

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON SEPTEMBER 22, 2022

1. CALL TO ORDER BY CHAIRPERSON: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, September 22, 2022 at 6:30 p.m.

Roll Call: Present: Mason Ruder
Michael Berges
Sandy Jacobs
Absent: Shaun Musil
Reese Barrick

Mayor Ruder declared a quorum was present and called the meeting to order.

2. MINUTES: There were no corrections or additions to the minutes of the regular meeting held on September 8, 2022; the minutes stand approved as presented.

3. FINANCIAL STATEMENT: Kim Rupp, Director of Finance, reviewed the financial summaries of the revenue and expenditure activities of the City of Hays for the month ended August 31, 2022.

Mr. Rupp stated that sales tax funds were not received until September 1, so a period adjustment was made. Month-to-date (MTD) general fund sales tax collections were at \$753,486, which was an increase of \$10,732 or 1.44% as compared to last year. Year-to-date (YTD) general fund sales tax is at \$6,027,935 up \$523,556 or 9.5% from a year ago. The six-month average is at 7%, which was a drop of 5.6% when compared to a year ago. MTD county sales tax collections were at \$93,186, up 3.5% as compared to last year. YTD county sales tax is at \$735,035.

The report of top ten quarter-to-date (QTD) sales tax collections by classification was up \$78,383 or 3.3%. These top ten represent 73% of the total sales tax collections for the running quarter.

The portfolio of certificates of deposit on August 31, 2022 totaled \$3,000,000 with a weighted average interest rate of .06% up .01% from a year ago. The total par value of the US Treasuries is \$62,480,000 with a weighted average yield to maturity of 1.46% up 1.4% from a year ago. The total balance of the Money Market account on August 31, 2022 was \$3,000,000 with a current yield of .05%. Total investments are up \$7,796,946.

Michael Berges moved, Sandy Jacobs seconded, to approve the Financial Report for the month of August, 2022 as presented.

Vote: Ayes: Mason Ruder
Michael Berges
Sandy Jacobs

4. CITIZEN COMMENTS: Megan Zampieri-Lillpopp, the Director of Client Services at Options Domestic and Sexual Violence Services, thanked the Mayor for reading a proclamation recognizing October as Domestic Violence Awareness Month in Hays.

She briefly described some upcoming events they will be holding to help bring awareness and support to survivors of domestic violence. She noted that in the last year in their 18 county service area Options went from providing 9,400 services to 14,058 services.

Commissioner Jacobs stated that increasing awareness is one of the key issues and they are doing a great job at that.

Vice-Mayor Berges stated that it is a valuable service but is also a service that we all wish we wouldn't need. He added he is glad they are there when it is needed.

5. CONSENT AGENDA: A. Educational Sales Tax Enabling Ordinance No. 4020
B. Cereal Malt Beverage License application for Creek Side Resort.

Sandy Jacobs moved, Michael Berges seconded, to approve the Consent Agenda as presented.

Vote: Ayes: Mason Ruder
Michael Berges
Sandy Jacobs

NEW BUSINESS

6. VEHICLE ABATEMENT AT 2708 BARCLAY DRIVE: Jesse Rohr, Director of Public Works, stated that the abandoned vehicle located in the front yard at 2708 Barclay Drive has no current legal tag and is not road worthy; therefore, deeming it inoperable. Up to this point, all proper notification has been given to the owner of the property. If the vehicle is removed by the City, all costs of abatement will be charged to the property owner.

Mr. Rohr stated that since the Work Session last week, the owner has repaired some tires and has the vehicle running. They do not have current registration at this time, but they hope to have that within the next 10 days. Mr. Rohr stated staff is still asking for approval of the Resolution in the event that doesn't happen.

Sandy Jacobs moved, Michael Berges seconded, to approve Resolution No. 2022-013 to abate the vehicle located on the property at 2708 Barclay Drive, 10 days after the approval date.

Vote: Ayes: Mason Ruder
Michael Berges
Sandy Jacobs

7. RESOLUTION APPROVING THE ASSIGNMENT OF THE D & J LAND AND DEVELOPMENT, LLC DEVELOPMENT AGREEMENT: Kim Rupp, Director of Finance, stated that the City of Hays and D & J Land and Development, LLC, whose principles are John E. Brown and Dan Hess, are parties to a Development Agreement dated May 14, 2020, as amended on February 25, 2021. This involves the project at 230th and Interstate 70 for a travel plaza and truck wash. D & J now wish to assign its rights and obligations under the Development Agreement to Hess Land, LLC controlled by Dan Hess. The agreement does allow the assignment per the proposed assignment resolution.

Pursuant to the Development Agreement, certain costs of the project will be paid through Tax Increment Financing (TIF) and the proceeds of a 2.00% Community Improvement District (CID) sales tax. The TIF and CID calendar will

continue without interruption and will continue as originally agreed to. There are no additional incentives being requested and any out-of-pocket expenses will be paid by D & J and Hess Land. The City Attorney along with Special Counsel Gilmore & Bell, P.C. have reviewed all the documents and have found they comply with Kansas law and the City's Economic Development Policy. Given Dan Hess has been involved in this project from the beginning, City staff is comfortable with allowing Mr. Hess to assume responsibility under the Development Agreement.

The Development Agreement governs the rights and responsibilities of the City and the Developer regarding the development of approximately 45 acres generally located near the northwest corner of 230th Avenue and Interstate 70 with some or all of the following uses and improvements, without limitation: construction of a travel plaza, truck wash, one or more full-service hotels and other related hotel uses; restaurant uses; other general commercial development; associated public and private infrastructure; site work; utilities; storm water and drainage; landscaping; and parking facilities.

Michael Berges moved, Sandy Jacobs seconded, to approve Resolution No. 2022-014 approving the Development Agreement assignment and authorizing the City to execute and approve the proposed assignment documentation.

Vote: Ayes: Mason Ruder
Michael Berges
Sandy Jacobs

8. PUBLIC HEARING REGARDING THE ISSUANCE OF THE GROW HAYS INDUSTRIAL REVENUE BONDS AND AN EXEMPTION FROM AD VALOREM TAXATION OF PROPERTY CONSTRUCTED OR PURCHASED WITH THE PROCEEDS OF SUCH: Mayor Ruder declared the public hearing open.

Kim Rupp, Director of Finance, stated that Grow Hays, Inc., a Kansas not for profit corporation, is proposing to construct a 30,000 square foot flexible manufacturing facility to help manufacturing startups to expand their business. Grow Hays is requesting Industrial Revenue Bonds (IRBs) be issued to benefit

the project. Utilization of the IRBs will allow the Developer to obtain a sales tax exemption for all purchases related to the construction of the project and obtain a real property tax abatement for the project for up to 10 years.

Mr. Rupp clarified that the City acts as a conduit issuer and payment obligations solely belong to the Developer. It does not affect the City's debt limit or bond rating. Total cost of the project is estimated to be \$3,781,000. That includes land acquisition, construction, as well as furniture, fixtures, and equipment. The property tax abatement over the 10 years is estimated to be \$828,186. The Developer will front all the costs and other than the IRB issue, there will not be any general obligation or special obligation bonds issued by the City.

Following the public hearing, adopting the Resolution of Intent would allow the Developer to request a sales tax exemption certificate from the State of Kansas for the project and is a strong indication of the City's intent to issue the IRBs in the future to affect the property tax abatement.

There were no public comments.

Michael Berges moved, Sandy Jacobs seconded, to close the public hearing.

Vote: Ayes: Mason Ruder
Michael Berges
Sandy Jacobs

9. RESOLUTION EVIDENCING AN INTENT TO ISSUE GROW HAYS INDUSTRIAL REVENUE BONDS: Sandy Jacobs moved, Michael Berges seconded, to approve Resolution No. 2022-015 evidencing an intent to issue Grow Hays Industrial Revenue Bonds.

Vote: Ayes: Mason Ruder
Michael Berges
Sandy Jacobs

ADD ON ITEM: Toby Dougherty, City Manager, stated a minor modification to the City's Extra Territorial Jurisdiction (ETJ) is being proposed. He explained that an ETJ is a territory outside of the City limits where the City can impose their

regulations on zoning and platting. Cities are allowed to regulate up to three miles outside of their City limits to ensure orderly development and growth.

Mr. Dougherty added that the reason for the proposed change is that Ellis County is moving forward with the new Public Works Facility and it is proposed that area be removed from the ETJ. This would create more County property and he noted that County property has been exempted from the ETJ. He stated that the ETJ boundaries are ever changing and can be modified when needed. He noted that the County Commission is supportive of the proposed change. An ordinance modifying the ETJ will be prepared and brought back to the Commission for consideration at a later date.

10. PROGRESS REPORT: Collin Bielser, Assistant City Manager, presented a monthly report of city-related activities, services, and programs.

11. HAYS HAPPENINGS / UPCOMING EVENTS: Collin Bielser, Assistant City Manager, presented information on events that will be going on in Hays during the month of October.

12. COMMISSION INQUIRIES AND COMMENTS: Commissioner Jacobs requested that discussion regarding Commission meeting times be placed on a future agenda. She added that Ellis County changed their meeting times, and she would like to discuss moving the City Commission meetings to a time during work hours and the benefits that may provide.

Mayor Ruder noted that Thomas More Prep-Marian Homecoming festivities begin this week.

The meeting was adjourned at 7:11 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk