

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON SEPTEMBER 23, 2021

1. CALL TO ORDER BY CHAIRPERSON: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, September 23, 2021 at 6:30 p.m.

Roll Call: Present: Sandy Jacobs
Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

Mayor Jacobs 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 9, 2021; the minutes stand approved as presented.

3. FINANCIAL STATEMENT: Finance Director, Kim Rupp, reviewed the financial summaries of the revenue and expenditure activities of the City of Hays for the month ended August 31, 2021.

Month-to-date (MTD) general fund sales tax collections were at \$742,754 which was an increase of \$39,080 or 5.6% as compared to last year. Year-to-date (YTD), general fund sales tax collections are at \$5,504,378, up \$445,958 or 8.8%. The six month average is at 12.7% which was an increase of 6% when compared to a year ago. MTD county sales tax collections were at \$90,010 with the YTD total at \$664,294.

The portfolio of certificates of deposit on August 31, 2021 totaled \$10,000,000 with a weighted average interest rate of .05% down .84% from a year ago. The total par value of the US Treasury Notes is \$11,850,000 with a weighted average yield to maturity of .06%. The total balance of the Money

Market account on August 31, 2021 was \$38,750,000 with a current yield of .05%. Total investments are up \$4,838,492.

Ron Mellick moved, Shaun Musil seconded, to approve the Financial Report for the month of August, 2021 as presented.

Vote: Ayes: Sandy Jacobs
Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: There were no items on the Consent Agenda for consideration.

NEW BUSINESS

6. UPDATE ON INTERSTATE 70 EXIT 157 BRIDGE REPLACEMENT:

Jonathan Marburger, JEO Consulting Group, presented information regarding the Interstate 70 Exit 157 bridge replacement. They are the engineering group that contracted with the Kansas Department of Transportation (KDOT) to redesign the bridge at Exit 157.

Mr. Marburger stated that rather than a replacement project, the bridge has been upgraded to a modernization project to accommodate more traffic as the area northwest of Hays is developed.

Interstate 70 Exit 157 offers a key connection around the City of Hays. With needed replacement of the US-183 Bypass bridge over I-70, a review was completed to understand how bridge improvements fit into the broader context of the associated interchange and area developments. Following this review, it was determined that the existing conditions were not sufficient to accommodate future demands, and a proposed concept design was chosen for implementation.

Considerations for the concept design included:

- Safety
- Future traffic demands

- Accomodation of over-size vehicles
- Pedestrian accommodation
- Traffic handling
- Planned improvements at Exit 159
- Planned development of a major Travel Plaza
- Planned improvements to 230th Avenue, Feedlot Road, and 55th Street north of the interchange
- Other adjacent businesses and growth

Mr. Marburger stated the concept report and preliminary design is completed. He noted that KDOT will be holding a local consult meeting in October. They will analyze the next two years of construction pipeline funding and will want to hear from local communities as to what their needs are, and what projects they want to have included in the Eisenhower Legacy Transportation Program (IKE) construction pipeline.

Commissioner Mellick asked when and where the local consult hearing will be held. Mr. Marburger stated originally it was to be held in Hays, but due to the ongoing pandemic, all of the meetings will be held online. Mayor Jacobs stated the City of Hays will host the online meeting for County leaders and anyone that wants to participate on October 6, 2021.

7. RESOLUTION MAKING FINDINGS AS TO THE PROPOSED FRONTIER APARTMENTS, LLC RURAL HOUSING INCENTIVE DISTRICT (RHID): Kim Rupp, Director of Finance, reported that Frontier Apartments, LLC has submitted an application for a Rural Housing Incentive District (RHID). Their project involves an adaptive reuse and historic preservation project to create 12 high quality moderate income apartments inside the former St. Joseph's School located at 210 West 13th Street.

Mr. Rupp stated the first step in the RHID process is adopting a resolution making certain housing needs findings and determinations. Following adoption and publication, the resolution would then be sent to the Kansas Secretary of Commerce for approval to move forward with the RHID creation process.

