

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON NOVEMBER 9, 2023

1. CALL TO ORDER BY CHAIRPERSON: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, November 9, 2023 at 4:00 p.m.

Roll Call: Present: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham
Mason Ruder

Mayor Musil 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 session held on October 26, 2023; the minutes stand approved as presented.

3. CITIZEN COMMENTS: There were no comments.

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

NEW BUSINESS

5. FORT HAYS STATE UNIVERSITY (FHSU) UPDATE: Dr. Tisa Mason, FHSU President, provided an update in regard to Fort Hays State University. She stated that for academic year 2023, FHSU served nearly 17,000 students. These students represent every county in Kansas, all 50 states, 47 different countries, and every military branch. She added that the economic impact for Ellis County alone is estimated to be between \$167.8M and \$239.2M for fiscal year 2022.

Jason Zeller, Assistant Professor for the Department of Informatics, provided information regarding the Cybersecurity Institute and Technology

Incubator (CITI). CITI is a program funded by the State of Kansas to offer cybersecurity services to small and medium sized businesses. FHSU students are educated to handle service requests from businesses through a micro internship framework.

6. REZONING REQUEST FROM AGRICULTURE DISTRICT (A-L) TO PUBLIC AND INSTITUTIONAL DISTRICT (P-I) AND LIGHT INDUSTRIAL DISTRICT (I-1) FOR WERTH DEVELOPMENT GROUP, LLC:

Jesse Rohr, Director of Public Works, noted that the next three agenda items are in regard to the same property owned by Werth Development Group, LLC.

An application has been submitted to request a change in zoning from Agriculture District (A-L) to Public and Institutional District (P-I) and Light Industrial District (I-1) for two tracts of land located just north of Interstate 70 on the west side of Hall Street. The size of the combined two tracts is 57.6 acres. The owners wish to rezone the properties and make them available for development. Staff, as well as the Hays Area Planning Commission, by a vote of 5-0, recommend approving this request as it is compatible with the Comprehensive Plan's objectives for transitioning property from agriculture to more specific land use.

The properties are not currently located within the city limits of Hays; however, annexation will be considered prior to development occurring. This is the proposed location for the new Army National Guard facility.

Sandy Jacobs moved, Reese Barrick seconded, to adopt Ordinance No. 4040 approving the change in zoning from Agriculture District (A-L) to Public and Institutional District (P-I) and Light Industrial District (I-1) for two tracts of land located just north of Interstate 70 along Hall Street as legally described.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham
Mason Ruder

7. WDG FIRST ADDITION – FINAL PLAT: Jesse Rohr, Director of Public Works, stated that in addition to the request for rezoning, an application has been submitted for the final plat of WDG First Addition. These properties are owned by Werth Development Group, LLC, and located just north of Interstate 70 on the west side of Hall Street. The land has been in crop cultivation for many years. The proposed plat includes two lots. The size of lot one is 25 acres, and lot two is 29.3 acres. The final plat meets the requirements of the current subdivision regulations regarding lot size, setbacks, and specific utility requirements. Staff, as well as the Hays Area Planning Commission, by a vote of 5-0, recommend approving the final plat of the WDG First Addition.

Mason Ruder moved, Alaina Cunningham seconded, to approve Resolution No. 2023-020 accepting the WDG First Addition Final Plat.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham
Mason Ruder

8. ANNEXATION OF WERTH DEVELOPMENT GROUP, LLC PROPERTY:

Jesse Rohr, Director of Public Works, stated the property owner, Werth Development Group, LLC, has also submitted a signed consent to annex application for these two tracts of land located just north of Interstate 70 along Hall Street, and desires to annex to allow for future development of the property. Staff recommends annexing this property due to it being contiguous to the City limits and is logical in terms of orderly development.

The north lot is being proposed for a new Army National Guard Hays Readiness Center. No current plans have been received for the south lot as of yet.

Mr. Rohr added that because of the Road Agreement that was approved in conjunction with Ellis County this summer, annexation of the Werth property will require the City to maintain Hall Street from its current maintenance terminus

responsibility, just south of the Hall Street Interstate 70 bridge, to the Werth's northern property line.

Alaina Cunningham moved, Mason Ruder seconded, to adopt Ordinance No. 4041 annexing two tracts of land located just north of Interstate 70 along Hall Street as legally described within the adopting ordinance.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham
Mason Ruder

9. PROPOSED UNIFIED DEVELOPMENT CODE (UDC) AMENDMENTS: Jesse Rohr, Director of Public Works, stated that staff has identified regulations within the Unified Development Code (UDC) for suggested changes. The goal is to make it easier to develop properties and clarify sections within the UDC. All the proposed changes are either reducing restrictive regulations or adding options for developers. Staff recommends changes to various sections of the UDC including allowing storage units in C-2 and I-2 zoning districts, reducing setbacks and minimum lot size in planned developments to allow for increased density, and allowing cul-de-sacs up to 650 feet in length.

Staff is proposing the following changes in regard to self-storage:

1. Allow in I-1 as allowed currently (no change)
2. Allow in I-2 as currently allowed in I-1
3. Allow in C-2 with the following conditions:
 - Interior accessed units only
 - Existing buildings only
 - No storage units may be located north of I-70 or on properties with Vine Street frontage or that have direct access from Vine Street.

A lengthy discussion was held at the November 2, 2023 work session regarding the location of self-storage units and the protection of certain

properties for other uses. If approved as proposed, the areas along Vine Street would not be allowed to have storage units.

Staff also evaluated the UDC regulations regarding planned developments and recommend changes to allow more flexibility for the developer. The changes should provide for more density as well as a greater variety of different uses, such as community spaces or other acceptable commercial-type facilities within the development.

Staff, as well as the Hays Area Planning Commission, also recommend allowing the maximum length of a cul-de-sac to be 650 feet with justification due to special conditions of the proposed platted area.

Mason Ruder moved, Alaina Cunningham seconded, to approve Ordinance No. 4042 adopting the various UDC amendments as presented and drafted in the adopting ordinance.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham
Mason Ruder

10. 10TH AND WALNUT MODERATE INCOME HOUSING (MIH) RESOLUTION

OF SUPPORT: Jarrod Kuckelman, Management Analyst, stated the City is in receipt of a request from Michael Graham of Michael D. Graham Rentals, LLC, to apply for \$650,000 in Moderate Income Housing (MIH) grant funding to construct a 48-unit multi-family housing project. The project would include two separate buildings, with 24 units in each building. It will consist of 36 1-bedroom units and 12 2-bedroom units. The developer estimates the cost of the project to be approximately \$5.8 million. The project is proposed to be constructed on property owned by the City, located at 10th and Walnut, more commonly known as the parking site for the old train depot. Michael Graham's other successful infill apartment projects include the 7th and Oak Street project and the current building project that is going on at 4th and Fort Street.

Mr. Kuckelman stated that earlier this year a resolution of support for an MIH-ARPA grant for this project came before the Commission. Unfortunately, the MIH-ARPA grant was not awarded, so now a traditional MIH grant application is being submitted.

Only cities or counties with populations under 60,000 are eligible to apply for the MIH Grant Program, and grant applications must include a resolution from the governing body indicating community support for the project. Adopting the resolution would allow the developer to continue with the preparation and submission of an application for \$650,000 in MIH funding.

The MIH Grant would technically be between the City of Hays and the Kansas Housing Resources Corporation (KHRC), as cities and counties are required to be the official applicants. The grant requirements include monthly reports, reimbursement requests, and tracking of tenant income for five years. Because City Staff doesn't have the capacity to track this, the City Attorney has drafted an Assumption Agreement and Personal Guaranty to help with this. Under the Assumption Agreement the City unconditionally assigns all Grant Agreement rights and obligations to Mike Graham's LLC, with such LLC bound by all of the terms. Under the Personal Guaranty, Mike Graham personally, irrevocably, and unconditionally guarantees to the City prompt payment of all amounts due under the agreement, prompt performance of all Grantee/Assignee obligations as well as the City's fees and expenses of collection.

Reese Barrick moved, Sandy Jacobs seconded, to adopt Resolution No. 2023-021 in support of a Moderate-Income Housing Grant application.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham
Mason Ruder

11. RESOLUTION MAKING CERTAIN HOUSING NEEDS FINDINGS AND DETERMINATIONS: Kim Rupp, Director of Finance, stated Michael D. Graham Rentals, LLC, the Developer, submitted an application for a Rural Housing

Incentive District (RHID) for the multi-family housing project that was discussed in the previous agenda item. The Developer seeks to construct two structures containing an aggregate total of 48 apartment units to be located at 10th and Walnut Street, the old train depot parking lot property. The proposed project would be constructed on property currently owned by the City. The City would transfer the property to the Developer upon approval of an improvement plan.

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

Total cost of the project is estimated to be \$5.8M. Based on current project cost estimates, the Developer estimates that approximately \$572,500 of the total project costs are RHID-eligible expenses under State law and the City's economic development policy. Those costs eligible for reimbursement include engineering, design, site prep, and utility connections. Based on current plans, it is estimated that the RHID would generate approximately \$1,245,709 in incremental property tax revenues over the 25-year term of the RHID. Only eligible RHID reimbursable expenses will be made available to the developer. Developer expects to begin construction late in the first quarter of 2024 following all City approvals.

Alaina Cunningham moved, Reese Barrick seconded, to adopt Resolution No. 2023-022 making certain housing needs findings and determinations.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham
Mason Ruder

12. UPDATE FROM THE YOUTH LEADERSHIP ADVISORY BOARD: Eryn Cox, Chairperson for the Youth Leadership Advisory Board, along with other board members, updated the Commission on various projects and events they

have held and are working on. The Board consists of seven members of the community that are high school students and are appointed by the Mayor. Their main goal is to promote and encourage community development, involvement, and other participation with young leaders within the community. The Commissioners thanked the board members for everything they have accomplished in a short period of time.

ADD ON – COMMON CONSUMPTION AREA UPDATE: Collin Bielser, Deputy City Manager, updated the Commission on the Common Consumption Area (CCA), which was established by Ordinance on August 24, 2023.

A Common Consumption Area is a defined area, where individuals can possess and consume alcoholic liquor outside of a licensed bar, restaurant, or other eligible establishment that is permitted to sell alcoholic beverages by the State of Kansas.

City staff have been working with Alcohol Beverage Control (ABC) in applying for a permit as well as meeting signage requirements. The City's CCA permit has been approved and it is posted in the Union Pacific Plaza shadow box. Letters were sent out notifying downtown business owners that the CCA District is live. Businesses that meet the requirements can now apply for a permit through the State to participate in the CCA. Resources and Frequently Asked Questions can be found on the City of Hays Website.

CITY MANAGER COMMENTS: Toby Dougherty, City Manager, stated that the Administrative Law Judge formally ended the Water Transfer Hearing in the R9 Development Process. The Judge now has up to 90 days to issue his ruling on the proposed transfer. Once his ruling is determined the Hearing Panel has up to 90 days to ratify or modify that decision.

Mr. Dougherty also notified the Commission that in May of 2022 the Governing Body awarded bids for the purchase of three dump trucks for the Public Works, Service Division. The low bid was from Wichita Kenworth in the amount of \$564,974. Jesse Rohr, Director of Public Works, was notified that Wichita Kenworth is choosing not to honor their bid. They have the trucks but will not deliver them for the bid price and are requesting \$182,000 more than what

they bid. Following consultation with the City Attorney, staff will send this out for bid again.

13. COMMISSION INQUIRIES AND COMMENTS: Commissioner Ruder thanked the Youth Advisory Board for the update. He also thanked everyone that voted in the recent election and for allowing the incumbents to serve again.

Commissioner Cunningham echoed those comments and thanked the voters for their support and allowing them to continue to serve the community.

Commissioner Barrick stated the Kansas Museums Association Conference was hosted in Hays. He heard many positive comments about Hays. He also commented that there were 50 students inducted into the National Honor Society. He added that there are going to be a lot of great leaders coming and we can be very proud of that.

Mayor Musil and Vice-Mayor Jacobs congratulated Mason Ruder, Alaina Cunningham, and Reese Barrick for being elected to serve again on the City Commission.

The meeting was adjourned at 5:25 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk