimum of 100 ft. from any property zoned or used for residential land uses.
- End-to-end grouping of containers shall not exceed two (2) containers in length.
- At no time shall the containers be utilized as rental units to anyone other than the property owner or property lessee of the existing on-site business enterprise where the unit is placed.
- At no time shall any containers be placed as a permanent use in any residential zoned district within the City.

These proposed changes allow the use of shipping containers as storage units as long as regulations are met. These regulations can be modified as the Commission sees fit if they decide to take further action on this item.

Any proposed amendments to the current ordinance require action by the City Commission typical of any ordinance amendment.

Legal Consideration

Because this is in the discussion phase and does not involve passage of any ordinances, yet, the City Attorney will reserve comment, except to say that all of the proposals suggested would be achievable, legally.

Financial Consideration

N/A

Options

Options include the following:

- Request a change to the current ordinance
- Do nothing

Recommendation

This item is informational only and staff has no formal recommendation.

Action Requested

Provide staff with direction if necessary.

Supporting Documentation

Current Shipping Container Ordinance
Requirements of other Cities

Current Adopted Ordinance – City of Hays

Sec. 11-134. Temporary storage units/shipping containers.

(a) Storage/shipping containers shall be prohibited as a permanent use within the City of Hays. Temporary uses shall be allowed in the following instances:

- (1) At construction sites for the duration of the project, however, units are to be removed within 60 days of the issuance of the certificate of occupancy;
- (2) Natural disaster recovery and clean-up efforts; and
- (3) Short-term temporary storage of goods for business enterprises located within commercially zoned districts (for example: holiday season retail storage).

(b) The following conditions apply to all storage/shipping containers:

- (1) A temporary building permit is required for any units being set for more than ten days at any location;
- (2) Unless otherwise stated, a limit of one permit per calendar year shall be granted for a maximum of 60 days with one 60-day extended renewal permit possible at the discretion of the zoning administrator;
- (3) All units must meet established setbacks for the district in which they are located; and
- (4) Vertical stacking and/or the stacking of materials on top of the storage units is prohibited.

(c) All units existing at the time of ordinance implementation are considered existing nonconforming per the zoning ordinances contained in [Chapter 71](#), Article VII, Nonconformities.

Portable Shipping Containers Various Communities and Their Regulations

Salina –

- Allowed as a temporary use only, similar to Hays
- Are not defined as structures, therefore not treated as structures
- Do not meet the regulations within the adopted building codes

Manhattan –

- No regulations in place – have not been an issue
- Some found in commercial/industrial areas

Dodge –

- Containers are allowed
- Few, if any restrictions – have not had issues with them

Emporia –

- Allowed in all areas except residential
- Are considered “accessory structures”

Wichita –

- Confined use to Industrial areas

Johnson Co. – (currently in draft form)

- Allowed in all districts, with restrictions

El Dorado –

- No actual regulations, treated as structures
- Anchoring required
- “Informally” not allowed in residential districts

Commission Work Session Agenda

Memo

From: ID Creech, Director Public Works

Work Session: May 15, 2014

Subject: Future Funding of Hays Regional Airport

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

Summary

During the 2014 budget process, the Commission asked Staff to evaluate the future funding needs of the airport and determine if additional funds were required. Staff has completed the evaluation and determined that current funding is not sufficient to provide future operational and capital funding needs. Staff examined several revenue options and is recommending a combination of methods to bridge the funding gap. These include: initiation of a passenger facilitation charge on commercial operations; slight increases in lease rates; and, an increase in the fuel surcharge.

Background

Past funding methods at the Hays Regional Airport are no longer sufficient to meet the operational and capital needs of the facility. Current revenue and expenditure projections do not produce enough revenue to support funding both normal operations and capital expenditures and match amounts for Federal Aviation Administration Airport Improvement Grant Projects.

Through the development of the Airport Master Plan and the increased commercial air traffic, a shortfall in project and operational funding is identified in the long term Airport Budgets. In previous budgets, when project funding was needed, an allocation was provided by the Governing Body in addition to the mill levy and facility use revenue in the operating budget. Past Commissions used bonded indebtedness to provide funding to the Airport for projects mainly to match the federal portions of the funding for projects awarded on a competitive application process from FAA discretionary funds. That practice is no longer in use resulting in a reduction in funding. As the Airport moves forward with the City's pay-as-you-go philosophy, revenue options must be explored to reach best potential for the operations and capital projects budgets.

Discussion

Exploring current revenue options available for funding improvements can be categorized into four (4) areas:

1. Ad valorem tax – including motor vehicle tax;
2. Use of land – rental of Airport owned property for private hangar; farming operations;
3. Use of improvements – rental of Airport owned hangar and terminal space, fuel system lease;
4. Regulation of operations – business license; landing fees.

The current City policy is to hold the total mill levy to twenty-five (25) mills. Of the 25, the Airport receives one (1) full mill for its operations. The value of one (1) mill for the 2014 Budget was set at \$199,707 by the County Clerk and is an increase of nearly 4% over the 2013 Budget amount. In the budget scenario used for this report, the ad valorem revenue will show an increase of 3.5% each year for the period shown. ***The act of assessing the mill levy does not mean that all the assessment will be paid.***

An increase in the Airport mill levy allocation could provide the most impact on future budgets. Finding room under the policy constraints would be dependent on other levy funds requirements and assessed value numbers.

Under the current Airport configuration, there are 72,308 square feet of land space rented to private entities for hangar space. The configuration does not maximize the earning potential for the land and has morphed into this condition over decades. Private entities were allowed to construct hangars to fit particular aircraft – and, construction pricing what it is – most built the smallest facility capable of housing their aircraft. No lot layout was used to combine like hangars and no charges were/are assessed for the vacant space between hangars.

The last rate increase for this lease space was in 2011 raising the price to twenty cents (\$0.20) per square foot of the hangar footprint per year. Under the budget scenario presented, the rates would increase to \$0.202 in 2015 and increase 1% in odd year budget cycles thereafter and should be reviewed annually for market values and could not be promised or guaranteed. This will increase cumulative revenue to the Airport by \$2,624 over the period.

There little land remaining that could construct a new hanger and the private hangers do not remain empty long as a general rule. However, there is no demand sufficient, at this time, to expand private hanger locations.

The Airport owns 26,520 square feet of hangar space rented/leased to private entities. The pricing varies as some of the space is leased at a wholesale rate to the fixed based operator (FBO). This space is rented on a per month basis with amounts ranging from eight cents (\$0.08) for the FBO to our standard thirteen cents (\$0.13) for space. Under the budget scenario presented, the rates would increase by 1% every two years beginning with the 2015 lease renewal. Again, this is a long projection and such will have to be

reviewed annually for market values. This will increase cumulative revenue to the Airport by \$3,810 over the period.

The projections for terminal space increase to a square foot fee of \$10.94 with all contracts negotiated in 2014. This is a hefty proposal – but, terminal expansion/improvements require a hefty grant match. Under the budget scenario presented, the rates would increase in the same scenario as hanger space for future increases. Note that we have some long term contracts for terminal space – all are up for renewal in 2014. This will increase cumulative revenue to the Airport by \$57,018 over the period.

Airport fuel sales revenues are projected flat. The Airport receives six cents (\$0.06) per gallon of fuel dispensed under current agreement with the FBO. The lease with the FBO will be up for consideration with the negotiation of the fixed based operators lease in 2014.

Farming operations are based on market and will be reduced in 2014 and beyond by FAA regulations concerning air space restrictions and vegetative controls.

Business licenses and landing fees are set by ordinance adopted prior to 2000.

The Airport has been moved into the FAA designation primary service category which means the Airport can receive an allocation of \$1,000,000 for each year that commercial boardings exceed ten thousand (10,000) from the Airport Improvement Fund (AIP). To access this funding, the Airport must meet FAA established guidelines and include funding match. Future availability assumes that the same program will be in place in future years.

A new revenue source for AIP match funding has been located. Staff's review of potential revenue sources included the research for the FAA program of Passenger Facility Charge (PFC). The PFC Program would allow the collection of PFC fees up to \$4.50 for every boarded passenger at the Hays Airport. The Airport could use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. Application must be made for each project and funds must be expended within two (2) years. PFC monies can be used to reimburse the City for expenditures of approved projects. Using the recent essential air service bid from SkyWest anticipating 13,000 boarding passengers per year, \$58,500 would be generated from this source. This can be a multiyear process. This will increase cumulative revenue to the Airport by \$311,500 over the period.

Using the other side of the operating budget, projections were made for future expenditures in both the operating and capital budgets. For this demonstration, expenditures for salaries are project at 2% per year; natural gas 2% per year; electric 2.5% per year. Other annual expenditures are budgeted relatively flat for the period and are based on historical norms. Such an assumption will need to be reviewed annually.

The projections for the operating budget based on the above:

	2015	2016	2017	2018	2019	2020
Revenue	\$ 385,518	\$ 379,681	\$ 374,549	\$ 379,598	\$ 385,793	\$ 402,618
Expenditures	361,966	369,903	367,901	375,962	374,086	382,276
Balance	\$ 23,552	\$ 9,778	\$ 6,648	\$ 3,636	11,707	\$ 20,342

The projects for the capital budget based on a PFC and annual operating budget transfer:

	2015	2016	2017	2018	2019	2020
Revenue	\$ 217,976	\$ 247,546	\$256,886	\$ 376,226	\$ 400,087	\$ 519,427
Expenditures	89,770	100,000		95,479		500,000
Balance	\$ 128,206	\$ 137,546	\$ 256,886	\$ 280,747	\$ 400,087	\$ 19,427

The discussion budgets are examples of how we could proceed in the future. As with any long range projection, numbers are estimates and subject to change – and possibly change drastically – during the life of the presented schedule. Funding for the capital expenditures under this presentation relies heavily on the FAA compounded by unforeseen circumstances that could affect the order of projects or project share costs.

Legal Consideration

This is an information issue only and there are no known legal issues presented at this time.

Financial Consideration

Staff is seeking confirmation that this path of funding - increases in leases and establishment of a PFC - will meet the future expectations of the Governing Body. Specific projects and annual operating budgets will be presented for consideration during the budget meetings. This discussion is for exploration of possibilities that might be available to the Hays Regional Airport.

Options

Options include:

1. Approving the recommendations for revenue improvements
2. Reject the recommendations for revenue improvements
3. Modify the recommendations for revenue improvements
4. Do nothing

Recommendation

Staff will recommend the recommendation for revenue improvements be made during the 2015 Budget Development.

Action Requested

Staff request concurrence with the recommendation.

Supporting Documentation

Capital Projects Cost Projections

Capital projects for the period are identified as:

estimated

<i>project</i>	<i>faa</i>	<i>city</i>
Rehabilitation of runway 4-22 design and construction	471,803	52,423
Wildlife fence	990,000	110,000
Taxiway I reconstruction	411,487	45,720
Parking lot improvements	90,000	10,000
New equipment loader	135,000	15,000
Taxiway M reconstruction Design only	222,833	24,759
Fuel System		500,000
Parallel Taxiway for 4-22 design and construction	3,275,303	363,923
Land acquisition	90% of unknown	

The terminal remodel project is currently in progress. The City's match share of the project is expected to be \$466,402 from cash accounts and is discussed in another agenda item.

Runway 4-22 is our crosswind runway and as part of the City of Hays' ongoing pavement maintenance program it will be necessary to implement a joint sealing, spall repair and isolate concrete panel replacement project.

The Wildlife fence is a project we expect the FAA to direct as a safety concern.

Taxiway I is the eastern most taxiway located south of the terminal. The pavement has exceeded its serviceable life and needs to be removed and replaced.

Ongoing efforts of pavement maintenance, and may include additional parking spaces due to passenger traffic demands.

The existing loader is near the end of its serviceable life.

The taxiway exhibits visual signs of ASR and D-cracking. These were observed in random locations with most of the observations being noted at the intersection of Runway 4-22.

Timing of replacement for an aging fueling system will depend on serviceability of the current system.

It is proposed to design and construct a full parallel taxiway for Runway 4-22 at some future date as traffic needs suggest.

The Hays Regional Airport also needs to be aware of any abutting property that becomes available and be prepared to act if such becomes available. Land acquisition is an eligible AIP project and subject to 90%-10% funding.

Commission Work Session Agenda

Memo

From: ID Creech, Director of Public Works

Work Session: May 15, 2014

Subject: Airport Terminal Project – Award of Bid

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

Summary

On April 30, 2014, the City received bids for the Airport Terminal Project. The apparent low bid was submitted by Paul Wertenberger Construction of Hays in the amount of \$1,188,860 in base bid and was the only bid received. The bid is under the engineer's adjusted estimate of \$1,190,544 and the contractor can meet all the qualifications necessary to complete the project. Staff will recommend accepting the bid from Paul Wertenberger Construction including alternates #1 and #8 for a total bid amount of \$1,220,185 with funding derived from the Federal Aviation Administration (FAA) AIP Grant, the Airport Improvement Fund, the Airport Operating Fund and the City Commission Financial Policies account. Acceptance of the bid will be contingent on receipt of the FAA grant assistance.

Background

The existing terminal building was constructed in 1991 and requires multiple updates to attain compliance with current code requirements. The numbers of leaks in the roofing system are beginning to mount and the heating and air conditioning units are adaptations of the initial installation of 1991. Major expenses are projected for 2014 and 2015 to provide much needed maintenance to these systems. Upgrades to the mechanical/ electrical utility and incorporating Americans with Disabilities Act (ADA) requirements to existing lavatory facilities are also included. Many of these improvements will also result in less energy consumption and lower utility and maintenance costs.

The Airport actively sought a commercial air service provider using aircraft with seating capacity over the current nineteen (19). SkyWest was awarded the Essential Air Service Contract in March based on a fifty (50) passenger regional jet. Staged security clearance and boardings would have to be incorporated or a larger portion of the current lobby area would have to become part of the secure area to accommodate rapid boarding procedures. Staged boarding would inhibit the operation of a carrier by lengthening the amount of time on the ground with each flight. The proposed improvement provides a capacity of fifty (50) passengers with a flex room that could add an additional thirty (30) to a Transportation Security Administration (TSA) approved secure holding area.

Another improvement proposed is expansion of the baggage inspection area under the control of TSA to accommodate the anticipation of additional baggage. A larger

screening area to accommodate additional passenger screening equipment is also included in the presented design.

Rest room facilities in the Terminal building are limited and once a passenger enters the current secured area, no facilities are available until the aircraft disembarks in Denver. An upgrade to existing lobby facilities to the latest ADA guidelines and construction of additional facilities in the secure area are considered very important to future airport use.

An initial consultation and information gathering meeting was held October 2, 2013 with follow up meetings October 8th. Discussion of the project with the Airport Advisory Board October 7 and December 2 included the design engineer and other items in the Airport Master Plan. From those meetings, several options were created for review both in-house and open public meetings.

Input was solicited from the TSA, our commercial operators in the terminal – Hays Aircraft and Great Lakes Airlines, and Staff. Space allocations/improvements and building construction and equipment were identified and provisions made to address each in the preparation of biddable documents.

On January 6, the Airport Advisory Board identified a preference to pursue the option identified as A-11 which is included in this packet. That plan was forwarded to the FAA for its review and determination of funding eligibility under the Airport Improvement Program (AIP) and the cost share of participation. The FAA assigned participation costs to each of the areas identified for Airport Improvement Program grant assistance:

◆ Hold Area – New Construction	◆ 90/10
◆ Hold Area Rest Rooms –New Construction	◆ 90/10
◆ Lobby	◆ 90/10
◆Lobby Rest Rooms	◆ Partial
◆ Roof	◆ Partial
◆ HVAC	◆ Partial
● Mechanical Upgrade	● Ineligible
● TSA Baggage Check	● Ineligible
● TSA Office/Meeting	● Ineligible
● Commercial Ticket/Office	● Ineligible
● Baggage Claim	● Ineligible
● Rental Booths	● Ineligible
● Conference Room	● Ineligible
● Terminal Office Area	● Ineligible

Discussion

At the meeting of April 3rd, the proposed bid plan was presented with bid documents distributed to contractors on April 7th. Bids for the project were opened on April 30th with copies forwarded to the FAA for plan/bid review and acceptance. A copy of the bid tabulation is attached.

The base bid provides the following items:

CONCRETE PAVEMENT REMOVAL
TRAFFIC CONTROL
MOBILIZATION
UNCLASSIFIED EXCAVATION
CRUSHED AGGREGATE BASE COURSE

STRUCTURAL PORTLAND CEMENT CONCRETE
COMPLETE TERMINAL BUILDING ADDITION
COMPLETE RENOVATION OF PUBLIC TOILET ROOMS #106 & #108
RENOVATION OF SELECTED PUBLIC AREAS OF EXISTING TERMINAL
BUILDING
CONSTRUCTION OF TSA BAGGAGE CHECK ROOM #131
INSTALLATION OF NEW HVAC EQUIPMENT SERVING EXISTING
TERMINAL BLDG
INSTALLATION OF NEW LIGHTING FIXTURES IN EXISTING TERMINAL
BUILDING
RE ROOF EXISTING TERMINAL BUILDING I DEMO EXISTING ROOF
DEMO & REPLACE EXISTING 1" ROOF FIBERGLASS BOARD INSULATION
DEMO & REPLACE EXISTING ROOF WATERPROOF GYPSUM BOARD
UNDERLAYMENT
TSA EQUIPMENT RELOCATION

A more detailed explanation of each item appears in the bid tabulation document included.

Legal Consideration

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

Financial Consideration

As previously noted, the project – if accepted – will receive funding assistance from the FAA AIP grant program in identified match. For those areas of the project fully eligible, the City will fund 10% of the cost and FAA will fund 90%. For the partially eligible, the City will fund the ineligible percentage identified by the FAA plus the 10% match for the eligible FAA portion. The City will bear 100% of the ineligible portions of the project.

Bids were opened on April 30th with the low bid of \$1,188,860 from Paul Wertenberger Construction. Low bidder, by FAA definition, is the bidder with the lowest qualified base bid. Alternates are not considered as FAA will not participate in those items.

Staff will also recommend acceptance of alternates #1 and #8 for this project totaling \$31,325 – 100% city cost.

Alternate #1 installs a 2.5 inch overlay of additional insulation to the current roof area at a cost of \$17,325 to be borne 100% by City;

Alternate #8 provides a temporary hold room for ticketed passengers during the construction of the terminal expansion at a cost of \$14,000 to be borne 100% by the City.

Acceptance of the base bid plus alternates #1 and #8 makes the total construction bid \$1,220,185 and makes the City's match amount including construction engineering \$466,402. The addition of the alternates does not affect construction engineering.

FEDERAL AVIATION ADMINISTRATION AIP GRANT	\$918,783	
Airport Improvement Fund		203,407
Airport Operating Fund		60,800
City Commission Financial Policies' Fund		202,195
City's Match Requirement		\$466,402

Options

The City Commission has the following options:

- Accept the low bid with alternates #1 and #8;
- Accept the low bid;
- Accept the low bid with other alternates;
- Reject all bids;
- Do nothing

Recommendation

Staff recommends the Governing Body accept the low bid including Alternates #1 and #8, contingent upon FAA grant funding; authorize staff to submit the FAA grant application, and take other actions as necessary to complete the project.

Action Requested

Approve Staff's recommendation to accept bid from Paul Wertenberger Construction in the amount of \$1,220,185.00 for airport terminal improvements subject to FAA grant funding and direct Staff to make application to the FAA for grant funding.

Supporting Documentation

Diagram: A-11 Concept
 Engineer's Estimate
 Bid Tabs
 Engineer's Letter of Recommendation

ROOM AREA SCHEDULE					
NUMBER	NAME	AREA SF	ELIGIBLE SF	PRORATED (SF)	INELIGIBLE (SF)
101	VESTIBULE	195	195		
102	LOBBY/WAITING	1467	1467		
103	CONFERENCE	329			329
104	CHAIR STORAGE	11			11
106	WOMENS	221	221		
108	MENS	242	242		
109	MECHANICAL	215		215	
110	TOILET	22	22		
111	PILOT'S LOUNGE	202	202		
112	TSA SCREENING	560	560		
112A	CORRIDOR	78	78		
113	LOUNGE/ FLEX HOLDROOM	525	525		
113A	CORRIDOR	78	78		
113B	CORRIDOR	74	74		
114	CAR RENTAL	48			48
114A	STORAGE	60			60
115	CAR RENTAL	48			48
115A	STORAGE	60			60
116	STORAGE	107		107	
117	TICKET QUEUE	474	474		
118	TICKETING	120			120
119	OFFICE	76			76
121	TOILET	26			26
123	OPERATIONS	275			275
124	BREAKROOM	261	261		
126	BAGGAGE CLAIM	251			251
127	SUPPLIES	11		11	
128	MECHANICAL EQUIPMENT	155		155	
129	JANITOR/STORAGE	85		85	
130	PROCESSING	288			288
130A	TSA BAGGAGE CHECK	217			217
132	MEETING ROOMS	626			626
133	CORRIDOR	266	266		
134	CORRIDOR	103			103
137	FILE ROOM	127			127
138	STORAGE	122		122	
139	AIRPORT MANAGER'S OFFICE	120			120
140	RECEPTION	132			132
150	SECURE HOLD ROOM	964	964		
151	HOLDROOM TOILET - WOMEN	79	79		
152	HOLDROOM TOILET - MEN	46	46		
153	MECHANICAL	79		79	
		9445	5754	774	2917



Engineer's Estimate – Base Bid and Alternates 1-8

Bid Type	Burns & McDonnell
<i>Base Bid</i>	<i>\$1,190,544.00</i>
Bid Alt. 1: Additional Thermal Insulation	\$69,850.00
Bid Alt. 2: Modular Wall Systems Installation	\$8,479.00
Bid Alt. 3: Pedigrid Walk-Off Matt Replacement	\$1,747.00
Bid Alt. 4: Charging Station	\$13,512.00
Bid Alt. 5: Surge Protector	\$10,655.00
Bid Alt. 6: Conference Room Renovation	\$5,196.00
Bid Alt. 7: Light Fixtures – Non AIP Eligible	\$29,940.00
Bid Alt. 8: Temporary Holdroom Expansion Wall	\$11,513.00
<i>Subtotal Bid Alternates</i>	<i>\$150,892.00</i>
Total Base Bid & Bid Alternates	\$1,341,436.00

TABULATION OF BIDS
Hays Regional Airport
Hays, Kansas
Terminal Building Renovations
BASE BID: Terminal Building Renovations
AIP NO. 3-20-0028-030-2013
City of Hays Project NO. 2012-03
Burns & McDonnell No. 74926-01
May 1, 2014

ITEM NO.	SPEC. ITEM NO.	DESCRIPTION OF WORK	UNITS	ESTIMATED QUANTITY	Burns & McDonnell		Paul Wertenberger		Paul Wertenberger (with voluntary reduction)	
					UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	P-101	CONCRETE PAVEMENT REMOVAL	SY	35.00	\$410.83	\$14,379.05	\$70.00	\$2,450.00	\$70.00	\$2,450.00
2	P-102	TRAFFIC CONTROL	LS	1.00	\$12,256.00	\$12,256.00	\$14,000.00	\$14,000.00	\$14,000.00	\$14,000.00
3	P-105	MOBILIZATION	LS	1.00	\$12,257.91	\$12,257.91	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
4	P-152	UNCLASSIFIED EXCAVATION	CY	50.00	\$65.48	\$3,274.00	\$190.00	\$9,500.00	\$190.00	\$9,500.00
5	P-209	CRUSHED AGGREGATE BASE COURSE	SY	12.00	\$146.21	\$1,754.52	\$30.00	\$360.00	\$30.00	\$360.00
6	P-610	STRUCTURAL PORTLAND CEMENT CONCRETE	SY	12.00	\$146.21	\$1,754.52	\$350.00	\$4,200.00	\$350.00	\$4,200.00
7	---	COMPLETE TERMINAL BUILDING ADDITION	LS	1.00	\$353,161.00	\$353,161.00	\$380,000.00	\$380,000.00	\$380,000.00	\$380,000.00
8	---	COMPLETE RENOVATION OF PUBLIC TOILET ROOMS #106 & #108	LS	1.00	\$65,877.00	\$65,877.00	\$66,000.00	\$66,000.00	\$66,000.00	\$66,000.00
9	---	RENOVATION OF SELECTED PUBLIC AREAS OF EXISTING TERMINAL BUILDING	LS	1.00	\$123,424.00	\$123,424.00	\$276,000.00	\$276,000.00	\$266,000.00	\$266,000.00
10	---	CONSTRUCTION OF TSA BAGGAGE CHECK ROOM #131	LS	1.00	\$15,475.00	\$15,475.00	\$26,000.00	\$26,000.00	\$26,000.00	\$26,000.00
11	---	INSTALLATION OF NEW HVAC EQUIPMENT SERVING EXISTING TERMINAL BLDG	LS	1.00	\$354,389.00	\$354,389.00	\$212,000.00	\$212,000.00	\$212,000.00	\$212,000.00
12	---	INSTALLATION OF NEW LIGHTING FIXTURES IN EXISTING TERMINAL BUILDING	LS	1.00	\$104,573.00	\$104,573.00	\$66,000.00	\$66,000.00	\$66,000.00	\$66,000.00
13	---	RE_ROOF EXISTING TERMINAL BUILDING / DEMO EXISTING ROOF	LS	1.00	\$78,348.00	\$78,348.00	\$93,000.00	\$93,000.00	\$93,000.00	\$93,000.00
14	---	DEMO & REPLACE EXISTING 1" ROOF FIBERGLASS BOARD INSULATION	SF	4,500.00	\$5.06	\$22,754.00	\$3.50	\$15,750.00	\$3.50	\$15,750.00
15	---	DEMO & REPLACE EXISTING ROOF WATERPROOF GYPSUM BOARD UNDERLAYM	SF	2,000.00	\$8.43	\$16,867.00	\$1.80	\$3,600.00	\$1.80	\$3,600.00
16	---	TSA EQUIPMENT RELOCATION	LS	1.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
		TOTAL COST OF BASE BID			\$1,190,544.00		Bid Read	\$1,198,860.00	Bid Read	----
							Tabulated	\$1,198,860.00	Tabulated	\$1,188,860.00

TABULATION OF BIDS
Hays Regional Airport
Hays, Kansas
Terminal Building Renovations
BID ALTERNATE 1: TERMINAL BUILDING RENOVATIONS
AIP NO. 3-20-0028-030-2013
City of Hays Project NO. 2012-03
Burns & McDonnell No. 74926-01
May 1, 2014

ITEM NO.	SPEC. ITEM NO.	DESCRIPTION OF WORK	UNITS	ESTIMATED QUANTITY	Burns & McDonnell		Paul Wertenberger		Paul Wertenberger (with voluntary reduction)	
					UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1		PROVIDE EXISTING ROOF WITH 2 ½" ADD'L INSULATION	SF	10,500.00	\$6.65	\$69,850.00	\$1.65	\$17,325.00	\$1.65	\$17,325.00
		TOTAL COST OF BID ALTERNATE 1				\$69,850.00	Bid Read Tabulated	\$17,325.00 \$17,325.00	Bid Read Tabulated	----- \$17,325.00

TABULATION OF BIDS
Hays Regional Airport
Hays, Kansas
Terminal Building Renovations
BID ALTERNATE 8: TERMINAL BUILDING RENOVATIONS
AIP NO. 3-20-0028-030-2013
Burns & McDonnell No. 74926-01
May 1, 2014

ITEM NO.	SPEC. ITEM NO.	DESCRIPTION OF WORK	UNITS	ESTIMATED QUANTITY	Burns & McDonnell		Paul Wertenberger		Paul Wertenberger (with voluntary reduction)	
					UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1		INSTALLATION & REMOVAL OF TEMPORARY HOLDROOM WALL	LS	1.00	\$11,513.00	\$11,513.00	\$14,000.00	\$14,000.00	\$14,000.00	\$14,000.00
		TOTAL COST OF BID ALTERNATE 8				\$11,513.00	Bid Read Tabulated	\$14,000.00 \$14,000.00	Bid Read Tabulated	----- \$14,000.00

TABULATION OF BIDS
Hays Regional Airport
Hays, Kansas
SUMMARY OF BASE BID & BID ALTERNATES
AIP NO. 3-20-0028-030-2013
Burns & McDonnell No. 74926-01
May 1, 2014

BID SUMMARY	Burns & McDonnell	Paul Wertenberger	Paul Wertenberger (with voluntary reduction)
	TOTAL COST	TOTAL COST	TOTAL COST
<i>BASE BID: Terminal Building Renovations</i>	\$1,190,544.00	\$1,198,860.00	\$1,188,860.00
<i>BID ALTERNATE 1: TERMINAL BUILDING RENOVATIONS</i>	\$69,850.00	\$17,325.00	\$17,325.00
<i>BID ALTERNATE 2: TERMINAL BUILDING RENOVATIONS</i>	\$8,479.00	\$12,000.00	\$12,000.00
<i>BID ALTERNATE 3: TERMINAL BUILDING RENOVATIONS</i>	\$1,747.00	\$3,000.00	\$3,000.00
<i>BID ALTERNATE 4: TERMINAL BUILDING RENOVATIONS</i>	\$13,512.00	\$11,000.00	\$11,000.00
<i>BID ALTERNATE 5: TERMINAL BUILDING RENOVATIONS</i>	\$10,655.00	\$2,000.00	\$2,000.00
<i>BID ALTERNATE 6: TERMINAL BUILDING RENOVATIONS</i>	\$5,196.00	\$10,000.00	\$10,000.00
<i>BID ALTERNATE 7: TERMINAL BUILDING RENOVATIONS</i>	\$29,940.00	\$16,000.00	\$16,000.00
<i>BID ALTERNATE 8: TERMINAL BUILDING RENOVATIONS</i>	\$11,513.00	\$14,000.00	\$14,000.00
<i>SUBTOTAL OF BID ALTERNATES</i>	\$150,892.00	\$85,325.00	\$85,325.00
SUMMARY OF BASE BID & BID ALTERNATES	\$1,341,436.00	\$1,284,185.00	\$1,274,185.00



May 3, 2014

Mr. I.D. Creech
 Director of Public Works
 1002 Vine Street
 Hays, Kansas 67601

Re: Engineer's Recommendation for the Terminal Building Renovations Project at the Hays Regional Airport
 AIP No. 3-20-0028-30
 City No. 2012-03
 BMCD No. 74926

Dear Mr. Creech:

Burns & McDonnell has tabulated and confirmed the bid received for the aforementioned project and dated April 30, 2014. The tabulation summary of bids is in Table A. A detailed tabulation of bids is enclosed for your review.

TABLE A

Summary of Engineers Estimated Cost of Construction & Bids Received			
Bid Type	Engineer / Bidder(s)		
	Burns & McDonnell	Paul Wertenberger Construction, Inc.	Paul Wertenberger Construction, Inc. (Including Voluntary Reduction)
<i>Base Bid</i>	<i>\$1,190,544.00</i>	<i>\$1,198,860.00</i>	<i>\$1,188,860.00</i>
Bid Alt. 1: Additional Thermal Insulation	\$69,850.00	\$17,325.00	\$17,325.00
Bid Alt. 2: Modular Wall Systems Installation	\$8,479.00	\$12,000.00	\$12,000.00
Bid Alt. 3: Pedigrid Walk-Off Matt Replacement	\$1,747.00	\$3,000.00	\$3,000.00
Bid Alt. 4: Charging Station	\$13,512.00	\$11,000.00	\$11,000.00
Bid Alt. 5: Surge Protector	\$10,655.00	\$2,000.00	\$2,000.00
Bid Alt. 6: Conference Room Renovation	\$5,196.00	\$10,000.00	\$10,000.00
Bid Alt. 7: Light Fixtures – Non AIP Eligible	\$29,940.00	\$16,000.00	\$16,000.00
Bid Alt. 8: Temporary Holdroom Expansion Wall	\$11,513.00	\$14,000.00	\$14,000.00
<i>Subtotal Bid Alternates</i>	<i>\$150,892.00</i>	<i>\$85,325.00</i>	<i>\$85,325.00</i>
Total Base Bid & Bid Alternates	\$1,341,436.00	\$1,284,185.00	\$1,274,185.00

Mr. I. D. Creech
May 3, 2014
Page 2

All Bidders provided documentation for the items note below. A copy of each item is attached herein.

1. Bid Bond
2. Acknowledgement of Addendums No. 1 and 2.
3. Buy American Certification.
4. DBE Utilization Statement.
5. Contractor's Qualification Statement.

There were no mathematical errors on the submitted bidder's proposal. Based on the bid tabulation, the apparent low bid for the Base Bid and any combination of Bid Alternates is Paul Wertenberger Construction Inc., (PWCI).

The Disadvantage Business Enterprise, (DBE) goal for this project is 4.5%. The apparent low bidder's proposed value of DBE participation is 0.0%. The amount proposed does not meet the target goal.

Based on this statement made by PWCI, they provided documentation supporting their efforts to adhere to the Good Faith Effort criteria. The suggested guidelines as denoted in the project manual and PWCI's efforts are identified as follows:

Good Faith Efforts (actions as described in appendix A to 49 CFR Part 26 may include the following):

1. Soliciting DBE participation through all reasonable and available means. This may include public advertisement and phone calls/faxes to known certified DBE firms.
PWCI Action:
 - a. PWCI obtained from the Kansas Department of Transportation's, (KDOT) website a listing of registered DBE firms recognized by the KDOT.
 - b. PWCI provided documentation of the (KDOT) list and identified who they contacted, the date of contact and action taken.
 - c. PWCI provided follow up documentation to interested bidders with the location of project documents and details on how and when to submit a bid.
 - d. The results of this effort did not yield a positive response.
2. Consult State Department of Transportation office to obtain a list of certified DBE firms.
PWCI Action:
 - a. This effort was completed as noted in item No. 1 above.
3. Providing DBE firms with sufficient information and time to review the project plans and specifications.
PWCI Action:
 - a. This effort was completed as noted in item No. 1 above.
4. Document all contacts with DBE firms. This includes name, address, phone number and date of contact.

Mr. I. D. Creech
May 3, 2014
Page 3

PWCI Action:

- a. This effort was completed as noted in item No. 1 above.

Based on the information provided by PWCI, it is reasonable to assess that a good faith effort has been obtained for this project.

On May 1, 2014, a telephone interview was conducted with PWCI's Mr. Matthew Allen. The purpose of the call was to reaffirm the Contractor's understanding of the project and clarify any outstanding items or concerns of the apparent low bidder. The topics of discussion included the following:

1. Requirements for the Access and Safety Plan submittal
2. Confirmation that the Contractor understands the importance of the Construction Safety and Phasing Plan and their intentions to comply with the requirements.
3. Confirmation that a full-time Superintendent is required for this project. This requirement also applies when the Subcontract work is being performed.
4. Shop drawings need to be submitted in accordance with the Local Provisions of the Project Manual. Shop drawings not complying with the submittal process will be returned without being reviewed.
5. Confirmation that the Contractor will comply with all Quality Control requirements including the associated FAA documentation.
6. Confirmation that the project schedule will be updated at least once per month and at any time a change in schedule occurs.
7. Confirmation that key team members including the project Superintendent will be in attendance for weekly progress meetings.
8. Review of the Construction Phasing Plan and confirmation that the Contractor intends to meet each end date as stated on the contract documents.
9. Confirmation that the Contractor will complete the project within 220 calendar days after the Notice-to-Proceed is issued.
10. Items of Concerns as Stated by the Contractor: The contractor indicates there are no questions or concerns regarding their bid as submitted.

On May 2, 2014, Burns & McDonnell and PWCI discussed the proposed bid with focus on Base Bid Line items No. 9 and 11. The cost associated with these items is provided in Table B.

Based on review of these items, there is a significant difference between the engineer's opinion of cost and the actual proposal value. However, the combined values are very similar. During this telephone discussion it was noted the work required for these items are co-dependent of one another. As a result, it is reasonable to assume the disproportioned values can be attributed to the individual estimator and how the cost efforts were assembled. In consideration of these comments and the combined value of these items being reasonably close it was agreed the apparent low bidder understands the requirements of the proposed work.

Mr. I. D. Creech
 May 3, 2014
 Page 4

TABLE B

Evaluation of Base Bid Line Items No. 9 & 11			
Base Bid Line Item No.	Engineer / Bidder(s)		
	Burns & McDonnell	Paul Wertenberger Construction, Inc.	Paul Wertenberger Construction, Inc. (Including Voluntary Reduction)
Line Item No. 9: Renovation of Selected Public Areas of Existing Terminal Building	\$123,424.00	\$276,000.00	\$266,000.00
Line Item No. 11: Installation of New HVAC Equipment Serving the Existing Terminal Building	\$354,389.00	\$212,000.00	\$212,000.00
Total Line Items No. 9 & 11	\$477,813.00	\$488,000.00	\$478,000.00

Based on the results of the tabulation of bids, review of the bid documentation, discussions with the Apparent Low Bidder, and their willingness to voluntarily reduce their proposed Base Bid proposal in the amount of \$10,000, Burns & McDonnell recommends the following awards:

1. Base Bid to PWCI for the Base Bid in the amount of \$1,188,860.
2. All Bid Alternates to PWCI or for any combination thereof as determined to serve in the best interest of the City of Hays and not to exceed \$85,325.

I trust this information is sufficient for your purposes. If you should have any additional questions or comments regarding this information, please contact me at 816-822-3378.

Sincerely,



David G. Hadel, P.E.
 Project Manager

Enc
 Cc: Nardos Wills, FAA
 John Sparks, BMCD