Mr. Rupp reviewed the RHID process. An RHID is defined by the city or county establishing the district and it is based on a housing needs analysis. The last housing needs analysis was completed by the Docking Institute at Fort Hays State University in 2017. The analysis must show a shortage of quality housing, that the shortage is expected to persist, that the shortage is a substantial deterrent to future economic growth, and development of quality housing is dependent on incentives. The proposed Frontier Apartments, LLC fits within the findings of the 2017 report. The RHID captures 100% of incremental property taxes less 1.5 mills to the state and 20 mills to the school district. The taxes can be captured for up to 25 years per project and can be financed by either bonds or pay as you go.

The City's Economic Development Policy prohibits bond financing; therefore, the proposed development would be pay as you go. At expiration, the total improved valuation will be restored to all taxing jurisdictions. Mr. Rupp noted that given this property was owned by a religious community, it has been exempt from real property taxes since its inception in 1908. Also, one of the reasons this developer is able to apply the RHID to this project is because state statute regarding RHIDs was expanded to include preservation of historic buildings, those older than 25 years, for residential use in a central business district.

Total cost of the project is estimated to be \$2,640,000; that includes acquisition cost, construction work as well as soft costs such as architect, loan interest, consultants, developer fees, travel, and appliances. Based on current project cost estimates, the developer estimates that approximately \$1,782,500 of the total project costs are RHID-eligible expenses under State law and the City's Economic Development Policy. Based on current plans to develop the project, it is estimated that the RHID would generate approximately \$450,000 in incremental property tax revenues over the 20-year term of the RHID.

According to the developer, Frontier Apartments, LLC will feature eight one-bedroom units averaging 770 square feet and four two-bedroom units averaging 1,000 square feet. These units would be available to people whose income falls within a minimum and maximum range.

Mason Ruder moved, Michael Berges seconded, to adopt Resolution No. 2021-014 making certain housing needs findings and determinations.

Vote: Ayes: Sandy Jacobs

Mason Ruder

Michael Berges

Ron Mellick

Shaun Musil

8. RESOLUTION SUPPORTING THE APPLICATION OF FRONTIER APARTMENTS, LLC FOR A MODERATE INCOME HOUSING GRANT: Kim

Rupp, Director of Finance, stated Frontier Apartments, LLC submitted an application for economic incentives and the required application fee relating to a residential project and related infrastructure.

The developer is also requesting the City support an application for a Moderate Income Housing Grant (MIH Grant) to further support the project. MIH Grants are funded by the State of Kansas and administered by the Kansas Housing Resources Corporation (KHRC). According to the KHRC Request for Proposals, MIH Grant applications will be prioritized if the proposed project will utilize RHID financing. Therefore, participation from the City and other local taxing jurisdictions in RHID financing may result in additional project funding from the State.

MIH Grant applications must include a resolution from the governing body of an eligible city or county indicating support for the project. Adopting the MIH Resolution would allow the developer to continue with the preparation and submission of an application for a \$360,000 MIH Grant. If awarded, the developer will assume all responsibilities related to the MIH Grant program, including documentation of eligible costs and eligible tenants.

Michael Berges moved, Mason Ruder seconded, to adopt Resolution No. 2021-015 in support of a Moderate Income Housing Grant Application.

Vote: Ayes: Sandy Jacobs
Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

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

10. HAYS HAPPENINGS/UPCOMING EVENTS: Melissa Dixon, Director of the Convention and Visitors Bureau, presented information on events that will be going on in Hays during the month of October.

11. COMMISSION INQUIRIES AND COMMENTS: Commissioner Musil stated the ARC Park is a great addition to our community and thanked everyone that helped with this project.

Mayor Jacobs stated she appreciates the help the City of Hays Parks Department provided in getting the ARC Park going, and for maintaining the park now that it is open.

The meeting was adjourned at 7:20 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk