

Memo

To: City Commission
From: Toby Dougherty, City Manager
Date: October 29, 2025
Re: November 6, 2025 Work Session

Please find attached the agenda and supporting documentation for the November 6, 2025 Work Session.

Item 2 – 2026 Health Insurance for City of Hays Employees

Please refer to the attached memorandum from Erin Giebler, Director of Human Resources, regarding the 2026 health insurance program. The City received a renewal from Blue Cross Blue Shield that amounted to a 12.8% increase; therefore, we chose to go to market. We received only two proposals. Both were significantly higher than the Blue Cross renewal. As explained in Erin's memo, a good portion of our increase is due to utilization, and the rest of it can be attributed to market inflation.

Item 3 – North Side Multi-Use Path – Concurrence with KDOT Award of Bid and Approval of Matching Funds

KDOT Solicited proposals for the North multi-use path, with the low proposal from Morgan Brothers. City Staff is seeking concurrence with KDOT's intent to award the bid. We are also seeking permission to pay our share of the project. Staff has added a contingency amount to our share in case there are issues that arise during construction. We hope not to spend it.

Item 4 – Resolution Making Certain Housing Needs, Findings and Determinations (RHID for Lincoln School)

Please refer to the attached memorandum from Jarrod Kuckelman, Assistant City Manager, regarding the former Lincoln Elementary School property RHID. This item is part of the RHID process that the developer plans to use to redevelop the property.

Item 5 – Midwest Energy Utilities Agreements – Tallgrass Phase 4

Please refer to the attached memorandum from Jarrod Kuckelman regarding the Midwest Energy utilities agreements. The City is working with Grow Hays and the Heart of America

Development Corporation to develop Tallgrass Phase 4. Part of that process requires gas and electric installation. Midwest Energy requires prepayment for those items. If approved, Midwest Energy will be paid from the temporary notes that will cover all of the other infrastructure costs in the development. Those costs will ultimately be paid by RHID revenues.

Item 6 – Resolution Evidencing an Intent to Issue Industrial Revenue Bonds (Exit 157 24/7)

Please refer to the attached memorandum regarding the intent to issue industrial revenue bonds for the 24/7 project at Interstate 70, Exit 157. This is one step in a package of economic incentives the developer is requesting to develop a travel plaza at Exit 157. The City Commission has already created a tax increment financing (TIF) district on the property. This item is the first step in the industrial revenue bond process. City staff will subsequently bring forward the TIF project plan as well as the CID details as part of an overall development agreement.

Item 7 – Resolution Evidencing an Intent to Issue Industrial Revenue Bonds (Agiliti)

Please refer to the attached memorandum regarding industrial revenue bonds for the Agiliti project. Agiliti has purchased the Sizewise facility on Commerce Parkway and is looking to expand. To facilitate that expansion, they are asking for the utilization of industrial revenue bonds as well as the property tax abatement that comes with those bonds. City staff and bond counsel have reviewed the request and see no issues.

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CITY COMMISSION WORK SESSION

City Hall, 1507 Main Street, Hays, KS

Thursday, November 6, 2025 – 4:00 P.M.

AGENDA

1. **October 16, 2025 Work Session Notes (PAGE 1)**
Department Head Responsible: Kim Rupp, Director of Finance
2. **2026 Health Insurance for City of Hays Employees (PAGE 5)**
Department Head Responsible: Erin Giebler, Director of Human Resources
3. **North Side Multi-Use Path – Concurrence with KDOT Award of Bid and Approval of Matching Funds (PAGE 15)**
Department Head Responsible: Jeff Boyle, Director of Parks
4. **Resolution Making Certain Housing Needs, Findings and Determinations (RHID for Lincoln School) (PAGE 23)**
Staff Member Responsible: Jarrod Kuckelman, Assistant City Manager
5. **Midwest Energy Utilities Agreements – Tallgrass Phase 4 (PAGE 43)**
Staff Member Responsible: Jarrod Kuckelman, Assistant City Manager
6. **Resolution Evidencing an Intent to Issue Industrial Revenue Bonds (Exit 157 24/7) (PAGE 49)**
Staff Member Responsible: Jarrod Kuckelman, Assistant City Manager
7. **Resolution Evidencing an Intent to Issue Industrial Revenue Bonds (Agiliti) (PAGE 65)**
Staff Member Responsible: Jarrod Kuckelman, Assistant City Manager
8. **Other Items for Discussion**
9. **Executive Session (if required)**
10. **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
Thursday, October 16, 2025 – 4:00 p.m.

Present: Sandy Jacobs, Mason Ruder, Alaina Cunningham, Reese Barrick, Shaun Musil, Toby Dougherty, and Don F. Hoffman

September 18, 2025 Work Session Notes

There were no corrections or additions to the minutes of the work session held on September 18, 2025; the minutes stand approved as presented.

2025 Sanitary Sewer Cleaning and Inspection – Award of Bid

Jeff Crispin, Director of Water Resources, stated that the Department of Water Resources is continuing its annual program to clean sanitary sewer mains to ensure proper operation and maintenance of the collection system. Staff received four proposals for the 2025 program and recommends accepting the low bid to perform light cleaning and video inspection of 116,953.38 linear feet (22.15 miles) of sanitary sewer at the price of \$145,022.22 from CC Steel, LLC of Fargo, North Dakota. The 2025 program continues the goal of cleaning sanitary sewer lines on a five year cycle.

In addition to the approval for CC Steel, LLC to perform light cleaning at \$145,022.22, staff is requesting authority to spend up to \$150,000. The additional authority would help cover medium and heavy cleaning where needed, protruding tap intrusion removal, root removal, and when needed, small, medium, and large patches.

Discussion was held about past years' sewer cleaning and what to expect as the City continues to grow.

At the October 23, 2025 Commission Meeting, Commissioners will be asked to authorize the City Manager to enter into a contract with CC Steel, LLC to perform light cleaning and video inspection of 116,953.38 linear feet of sanitary sewer at a price of \$145,022.22, with a budget authority not to exceed \$150,000, to be funded from the Repairs and Maintenance line item in the Water Reclamation and Reuse Budget.

Massey Park Playground Equipment – Award of Bid

Jeff Boyle, Director of Parks, stated that the existing playground equipment at Massey Park is in poor condition; it was installed in 2002 with a life expectancy of 20 years. Request for Proposals for new playground equipment were sent out, and twenty-three proposals were received. The selection committee reviewed all of the proposals and unanimously chose the Aspire 2 Play proposal 273-1. An amount of \$120,000 is budgeted in the 2025 Special Park and Recreation Budget for this purchase. City Staff recommends approval of the Aspire 2 Play playground equipment proposal 273-1 for an amount of \$119,363.25.

At the October 23, 2025 Commission Meeting, Commissioners will be asked to approve the proposal from Aspire 2 Play for an amount of \$119,363.25 with budgeted funds from the 2025 Special Park and Recreation Budget.

Consent to Vacate Annexation (Deannex) Plat of DK Ranch Addition

Jesse Rohr, Director of Public Works, stated that the property owners, BJKT, LLC and Sing Along Ranch, LLC, have submitted consent under K.S.A. 12-504 et seq. to vacate annexation and pursue deannexation. The current plat of the area under consideration is the DK Ranch Addition, a large lot development that was platted in 2013 but never developed. The property was sold and is now being replatted into a more efficient residential subdivision. The owner also purchased the adjacent undeveloped lots along the west side of Columbine Drive (Country Club Estates Sixth Addition), which is not currently annexed property. The proposed Smoky Hill Plains Addition Plat will encumber these lots. The overall project includes deannexing and vacating the undeveloped DK Ranch Addition, replatting and annexing land along Columbine Drive, and ultimately annexing the new Smoky Hill Plains Addition. Public notice is required to initiate this process.

At the October 23, 2025 Commission Meeting, Commissioners will be asked to authorize issuance of the public notice for the vacate annexation of the DK Ranch Addition as legally described within the signed consent.

Other Items for Discussion

Commissioner Musil asked for an update on the Rodeway Inn.

City Manager, Toby Dougherty, stated that the abatement was approved several months ago by the Commission. There has been some progress in the form of talks between Grow Hays, the property owner, and potential developers; however, it is happening very slowly. Staff went out this week to solicit quotes to see how much it would cost if the City had to demolish the building and haul it off. The City is hoping the market will work so the owner will sell to the developer, and the property will be redeveloped.

Commissioner Barrick shared the importance of respect. When topics come up in town that are controversial, being able to express differences in opinion in a respectful and constructive manner is extremely important. When we can all communicate and respect others' opinions, even if they are polarizing opposites, that's the prime example of a great community.

Commissioner Cunningham, Commissioner Ruder, and Mayor Jacobs spoke on how amazing the community support has been over the loss of Sergeant Scott Heimann.

Executive Session

Commissioner Ruder moved, Commissioner Cunningham seconded, that the Governing Body recess to an executive session at 4:50 p.m. for a period not to exceed 15 minutes to include the City Commission, City Manager, Deputy City Manager, Assistant City Manager, Project Manager, and City Attorney to discuss the possible acquisition of real property.

Vote: Ayes: Sandy Jacobs

Mason Ruder

Alaina Cunningham

Reese Barrick

Shaun Musil

Commissioner Barrick moved, Commissioner Cunningham seconded, that the Governing Body recess to an executive session at 5:05 p.m. for a period not to exceed 10 minutes to include the City Commission, City Manager, Deputy City Manager, Assistant City Manager, Project Manager, and City Attorney to discuss the possible acquisition of real property.

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

No action was taken within the executive session, which ended at 5:11 p.m.

The work session was adjourned at 5:11 p.m.

Submitted by: _____

Jami Breit –City Clerk



City Commission Work Session

Agenda Memo

From: Erin Giebler, Director of Human Resources

Work Session: November 6, 2025

Subject: 2026 Health Insurance for City of Hays Employees

Person(s) Responsible: Erin Giebler, Director of Human Resources

Summary

The City of Hays has received the renewal rates from Blue Cross Blue Shield of Kansas (BCBSKS) for 2025, indicating a 12.8% increase. After evaluating the received bids, staff recommends approving the 2026 health insurance renewal contract with Blue Cross Blue Shield.

With employee contributions, the health insurance recommendation will remain within the budgeted amount for 2026 under the Employee Benefit Levy.

Background

In 2017, the City switched to Blue Cross Blue Shield of Kansas, introducing a triple option plan: High Deductible Health Plan (HDHP), Premium Plan, and Base Plan. Between 2018 and 2024, the City's average renewal rate was 0.52%. The 2025 renewal saw a larger increase of 12.79%, due to a combination of increased utilization, rising drug prices, and medical cost escalations.

On average, approximately 63% of those enrolled in the City's health insurance chose the HDHP, 20% selected the Premium Plan, and 16% opted for the Base Plan.

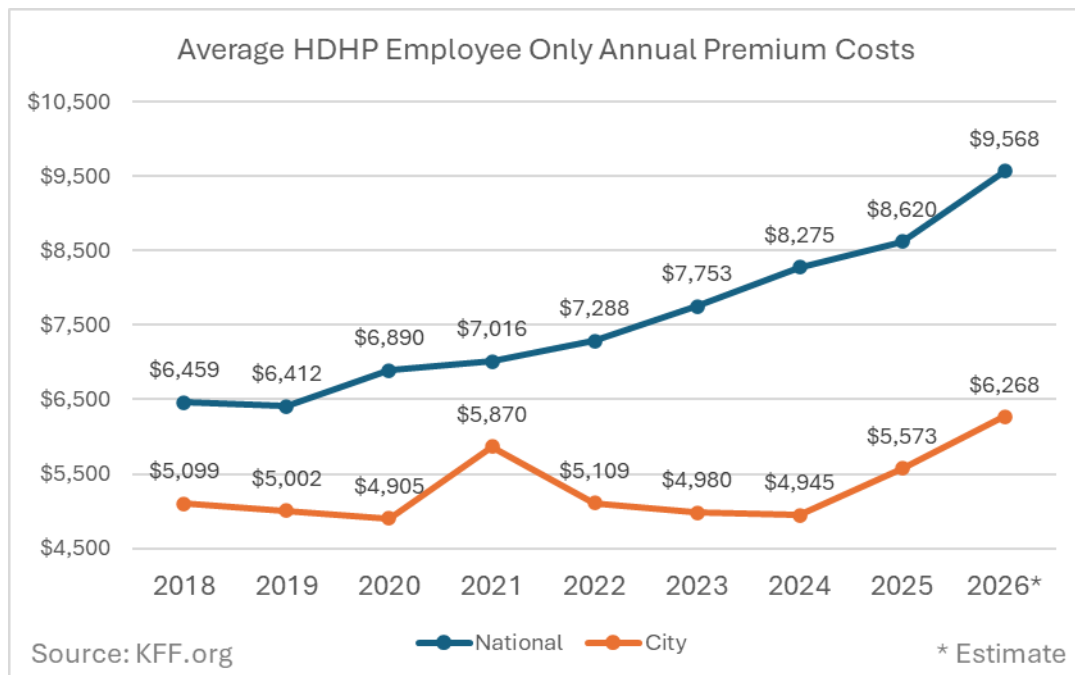
Discussion

Since this is the second year of high renewal rates, bids were sought to ensure the City had received a competitive rate.

The bids collected by our consultant, Freedom Claims, were:

- BCBS – 12.8%
- Aetna - Declined to Quote (Said they can't be competitive)
- United Health Care - 21.2% Increase
- Cigna – No Response
- KMIT Pool – 25.7% Increase

Even with the renewal rate of 12.8%, the City's premiums are still well below the national average.



To stay within budget, staff recommends discontinuing the City's employer HSA contribution and increasing premiums. The Wage and Benefit Committee also agrees with this recommendation.

	HDHP	Premium	Base
Deductible (Single/Family)	\$3,400/\$6,800	\$1,500/\$3,000	\$2,500/\$5,000
Co-Insurance (Insurance Paid)	100%	80%	60%
Co-Insurance Out of Pocket	\$0/\$0	\$1,000/\$2,000	\$2,000/\$4,000
Office Visit (Primary Care/Specialist)	Deductible	\$25/\$50	\$30/\$60
Prescriptions	Deductible then \$15/\$50/\$75/ \$150/20% up to \$250	\$15/\$50/\$75/ \$150/20% up to \$250	\$15/\$50/\$75/ \$150/20% up to \$250
Employee Bi-Weekly Costs			
Employee Only	\$14.01 \$21.70	\$60.49 \$77.12	\$28.06 \$38.66
Employee/Spouse	\$30.08 \$46.57	\$129.9 \$165.55	\$59.77 \$82.99
Employee/Child(ren)	\$28.36 \$43.90	\$122.43 \$156.04	\$56.33 \$78.22
Family	\$44.43 \$68.77	\$191.84 \$244.48	\$88.26 \$122.55
HSA Employer Contribution	\$625 \$0		

These recommended premium rates are still in line with, and often much lower than, comparable plans.

Legal Consideration

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

Financial Consideration

The 2026 budget contains \$2,013,000 for health insurance. The proposed health insurance plan will not exceed the budget and will be funded out of the Employee Benefit Levy.

Options

The City Commission has the following options:

- Approve the 2026 Health Insurance Contract by BCBSKS
- Deny the request and provide City Staff with additional direction

Recommendation

City staff recommends approval of the 2026 health insurance contract with Blue Cross Blue Shield.

Action Requested

Authorize the City Manager to sign an agreement with Blue Cross Blue Shield of Kansas to provide employees with a triple-option health insurance, not to exceed \$2,013,000 and to be funded out of the Employee Benefit Levy Fund.

Supporting Documentation

2026 Blue Cross Blue Shield Renewal Contract

1. Group Name: HAYS CITY EMPLOYEES

MPN: 07737

*** HCR Grandfathered: N ***

	Health/RX Contracts				
	EMP	ECH	ESP	FAM	Total
Option A:	11	4	6	12	33
Option B:	9	3	3	11	26
HDHP:	33	11	13	45	102
	53	18	22	68	161

	Dental Contracts				
	EMP	ECH	ESP	FAM	Total
	50	15	13	43	121

2. Experience Period: 08/01/2024 - 07/31/2025
Renewal Period: 01/01/2026 - 12/31/2026

	Administration	Estimated	Annual		Group Reserve	Desired Loss	Credibility
3. Factors	Expense	IBNR	Trend	Retention	Factor	Ratio	Factor
A. Blue Cross	1.00%	13.0%	5.3	7.76%	N/A	92.24	60.0
B. Blue Shield	1.00%	9.0%	3.9	7.76%	N/A	92.24	60.0
C. Dental	3.80%	9.0%	4.0	7.70%	N/A	92.30	35.0
D. Drug	0.70%	1.0%	5.4	7.76%	N/A	92.24	60.0

	***** HEALTH / DRUG *****			***** DENTAL *****		
	Billed Charges	Allowed Charges	Payments	Billed Charges	Allowed Charges	Payments
4. Incurred & Paid Claims	\$ 4,930,362.57	\$ 2,180,380.15	\$ 1,666,421.91	\$ 121,218.50	\$ 86,700.35	\$ 69,733.16

4a. Pooling	Threshold	Claims with Pooling Adjustment
	\$ 250,000.00	\$ 1,666,421.91

5. Premium	Actual	Factor	Adjusted	Actual	Factor	Adjusted
	\$ 1,874,514.46	1.061	\$ 1,989,659.58	\$ 57,434.56	1.000	\$ 57,434.56

6. Claims Expense with Pooling (RX reported with Health)	Estimated	Trend Factor	Projected	Estimated	Factor	Projected
	\$ 1,850,077.72	1.071	\$ 2,115,256.72	\$ 79,600.27	1.050	\$ 83,580.28

7. Projected Loss Ratio (Claims Expense/Premium) 106.31% 145.52%

8. Current Monthly Premium	\$166,247.69	\$8,175.86
9. Current Monthly Premium Including Mental Hlth Vendor Admin	\$166,485.97	\$8,175.86

10. Credibility Computation		
A. Monthly Premiums to Cover Anticipated Claims Expense	\$176,737.92	\$11,897.51
B. Credibility Factor	60.00%	35.00%
C. Sub-Total (A x B)	\$106,042.75	\$4,164.13

D. Current Monthly Premiums Trended w/o Retention	\$169,317.78	\$7,873.68
E. 1.00 Minus Credibility	40.00%	65.00%
F. Sub-Total (D x E)	\$67,727.11	\$5,117.89

G. Needed Monthly Premiums w/o Retention (C+F)	\$173,769.86	\$9,282.02
H. Needed Monthly Premium with Retention	\$188,388.83	\$10,056.36

	Rate Adjustment Factor	Rate Adjustment Factor
I. Final Monthly Premium	0.728	1.111
	\$187,798.67	\$10,058.49

J. Percent of Change	+12.8%	+23.0%
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Effective: 01/01/2026

Meets Minimum Value = Y

CURRENT RATES

	<u>EMP</u>	<u>ECH</u>	<u>ESP</u>	<u>FAM</u>	Rate Structure Code = 4
Health	509.55	1030.99	1093.84	1615.27	
Dental	32.42	70.19	69.54	106.93	
Drugs	0.00	0.00	0.00	0.00	
Total	541.97	1101.18	1163.38	1722.20	

Option A: CMZRA / DT024

RENEWAL RATES

Rate Adjustment Factor	Rate Method
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\$1500/3000 Ded, 80% Coins to \$1000/\$2000, MOOP \$5000/10000, \$25 OVC/\$50 Spec OVC, Prev Care @ 100%	574.57	1164.25	1235.32	1824.99	0.728	MERIT
No Deductible Carryover	—	—	—	—		
MH/SUD office visit claims must take the primary copay						
Dependents	—	—	—	—		
Utilization Management Services	1.58	1.58	1.58	1.58		
Blue Choice	—	—	—	—		
Phys Med/Rehab Benefits Rider	—	—	—	—		
\$250 Emergency Room Copay	—	—	—	—		
Home Social Work Visits/Hospice Subject to Deductible & Coinsurance	—	—	—	—		
OB Benefits Available All Females	—	—	—	—		
Autism Coverage	—	—	—	—		
Telemedicine office visits covered at 100%, both Amwell and Non-Amwell providers. Telemedicine services other than office visits subject to the same provisions as non-telemedicine services.	—	—	—	—		
Total Health	576.15	1165.83	1236.90	1826.57		

Comprehensive Dental \$25/\$75 Ded, 100% 80% 50%, No Waiting Period, \$1500 Annual Max

\$1500 Benefit Maximum Ortho Rider	0.00	0.00	0.00	0.00
Dependents to Age 26				
Total Dental	39.94	86.21	85.68	131.50

BlueRx Card: Tier 1 = \$15 copay(*generic), Tier 2 = \$50 copay (*brand preferred),
Tier 3 = \$75 copay(*brand non-preferred), Tier 4 = \$150 copay (*specialty preferred),
Tier 5 = 20% up to \$250 Copay (*specialty non-preferred);

ResultsRx Formulary - Mandatory Designated Specialty Pharmacy, Extended Supply Network	_____	_____	_____	_____
Generic Mandatory, doctor can override, no penalty for Brand drugs on NTI list	_____	_____	_____	_____
Mail Order 2.5 times Copay	_____	_____	_____	_____
*References common drug classifications for each tier, exceptions may apply	_____	_____	_____	_____
With Oral Contraceptives	_____	_____	_____	_____
Dependents to Age 26	_____	_____	_____	_____
FlexAccess Standard	_____	_____	_____	_____
Total Drugs	0.00	0.00	0.00	0.00

Rates subject to change due to 2026 benefit and retention changes.

616.09 1252.04 1322.58 1958.07

74.12	150.86	159.20	235.87
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1999.12	1999.12	1999.12	1999.12
+13.7%	+13.7%	+13.7%	+13.7%

SIGNED BY: _____ DATE SIGNED: _____ EFFECTIVE DATE: _____
Plan Administrator Representative or Plan Sponsor Representative

SIGNED BY: _____ DATE SIGNED: _____ EFFECTIVE DATE: _____
BCBSKS Representative 0

GUR SUPPLEMENT

Master Policy Number: 07737

Grandfather Status: N

Effective: 01/01/2026

Group Name: HAYS CITY EMPLOYEES

Meets Minimum Value = Y

EARLY FINAL

CURRENT RATES

	EMP	ECH	ESP	FAM	Rate Structure Code = 4
Health	460.59	931.78	988.57	1459.76	
Dental	32.42	70.19	69.54	106.93	
Drugs	0.00	0.00	0.00	0.00	
Total	493.01	1001.97	1058.11	1566.69	

RENEWAL RATES

Option B: CMZKA / DT024

HEALTH - Comprehensive Major Medical - Blue Choice

					Rate Adjustment Factor	Rate Method
\$2500/5000 Ded, 60% Coins to \$2000/\$4000, MOOP \$6350/12700, \$30 OVC/\$60 Spec OVC, Prev Care @ 100%	521.98	1057.68	1122.25	1657.95	0.728	MERIT
No Deductible Carryover	—	—	—	—		
After 5 office visits, all MH/SUD claims should continue to take the PCP OVC and cannot be subject to the ded/coins						
Any OP Speech Therapy, OP Rehab Therapy and Spinal Manipulation visits with a MH/SUD diagnosis, can accumulate towards the visit limitation but cannot be denied because of the visit limitation. Therapies, excluding Spinal Manipulations, with a MH/SUD diagnosis, performed in an outpatient setting, cannot accept a copay, and instead needs to be subject to deductible and coinsurance.						
MH/SUD office visit claims must take the primary copay						
Dependents to Age 26						
Utilization Management Services	1.58	1.58	1.58	1.58		
Blue Choice	—	—	—	—		
Phys Med/Rehab Benefits Rider	—	—	—	—		
\$250 Emergency Room Copay	—	—	—	—		
Home Social Work Visits/Hospice Subject to Deductible & Coinsurance	—	—	—	—		
OB Benefits Available All Females	—	—	—	—		
Autism Coverage	—	—	—	—		
Telemedicine office visits covered at 100%, both Amwell and Non-Amwell providers. Office visit limits apply. Telemedicine services other than office visits subject to the same provisions as non-telemedicine services.	—	—	—	—		
Total Health	523.56	1059.26	1123.83	1659.53		
DENTAL						
Comprehensive Dental \$25/\$75 Ded, 100% 80% 50%, No Waiting Period, \$1500 Annual Max	39.94	86.21	85.68	131.50	1.111	MERIT
\$1500 Benefit Maximum Ortho Rider	0.00	0.00	0.00	0.00		
Dependents to Age 26	—	—	—	—		
Total Dental	39.94	86.21	85.68	131.50		
DRUGS						
BlueRx Card: Tier 1 = \$15 copay(*generic), Tier 2 = \$50 copay (*brand preferred),	—	—	—	—		
Tier 3 = \$75 copay(*brand non-preferred), Tier 4 = \$150 copay (*specialty preferred),	—	—	—	—		
Tier 5 = 20% up to \$250 Copay (*specialty non-preferred);	—	—	—	—		
ResultsRx Formulary - Mandatory Designated Specialty Pharmacy, Extended Supply Network	—	—	—	—		
Generic Mandatory, doctor can override, no penalty for Brand drugs on NTI list	—	—	—	—		
Mail Order 2.5 times Copay	—	—	—	—		
*References common drug classifications for each tier, exceptions may apply	—	—	—	—		
With Oral Contraceptives	—	—	—	—		
Dependents to Age 26	—	—	—	—		
FlexAccess Standard	—	—	—	—		
Total Drugs	0.00	0.00	0.00	0.00		

Rates subject to change due to 2026 benefit and retention changes.

Grand Total	563.50	1145.47	1209.51	1791.03
Total Rate Adjustments	70.49	143.50	151.40	224.34
Percentage Increase/Decrease	+14.3%	+14.3%	+14.3%	+14.3%

SIGNED BY: _____ DATE SIGNED: _____ EFFECTIVE DATE: _____
 Plan Administrator Representative or Plan Sponsor Representative

SIGNED BY: _____ DATE SIGNED: _____ EFFECTIVE DATE: _____
 BCBSKS Representative

KEY: 2025-08-01 23 AR01 RF-N
DS-N AEA-Y TR-N

MASTER POLICY SUMMARY				PAYMENTS	ALLOWED CHARGES	BILLED CHARGES
Type Service Summary						
D	DRUGS			363,533.14	458,166.69	1,071,549.93
G	ANESTHESIA			37,151.27	45,927.72	64,723.24
H	DX RAD PC ONLY			14,315.63	24,771.87	53,483.30
K	DX LAB TC ONLY			535.69	1,037.82	1,217.77
L	DX LAB PC ONLY			4,499.69	7,441.52	16,705.09
M	MATERNITY			15,549.21	19,332.65	26,594.53
T	DX RAD TC ONLY			485.29	988.63	2,502.40
W	HME RENTAL			1,500.00	2,250.00	2,250.00
X	HME PURCH NEW			3,891.31	11,902.92	17,842.83
1	MEDICAL CARE			179,058.87	313,272.67	467,810.15
2	SURGERY			75,590.47	96,885.09	177,025.28
3	CONSULTATION			860.81	1,518.68	3,312.40
4	DX RAD PC/TC			2,020.55	5,022.57	8,457.39
5	DX LB PC/TC			20,331.34	42,157.58	153,539.73
6	RAD THER PC/TC			282.88	282.88	603.00
7	DENTAL			70,741.84	95,979.31	136,290.00
8	ASST SURGERY			2,913.32	3,021.84	13,325.80
9	MISC MED CARE			11,302.22	16,310.71	32,343.44
2C	IP FAC SURG			218,246.19	227,910.01	598,084.39
3C	IP FAC MAT			36,355.78	41,335.52	114,927.40
4C	OP FAC MED			327,909.24	453,071.01	1,156,654.68
5C	OP FAC SURG			267,038.95	306,408.88	738,283.92
6C	OP FAC ACC			82,041.38	92,083.93	194,054.40
				1,736,155.07	2,267,080.50	5,051,581.07
MPN Totals						
HLT	IN	COMPREHENSIVE MAJOR MEDICAL		931,591.54	1,120,809.35	2,802,004.79
HLT	PR	COMPREHENSIVE MAJOR MEDICAL		407,520.05	637,779.03	1,116,660.92
DEN	PR	DENTAL-COMPREHENSIVE		69,733.16	86,700.35	121,218.50
PDG	PR	DRUGS-BLUERX CARD		327,310.32	421,791.77	1,011,696.86
				1,736,155.07	2,267,080.50	5,051,581.07

Claims in Excess of \$25,000.00

MPN: 07737 Mstr Group: HAYS CITY EMPLOYEES

01/01/2026 Renewal

(Incurred & Paid Claims 08/01/2024 - 07/31/2025)

<i>Insured</i>	<i>*Insured Status</i>	<i>Payment</i>	<i>Allowed Charges</i>	<i>Billed Charges</i>
1	Active	\$25,592.47	\$28,373.36	\$59,942.35
2	Active	\$30,838.97	\$36,901.98	\$90,515.08
3	Active	\$31,021.69	\$32,242.27	\$71,824.13
4	Active	\$34,449.45	\$51,406.10	\$75,705.53
5	Active	\$36,195.10	\$40,686.20	\$82,814.77
6	Termed	\$38,903.80	\$44,591.57	\$55,484.65
7	Active	\$42,868.89	\$48,357.20	\$116,920.42
8	Active	\$48,345.64	\$51,725.67	\$169,063.89
9	Termed	\$52,110.33	\$60,060.51	\$84,236.15
10	Active	\$63,183.48	\$63,621.45	\$198,051.30
11	Active	\$64,278.10	\$67,757.05	\$112,531.55
12	Active	\$70,994.74	\$77,365.26	\$145,290.42
13	Active	\$76,700.61	\$80,020.26	\$207,434.72
14	Active	\$101,926.61	\$108,411.23	\$277,610.18
15	Active	\$189,009.48	\$195,191.11	\$355,848.87
Total		\$906,419.36	\$986,711.22	\$2,103,274.01

**** Insured Status as of upcoming Group Renewal Date***

CLASSIFIED: CORPORATE



City Commission Work Session

Agenda Memo

From: Jeff Boyle, Director of Parks

Work Session: November 6, 2025

Subject: North Side Multi-Use Path – Concurrence with KDOT
Award of Bid and Approval of Matching Funds

Person(s) Responsible: Jeff Boyle, Director of Parks

Summary

The City applied for and received approval for Carbon Reduction Program grant funding through KDOT on an 80/20 match basis for a 2.1 mile section of multi-use path from 41st and Hall over to the Sternberg Museum. The City budgeted \$500,000 and KDOT approved \$1,548,00 for this project, which was eventually increased to \$2,637,367, to cover the City's portion and KDOT's portion of the engineering and construction costs. Morgan Brothers Construction was the low bidder for the project for a total amount of \$1,658,294 which was approved by KDOT. The City will pay \$387,000 and KDOT will pay the remaining \$1,271,294. City Staff recommends authorizing the amount of \$387,000 from the Park Improvement Fund and provide the authority for the City Manager to spend up to an additional \$38,000, or 10% contingency, from the Park Improvement Fund for unknowns throughout the remainder of the project.

Background

In April of 2023, the Commission approved a Resolution of Support for a multi-use path from 41st and Hall to the Sternberg Museum utilizing funding assistance from the KDOT Carbon Reduction Program. The City was awarded funding from the KDOT program for up to \$1,548,000, which was later increased to \$2,637,367 based on inflationary trends and engineering estimates. Per the grant requirements, a minimum local match of 20% is required. The 2024 Special Parks and Recreation Budget included \$500,000 for this purpose. All funds remaining for this project at the end of 2024 were transferred to the Park Improvement Fund to be used in 2025 and 2026 for costs associated with the North Side Multi-Use Path. After KDOT reimbursements, an amount of \$435,588.50 remains in the Park Improvement Fund for this project.

In October of 2023, City Staff recommended, and the City Commission approved, an alignment for the multi-use path utilizing the North side of 41st Street, existing Vine

Street crossing, KDOT on-ramp right-of-way and private easements along I-70 over to the Sternberg Museum. In January of 2024, the City Commission approved a three-party agreement with KDOT and CFS Engineering for preliminary engineering design services for the approved route.

Discussion

The City applied for and received Carbon Reduction Program grant funding through KDOT on an 80/20 match basis with the grant funding paying 80% and the City paying 20%. This includes funding for professional engineering services and construction of the path. The City budgeted \$500,000 in the 2024 Special Parks and Recreation Budget to cover the City's portion of the engineering and construction costs. After paying for 20% of the completed engineering services, an amount of \$435,558.50 remains to cover the City's portion of the remaining work. KDOT is requesting a signed Authority to Award Contract Commitment of City Funds for the remaining portion in the amount of \$387,000. Morgan Brothers Construction was the low bidder for the project for a total amount of \$1,658,294. The City will pay \$387,000 and KDOT will pay the remaining \$1,271,294. Total overall project cost to the City is \$429,679 or \$70,321 under budget. This total project cost reflects the Authority to Award Contract Commitment of City Funds request for \$387,000 plus previously paid engineering requirements (20%) or \$43,178. The Carbon Reduction Grant award was originally for an amount not to exceed \$1,548,000, with the City of Hays being responsible for 20% of the project costs and any additional funding needs above \$1,548,000. This amount was increased to \$2,637,367 by KDOT based on inflationary trends and after receiving revised engineering estimates. KDOT is the pass-through agency for the grant, which means KDOT is responsible for advertising, opening of bids, and administration of the project. The following bids were received for the project:

1) Morgan Brothers Construction	\$1,658,294
2) Vogts-Parga Construction LLC	\$1,940,325
3) Apac-Kansas Inc. Shears Division	\$2,069,064
4) Prado Construction LLC	\$2,265,778

The base bids were increased to include a KDOT mandatory \$1,200 contingency for water needs for grading activities. The approximate construction timeline for this project is May 2026 to November 2026.

Legal Consideration

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

Financial Consideration

An amount of \$500,000 was budgeted in the 2024 Special Parks Budget for this project. At the end of 2024, all remaining budgeted funds were placed in the Park Improvement Fund. This fund currently has \$435,588.50 of remaining funds for the City's share of the project costs. The 20% balance to completion owed by the city is \$387,000. Staff is requesting this amount plus a 10% contingency, resulting in the authority to spend up to \$425,000 to complete the Multi-Use Path.

Options

The City Commission has the following options:

1. Authorize the City Manager to sign the Authority to Award Contract Commitment of City Funds for the North Side Multi-Use Path KDOT Project 026 TE-0511-01, for an amount of \$387,000 from the Park Improvement Fund, and provide the authority for the City Manager the use up to an additional \$38,000 (10% contingency) from the Park Improvement Fund for unknowns throughout the remainder of the project.
2. Direct Staff to another option.
3. Do nothing.

Recommendation

City Staff recommends authorizing the City Manager to sign the Authority to Award Contract Commitment of City Funds for the North Side Multi-Use Path KDOT Project 026 TE-0511-01, for an amount of \$387,000 from the Park Improvement Fund, and provide the authority for the City Manager to spend up to an additional \$38,000 or 10% contingency from the Park Improvement Fund, for unknowns throughout the remainder of the project.

Action Requested

Authorize the City Manager to sign the Authority to Award Contract Commitment of City Funds for the North Side Multi-Use Path, KDOT Project 026 TE-0511-01, for an amount of \$387,000 from the Park Improvement Fund, and provide the authority for the City Manager to spend up to an additional \$38,000 or 10% contingency from the Park Improvement Fund, for unknowns throughout the remainder of the project.

Supporting Documentation

Cover Letter

Bid Tabulation

Authority to Award Contract Commitment of City Funds Form

Invoice for the City's Portion of the Total Project

Dwight D. Eisenhower State Office Building
700 S.W. Harrison Street
Topeka, KS 66603-3745
Calvin E. Reed, P.E., Secretary
Dawn M. Hueske, P.E., Bureau Chief



Phone: 785-296-3861
Fax: 785-296-6946
kdot#publicinfo@ks.gov
<http://www.ksdot.gov>
Laura Kelly, Governor

10/28/2025

Project Number: 026 TE-0511-01
CRP-T051(101)

City of Hays
Mr. Jesse Rohr, CPM
Director of Public Works
1002 Vine Street
Hays, KS 67601-3464

Dear Mr. Rohr:

We are listing below the bidder and the low bid received at Topeka, Kansas on 10/22/2025 for the above numbered project.

CONTRACTOR	TYPE OF WORK	AMOUNT
MORGAN BROTHERS CONSTRUCTION LACROSSE, KS	Hays: Multi-Use Path Extension	\$1,658,294

This is considered satisfactory when compared with the engineer's estimate, and we believe that contracts should be awarded to the low bidder. If this bid is acceptable to the City, please sign the enclosed resolution and return it to this office. In order to guarantee the low bid, we must receive the expected resolution on or before 11/14/2025. Upon receipt of the signed resolution and approval by the Secretary of Transportation the contract will be awarded.

A combination of bid items and construction engineering less a maximum of \$2,637,367 Federal funds will require City matching funds in the amount of \$387,000. The City remittance should be made on or before 12/11/2025.

Sincerely,

Cara Hodges
Digitally signed by Cara Hodges
DN: cn=US,
e=Cara.Hodges@ks.gov, o=Kansas
Department of Transportation,
ou=Bureau of Local Projects,
cn=Cara Hodges
Date: 2025.10.28 16:41:00-0500

for Dawn M. Hueske, P.E., Bureau Chief
Bureau of Local Projects

dmh/cch
Enclosures
c Mayor/City Manager
Ms. Ami Fulghum, Chief of Fiscal Services
Mr. Jeff Stewart, P.E., District Three Engineer



BUREAU OF CONSTRUCTION & MATERIALS

As Read By Project (Bidders List by Individual Project)

Date: 10/22/2025

Contract Number: 525102242

Project Number: 026 TE 0511-01

Federal Number: CRP-T051(101)

Description: PEDESTRIAN & BICYCLE PATHS

County: ELLIS

State Ties: None

Total Records: 4

[Helpful Definitions](#)

Contractor Name	Bid Amount
MORGAN BROTHERS CONSTRUCTION	\$1,657,094.00
VOGTS-PARGA CONSTRUCTION LLC	\$1,939,125.00
APAC-KANSAS INC SHEARS DIVISION	\$2,067,864.00
PRADO CONSTRUCTION LLC	\$2,264,578.00

**AUTHORITY TO AWARD CONTRACT
COMMITMENT OF CITY FUNDS**

10/28/2025

2 Copies to City

Project Number: 026 TE-0511-01

CRP-T051(101)

WHEREAS bids were received at Topeka, Kansas on 10/22/2025 for the performance of work covered by plans on the above numbered project, and

WHEREAS the bidder and the low bid or bids on work covered by this project were:

CONTRACTOR	TYPE OF WORK	AMOUNT
MORGAN BROTHERS CONSTRUCTION	Hays: Multi-Use Path Extension	\$1,658,294
LACROSSE, KS		

WHEREAS bids are considered satisfactory and have been recommended by the Secretary of Transportation of the State of Kansas, hereinafter referred to as the SECRETARY, for consideration and acceptance of the work on this project as covered by such bid or bids.

A combination of bid items and construction engineering less a maximum of \$2,637,367 Federal funds will require City matching funds in the amount of \$387,000.

BE IT FURTHER RESOLVED that City funds in the amount of \$387,000 which are required for the matching of Maximum Federal Funds are hereby pledged by the City to be remitted to the Chief of Fiscal Services of the Department of Transportation of the State of Kansas on or before 12/11/2025 for use by the SECRETARY in making payments for construction work and engineering on the above designated project with final cost being determined upon completion and audit of the project.

The City certifies that no known or foreseeable legal impediments exist that would prohibit completion of the project and that the project complies with all applicable codes, standards and/or regulations required for completion.

Adopted this _____ day of _____, 20_____, at _____, Kansas.

Recommended for Approval:

City Engineer/Road Supervisor

_____, Mayor

Attest:

_____, Member

(Seal)

_____, Member

City Clerk

Revised 07/18
DOT FORM 1309

INVOICE
Keep for your Records
Due on or before 12/11/2025
PRELIMINARY STATEMENT OF COSTS
026 TE-0511-01
CRP-T051(101)
Hays: Multi-Use Path Extension

Please Remit Payment to:
Kansas Department of Transportation
Bureau of Fiscal Services
700 SW Harrison Street, 3rd Floor West
Topeka, KS 66603

Construction and CE Breakdown	
Actual Bid	\$1,657,094
Water (for grading)	\$1,200
Sub-Total Actual Bid Amount	\$1,658,294
LPA CE Contract	\$274,208
Sub-Total Construction and CE	\$1,932,502
Federal-aid Non-Participating Const. Costs	\$0
Federal-aid Non-Participating CE	\$0
Participating PE Costs	\$215,891
Participating Railroad Costs	\$0
Participating ROW Costs	\$0
Participating Utility Costs	\$0
Federal Participating Project Costs	\$2,148,393
Total Project Costs	\$2,148,393
CE Breakdown	
Total LPA CE	\$274,208
Federal Non-Participating CE	\$0
Federal Participating CE	\$274,208

Federal/City Funding Summary	
Total Project Costs	\$2,148,393
100% City Funds Due to Non-Participating	\$0
Federal Participating Project Costs	\$2,148,393
CE Paid by KDOT	N/A
Fund 1- Available Funding	\$2,148,393
80% Federal Funds	\$1,718,714
20% City Funds	\$429,679
Cost Remaining for 80/20 Funding	\$0
Fund 2- Available Funding	\$0
80% State Funds	\$0
20% City Funds	\$0
100% City Funds Due to Max Funding	\$0

Fund 1- Maximum Federal Funds 80/20	\$2,380,367
Fund 2- Maximum State Funds 80/20	\$257,000

Key	
KDOT	Kansas Department of Transportation
LPA	Local Public Authority
CE	Construction Engineering (Inspection)
Const.	Construction

Totals				
	City Funds	Federal Funds	State Funds	Total Funds
Federal Non-Participating Construction				\$0
Federal Non-Participating CE				\$0
CE Paid by KDOT				\$0
Fund 1- 80% Federal Funds		\$1,718,714		\$1,718,714
Fund 2- 80% Federal Funds				\$0
Fund 1- 20% City Funds	\$429,679			\$429,679
Fund 2- 20% City Funds	\$0			\$0
City Funds Due to Max	\$0			\$0
Total	\$429,679	\$1,718,714	\$0	\$2,148,393
Less Amount Contributed for PE Contract	-\$43,178			
Total Local Share Due	\$386,501			
Amount to Bill City (Rounded Up)	\$387,000			



City Commission Work Session

Agenda Memo

From: Jarrod Kuckelman, Assistant City Manager

Work Session: November 6, 2025

Subject: Consider a Resolution making Certain Housing Needs, Findings and Determinations (Lincoln School)

Person(s) Responsible: Jarrod Kuckelman, Assistant City Manager

Summary

Michael D. Graham Investments LLC, a Kansas limited liability company (the “Developer”) submitted an Application for Economic Incentives and the required application fee relating to a residential project and related infrastructure discussed below.

The Developer is requesting Reinvestment Housing Incentive District financing (RHID) on a pay-as-you-go basis. Developer estimates the RHID will generate approximately \$1,325,000 of revenue over the maximum 25-year term, which would be made available to reimburse Developer for RHID-eligible project costs on a pay-as-you-go basis. Developer estimates RHID-eligible project costs of approximately \$4,300,000. RHID collection will cease upon the earlier of 25 years or full reimbursement of all RHID-eligible project costs.

Adopting this Resolution making certain housing needs findings and determinations would advance the statutory process for RHID creation financing (see attached calendar). Following adoption and publication, the Resolution would be sent to the Kansas Secretary of Commerce for approval to move forward with the creation process and further Commission action.

All materials have been reviewed by the City’s special legal counsel, Gilmore & Bell, P.C., and are found to meet all the requirements of Kansas law and the City’s Economic Development Policy. Staff recommends the Commission adopt the Resolution.

Background

The Developer seeks to renovate the former Lincoln Elementary School building into a 26-unit multi-family housing facility and to construct 7 additional structures on the property, with 4 units in each new structure (collectively, the “Project”).

Discussion

The Developer seeks reimbursement of certain RHID-eligible project costs of the Project from RHID revenues.

The Developer requests RHID financing on a pay-as-you-go basis for 25 years. The Developer estimates that the RHID will generate approximately \$1,325,000 in revenues during this term. RHID revenues will be derived from incremental property tax revenues collected on the project site. Developer estimates RHID-eligible project costs of approximately \$4,300,000. RHID collection will cease upon the earlier of 25 years or full reimbursement of all RHID-eligible project costs.

If the Commission approves the Resolution, the Resolution would be sent to the Kansas Secretary of Commerce for approval to move forward with the creation process and further Commission action.

Legal Consideration

The City Attorney has reviewed the attached documentation and, based upon the fact that special legal counsel has reviewed all documents, there are no known legal obstacles to proceeding as recommended by City Staff.

Special legal counsel, Gilmore & Bell P.C. has reviewed all the documentation submitted. All aspects as set forth in the Term Sheet comply with Kansas law and the City's Economic Development Policy.

Financial Consideration

If the RHID is created, the RHID fund would collect incremental property tax revenues for a maximum period of 25 years. The Developer estimates that the RHID would generate approximately \$1,325,000 in revenues during such term. However, Developer estimates RHID-eligible project costs of approximately \$4,300,000. RHID collection will cease upon the earlier of 25 years or full reimbursement of all RHID-eligible project costs. The developer estimates that the RHID will not be able to generate revenue in excess of the eligible costs. Therefore, based upon the Developer's estimates the project is expected to require the full 25-year term.

The Developer will advance all costs of the project and will be reimbursed for eligible costs from the RHID revenues on a pay-as-you-go basis. The City will not issue general obligation or special obligation bonds for the project.

Options

The City Commission has the following options:

- Adopt the Resolution
- Decline to adopt the Resolution
- Provide other direction to City staff

Recommendation

Advance the project by adopting the Resolution.

Action Requested

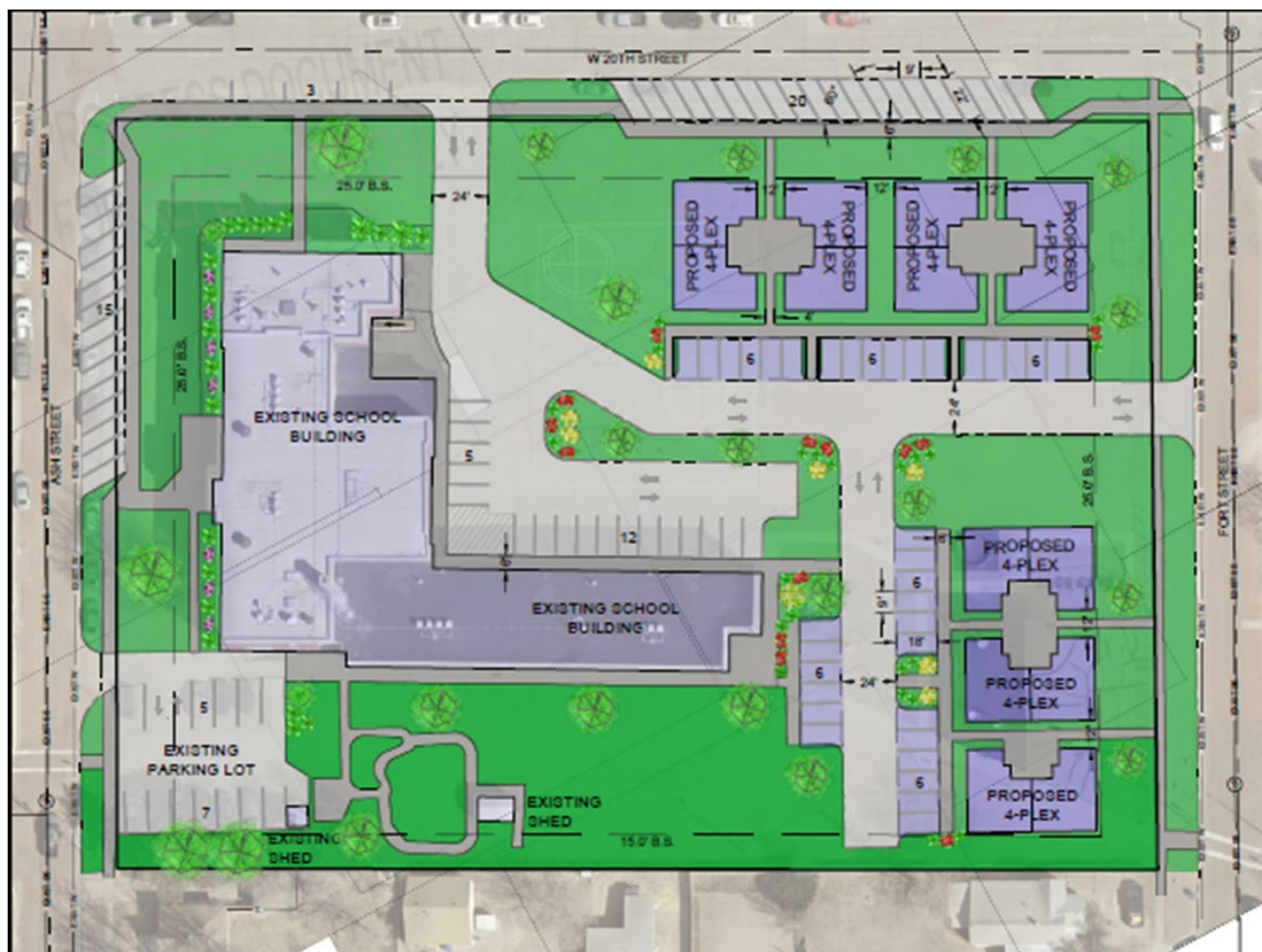
Adopt a resolution making certain housing needs findings and determinations.

Supporting Documentation

Visuals
Term Sheet
Calendar
Resolution

VISUALS





CITY OF HAYS, KANSAS

PROJECT OVERVIEW AND SUMMARY OF ECONOMIC DEVELOPMENT INCENTIVES REQUEST

October 23, 2025

The Proposed Project

The proposed project described below (the “Project”) involves the renovation of the former Lincoln Elementary School into a 26-unit apartment complex as well as the construction of 7 new structures, with each containing 4 apartment units to be located at 4th and Fort Street directly east of the existing building. (see map attached as **Exhibit A**).

Construction of the Project is expected to begin in the second quarter of 2026 following the City’s approval of the requested incentives and is expected to be completed approximately 36 months thereafter.

Michael D. Graham Investments, LLC, a Kansas limited liability company (“Developer”) will be responsible for engineering and constructing the Project, subject to the City’s building code and inspection requirements.

Estimated Total Investment

Developer estimates the total costs of the Project to be approximately \$6.35M, of which approximately \$4.3M will be eligible for reimbursement from reinvestment housing incentive district tax increment. See attached **Exhibit B** for an itemized estimate of RHID eligible Project costs.

Proposed Method of Financing/Requested Economic Development Incentives

Developer requests that the City Commission authorize staff to begin negotiating a Development Agreement to provide for construction of the Project and the administration of the requested economic development incentives.

The specific economic development incentives being requested are as follows:

1. ***Reinvestment Housing Incentive District (RHID)*** with boundaries as shown on **Exhibit A**. The RHID would capture all eligible incremental property tax revenues within the RHID. The RHID revenues would be used to reimburse the Developer for RHID-eligible expenses on a pay-as-you-go basis for a maximum term of 25 years. The Developer does not request that the City issue any bonds in connection with the RHID.

Based on current Project cost estimates, Developer estimates that approximately \$4,300,000 of the total Project costs are RHID-eligible expenses under State law and the City’s economic development policy (see **Exhibit B**). Based on current plans to develop the Project, Developer estimates that the RHID would generate approximately \$1,325,000 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. The developer estimates that the RHID will not be able to generate revenue in excess of the eligible costs. Therefore, based upon the Developer’s estimates the project is expected to require the full 25-year term.

2. ***Industrial Revenue Bonds – Sales Tax Exemption.*** Developer requests that the City Commission authorize staff to begin preparation of the documentation to provide for an Industrial Revenue Bond (“IRB”) issuance to support the Project. An IRB issuance does not count against the City’s debt limit, does not affect the City’s debt rating, and does not require taxpayer commitment. Instead, the City acts as a conduit issuer and payment obligations solely belong to the Developer.

The specific economic development incentive available through the IRB issuance and being requested is a Sales Tax Exemption. All purchases related to construction of the Project that are included within the IRB issuance are eligible for an exemption from all state and local sales tax. The sales tax exemption certificate could be obtained following adoption by the City of a resolution of intent to issue the IRBs. In the event the IRBs are not issued, the Developer will be responsible for paying to the Kansas Department of Revenue the amount of sales tax that was exempted in reliance on the exemption certificate.

No property tax abatement is requested for the Project.

Benefits to the City

1. ***Increased Housing Stock.*** The development will fill a need in the community for increased and varied housing stock and help businesses attract and retain employees.
2. ***Increased Construction Activity.*** The City and County would realize the economic benefits attendant to a reconstruction project as the Project is built; however, no sales tax will be collected as materials are purchased for the construction of the Project.

Proposed Timeline

Developer expects to begin construction in the second quarter of 2026 following all City approvals. See **Exhibit C** attached for a schedule of City Commission approvals for the requested Project incentives.

EXHIBIT A:
PROJECT LOCATION; RHID BOUNDARIES



EXHIBIT B:

PROPOSED RHID ELIGIBLE PROJECT COSTS

(DEVELOPER ESTIMATES)

<u>Description of RHID Eligible Cost</u>	
Renovation of former Lincoln School	\$1,675,000
Construction of Additional Structures	<u>2,625,000</u>
TOTAL	\$4,300,000

EXHIBIT C
SCHEDULE

DRAFT: October 23, 2025

**CITY OF HAYS, KANSAS
Lincoln Schools Project
RHID Schedule**

November 6, 2025	Work Session: City Commission considers Resolution making findings as to proposed RHID
November 13, 2025	City Commission considers Resolution making findings as to proposed RHID
November 14, 2025	Resolution making findings published in official City news outlet
November 17, 2025	Letter to Secretary of Commerce containing certified copy of Resolution making findings and requesting Secretary to review and advise the City whether the Secretary agrees with the findings
December 17, 2025 (estimate)	Letter from Secretary of Commerce to the City advised of the Secretary's agreement
December 17, 2025	Development Plan finalized
December 30, 2025	Work Session: City Commission considers Resolution of intent to consider adoption of development plan and establishment of district and calling public hearing
January 8, 2026	City Commission considers Resolution of intent to consider adoption of development plan and establishment of district and calling public hearing
January 14, 2026	Certified copy of the Resolution of intent delivered to City Planning Commission, BOCC, and USD (receipt requested)
January 23, 2026	Resolution of intent and calling public hearing published in official City news outlet (<i>at least 1 week, no more than 2 weeks, before hearing</i>)
February 5, 2026	Work Session: City Commission considers Ordinance adopting the development plan and establishing the district
February 12, 2026	Public Hearing (<i>not less than 30, no more than 70 days following adoption of Resolution of Intent</i>) City Commission considers Ordinance adopting the development plan and establishing the district
February 13, 2026	Publish Ordinance in official City news outlet
March 16, 2026	BOCC and USD veto period expires (<i>30 days following public hearing</i>)
March 20, 2026	Copy of the Ordinance, legal description of the land within the District, and map indicating the boundaries of the District certified mailed to County Clerk/Treasurer/Assessor, BOCC, USD, and other applicable jurisdictions (<i>by Jan. 1, 2027</i>)

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON NOVEMBER 13, 2025**

The governing body met in regular session at the usual meeting place in the City at 4:00 P.M., the following members being present and participating, to-wit:

Absent:

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

* * * * *

(Other Proceedings)

There was presented a Resolution entitled:

**A RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS AS
TO THE NEED FOR HOUSING WITHIN THE CITY OF HAYS, KANSAS AND
SETTING FORTH THE LEGAL DESCRIPTION OF REAL PROPERTY
PROPOSED TO BE DESIGNATED AS A REINVESTMENT HOUSING
INCENTIVE DISTRICT WITHIN THE CITY.**

Commissioner _____ moved that the Resolution be adopted. The motion was seconded by Commissioner _____. The Resolution was duly read and considered, and upon being put, the motion for the adoption of the Resolution was carried by the vote of the governing body as follows:

Yea:

Nay:

The Mayor declared the Resolution duly adopted and the Resolution was then duly numbered Resolution No. 2025-_____ and was signed by the Mayor and attested by the Clerk. The Clerk was directed to arrange for the publication of the Resolution one time in the official news outlet of the City.

* * * * *

(Other Proceedings)

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CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Hays, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk

(Published in the official City news outlet, www.haysusa.com, on November 14, 2025)

RESOLUTION NO. 2025-_____

A RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS AS TO THE NEED FOR HOUSING WITHIN THE CITY OF HAYS, KANSAS AND SETTING FORTH THE LEGAL DESCRIPTION OF REAL PROPERTY PROPOSED TO BE DESIGNATED AS A REINVESTMENT HOUSING INCENTIVE DISTRICT WITHIN THE CITY.

WHEREAS, K.S.A. 12-5241 *et seq.*, as amended (the “Act”) authorizes any city incorporated in accordance with the laws of the state of Kansas (the “State”) to designate reinvestment housing incentive districts within such city; and

WHEREAS, prior to such designation the governing body of such city shall conduct a housing needs analysis to determine what, if any, housing needs exist within its community; and

WHEREAS, after conducting such analysis, the governing body of such city may adopt a resolution making certain findings regarding the establishment of a reinvestment housing incentive district and providing the legal description of property to be contained therein; and

WHEREAS, after publishing such resolution, the governing body of such city shall send a copy thereof to the Secretary of Commerce of the State (the “Secretary”) requesting that the Secretary agree with the finding contained in such resolution; and

WHEREAS, if the Secretary agrees with such findings, such city may proceed with the establishment of a reinvestment housing incentive district within such city and adopt a plan for the development or redevelopment of housing and public facilities in the proposed district; and

WHEREAS, the Governing Body of the City of Hays, Kansas (the “City”) has performed a Housing Needs Analysis dated June 2022 (the “Needs Analysis”), a copy of which is on file in the office of the City Clerk; and

WHEREAS, based on the Needs Analysis, the Governing Body of the City proposes to commence proceedings necessary to create a Reinvestment Housing Incentive District, in accordance with the provisions of the Act.

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

Section 1. The Governing Body hereby adopts and incorporates by this reference as part of this Resolution the Needs Analysis, a copy of which is on file in the office of the City Clerk, and based on a review of said Needs Analysis makes the following findings and determinations.

Section 2. The Governing Body hereby finds and determines that there is a shortage of quality housing of various price ranges in the City despite the best efforts of public and private housing developers.

Section 3. The Governing Body hereby finds and determines that the shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.

Section 4. The Governing Body hereby finds and determines that the shortage of quality housing is a substantial deterrent to the future economic growth and development of the City.

Section 5. The Governing Body hereby finds and determines that the future economic well-being of the City depends on the Governing Body providing additional incentives for the construction or renovation of quality housing in the City.

Section 6. Based on the findings and determinations contained in *Sections 2* through *5* of this Resolution, the Governing Body proposes to establish a Reinvestment Housing Incentive District pursuant to the Act, within boundaries of the real estate legally described in *Exhibit A* attached hereto, and shown on the maps depicting the existing parcels of land attached hereto as *Exhibit B* (the “District”).

Section 7. The City Clerk is hereby directed to publish this Resolution one time in the official City news outlet, and to send a certified copy of this Resolution to the Secretary for the Secretary's review and approval.

Section 8. The Mayor, City Manager, City Clerk, other City officials and Gilmore & Bell, P.C. are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Resolution.

Section 9. This Resolution shall take effect after its adoption and publication once in the official City news outlet.

[BALANCE OF THIS PAGE INTENTIONALLY BLANK]

ADOPTED by the Governing Body of the City of Hays, Kansas, on November 13, 2025.

(SEAL)

Mayor

ATTEST:

City Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution No. 2025-_____ adopted by the Governing Body of the City on November 13, 2025, as the same appears of record in my office.

DATED: November 13, 2025

City Clerk

EXHIBIT A

**LEGAL DESCRIPTION OF PROPOSED
REINVESTMENT HOUSING INCENTIVE DISTRICT**

All of Lot or Block Forty-two (42), Except the West Sixty feet (W 60') thereof, LEBOLD ALLEN AND COMPANY'S ADDITION to Hays City, now the City of Hays, Ellis County, Kansas

Together with all public rights of way adjacent thereto

EXHIBIT B

**MAP OF PROPOSED
REINVESTMENT HOUSING INCENTIVE DISTRICT**





City Commission Work Session

Agenda Memo

From: Jarrod Kuckelman, Assistant City Manager

Work Session: November 6, 2025

Subject: Midwest Energy Utilities Agreements – Tallgrass Phase 4

Person(s) Responsible: Jarrod Kuckelman, Assistant City Manager

Summary

As part of the construction of the infrastructure for the Tallgrass Phase 4 project, Midwest Energy will be installing the necessary electrical and natural gas utility infrastructure to serve the development. The City Commission previously approved the Development Agreement with the Developer for Tallgrass Phase 4, Heart of America Development Corporation, in which the City agreed to finance the infrastructure costs for the project while also receiving the RHID revenues in return. Midwest Energy has provided contracts for electric and gas installation in a combined estimated amount of \$797,457, with these costs reimbursable as RHID-eligible expenses.

Background

In April 2025, the City Commission approved the Development Agreement between the City and Heart of America for Tallgrass Phase 4 along with the establishment of a Reinvestment Housing Incentive District (RHID). As part of the Development Agreement, the City agreed to finance construction of all RHID-eligible infrastructure while utilizing RHID revenues to offset the costs. In addition, Heart of America provided a “Deposit” of \$1.8 million to go towards infrastructure and any debt service on related financing costs.

Discussion

Bids for the construction of the streets, water, stormwater, and other related infrastructure costs for the Tallgrass Phase 4 project, which is proposed to create approximately 101 new residential lots, are currently being accepted and will be opened on November 18th. Over the course of the project, Midwest Energy would construct the electrical and natural gas infrastructure necessary to serve the development. Per the approved Development Agreement, the City would pay Midwest Energy for this work. The Deposit provided by Heart of America would

provide the necessary funds, with RHID revenues being eligible to reimburse these expenses as those revenues are received.

Two separate contracts between the City and Midwest Energy have been provided, one each for the installation of electrical and natural gas utility systems. The electrical contract is in an estimated amount of \$717,872, and the natural gas contract is an estimated amount of \$79,585. Combined, the costs of this infrastructure are \$797,457. The contracts include provisions that specify that for each home built within 5 years, Midwest Energy will provide a reimbursement totaling \$3,500. As established by the Development Agreement, these reimbursements would go into an escrow account dedicated to the project to cover any infrastructure-related debt service.

Legal Consideration

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

Financial Consideration

The Developer, Heart of America, has provided a Deposit of \$1.8 million to be used for infrastructure costs, as well as debt service on permanent financing. The \$797,457 installation costs would be paid utilizing this Deposit, in addition to RHID revenues as they are received. The Tallgrass Phase 4 infrastructure improvement project, including this \$797,457 utility installation cost, will be funded by General Obligation bonds, with debt service provided by this Deposit and RHID revenues.

Options

The City Commission has the following options:

- Approve the two (2) utility contracts with Midwest Energy.
- Do not approve the contracts.
- Provide other direction to City staff.

Recommendation

Staff recommends authorizing the City Manager to sign the Residential Subdivision Electric Underground Facilities Contract and Residential Subdivision Natural Gas Facilities Contract between the City and Midwest Energy in a combined amount of \$797,457 to be funded utilizing bond proceeds offset by RHID revenues.

Action Requested

Authorize the City Manager to sign the Residential Subdivision Electric Underground Facilities Contract and Residential Subdivision Natural Gas Facilities Contract between the City and Midwest Energy in a combined amount of \$797,457 to be funded utilizing bond proceeds offset by RHID revenues.

Supporting Documentation

Residential Subdivision Electric Underground Facilities Contract
Residential Subdivision Natural Gas Facilities Contract

Midwest Energy, Inc.
Residential Subdivision Electric Underground Facilities Contract

This Contract entered into this 13th day of NOVEMBER 2025, by and between Midwest Energy, Inc., its successors and assigns (Midwest Energy), and THE CITY OF HAYS, their successors and assigns (Applicant).

(Date) (Month, Year) (Developer)

WITNESSETH that, the parties hereto do mutually agree as follows with respect to the installation of electric service facilities in Applicant's proposed subdivision addition commonly known and referred to as the TALLGRASS PHASE 4 Subdivision (hereinafter, the "Subdivision"), located in the NE/4 35-13-18 in ELLIS County Kansas.

(Name of Subdivision) (Legal Description) (County Name)

1. This Contract covers the provision of an underground electric distribution system for ONE HUNDRED AND ONE (101) building sites in the Subdivision, as indicated on the attached plat, Exhibit "A."
2. Applicant agrees that construction of the electric distribution system within the Subdivision will proceed as mutually agreed upon and that Midwest Energy shall not be required to install the electrical system in segments smaller than considered economical or practical by Midwest Energy. Applicant further understands and agrees that electric service for Subdivision construction purposes will be provided from the underground distribution system, and that Midwest Energy will not construct overhead distribution facilities for temporary service purposes.
3. Applicant agrees to pay Midwest Energy for the cost of the electric distribution system. Said cost is based on Midwest Energy's construction estimate and is calculated to be \$717,872.00 payable on request in advance of construction. \$303,000.00 shall be treated as the reimbursable portion, representing \$3,000.00 per site for the ONE HUNDRED AND ONE (101) building sites. Said payment shall be treated by Midwest Energy as a customer advance for construction and is reimbursable as follows: For each home that is constructed, occupied and connected to the system within the succeeding five (5) years from the date of this Contract, and located in the portion of the Subdivision covered by this Contract, Midwest Energy will refund to Applicant one hundred (100) percent of the reimbursable portion per building site (not to exceed \$3,000.00 per building site for the ONE HUNDRED AND ONE (101) homes) without interest upon written request from Applicant and satisfactory verification by Midwest Energy that the refund requirements stated above have been fulfilled. Applicant shall not be entitled to any refund for a building site where a home is completed, occupied, and connected to the system subsequent to said five (5) year period, and in no circumstances will the amount to be refunded exceed the reimbursable portion.
4. The parties shall abide by the Midwest Energy Electric Terms and Conditions when approved by the KCC or Midwest Energy Board of Directors, if applicable, pursuant to K.S.A. 66-104g, et seq.

5. Applicant agrees that before trenching operations are started, the following will be provided to Midwest Energy:
 - a. The planned layout of the proposed area.
 - b. Easements of no less than ten (10) feet wide for purposes of primary and secondary distribution.
 - c. The marking and identification of each lot corner adjoining streets, alleys and/or easements.
 - d. Grade must be provided within six (6) inches of final grade. Applicant shall pay cost for any moving of distribution facilities or transformers due to improper elevation or depth clearances that was caused by change of grade.
 - e. Street, alley and/or easements must be cleared of all obstructions.
6. Midwest Energy shall not be responsible for any damages resulting from delay in completing the work provided for herein where such delay is due to casualty, labor disputes, weather or other similar or dissimilar causes beyond the reasonable control Midwest Energy, or any action or inaction of governmental or regulatory authority.
7. This Contract is subject to valid decisions of the Kansas Corporation Commission or Midwest Energy's Board of Directors, if applicable, pursuant to K.S.A. 66-104g, et seq., and other governmental authorities having jurisdiction. However, all other terms and conditions in this Contract shall remain in effect.
8. It is understood that this Contract can only be executed by a duly authorized representative of Midwest Energy signing this form which has previously been signed by Applicant.
9. This Contract supersedes all previous verbal and written agreements between the Parties with respect to extension of electric distribution facilities to building sites identified on Exhibit A. No amendment to or modification of this Contract shall be enforceable unless reduced to writing and executed by both Parties.

MIDWEST ENERGY, INC.

By _____
Justin D. MacDonald, Vice President Customer Service

APPLICANT

By _____

Printed name and title _____

Midwest Energy, Inc.
Residential Subdivision Natural Gas Facilities Contract

This Contract entered into this 13th day of NOVEMBER 2025, by and between Midwest Energy, Inc., its successors and assigns (Midwest Energy), and THE CITY OF HAYS, their successors and assigns (Applicant).

(Date) (Month, Year) (Developer)

WITNESSETH that, the Parties hereto do mutually agree as follows with respect to the installation of a natural gas distribution system in Applicant's proposed subdivision addition commonly known and referred to as the TALLGRASS PHASE 4 Subdivision (hereinafter, the "Subdivision"), located in the NE/4 35-13-18 in Ellis County Kansas.

(Name of Subdivision) (Legal Description)

1. This Contract covers the provision of a natural gas distribution system for ONE HUNDRED ONE building sites in the Subdivision, as indicated on the attached plat designated as Exhibit A.
(spelled out #)
(101) (numeric #)
2. Construction of the natural gas distribution system within the Subdivision will proceed as mutually agreed. Midwest Energy shall not be required to install the system in segments smaller than considered economical or practical by Midwest Energy.
3. Applicant agrees to pay Midwest Energy for the cost of the natural gas distribution system. Said cost is based on the Midwest Energy's construction and investment analysis and is calculated to be \$ 717,872.00 payable on request in advance of construction. \$ 303,000.00 shall be treated as the Reimbursable Portion, representing \$500.00 per building site for each of the ONE HUNDRED AND ONE building sites. Said payment shall be treated by Midwest Energy as a customer advance for construction and is reimbursable as follows: For each home that is constructed, occupied and connected to the system within the succeeding five (5) years from the date of this Contract and located in the portion of the Subdivision covered by this Contract, Midwest Energy will refund to Applicant one hundred (100) percent of the reimbursable portion of the per building site charge without interest upon written request from Applicant and satisfactory verification by Midwest Energy that the refund requirements stated above have been fulfilled. Applicant shall not be entitled to any refund for a building site where a home is completed, occupied and connected to the system subsequent to said five (5) year period, and in no circumstances will the total amount to be refunded exceed the Reimbursable Portion amount listed above.
(total construction cost) (reimbursable total portion)
(spelled out #) (numeric #)
4. The parties shall abide by the Midwest Energy Natural Gas Terms and Conditions when approved by the KCC or Midwest Energy Board of Directors, if applicable, pursuant to K.S.A. 66-104g, et seq.
5. Applicant agrees that before trenching operations are started, the following will be provided to Midwest Energy:
 - a. Planned layout of the proposed area.

- b. Easements no less than ten (10) feet wide for natural gas mains.
 - c. Marking and identification of each lot corner adjoining streets, alleys and/or easements.
 - d. Grade must be within twelve (12) inches of final grade. Applicant shall pay cost for any moving of gas mains due to improper elevation or depth clearances caused by change of grade after installation of the system.
 - e. Street, alley and/or easements must be cleared of all obstructions.
6. Midwest Energy shall not be responsible for any damages resulting from delay in completing the work provided for herein where such delay is due to casualty, labor disputes, weather or other similar or dissimilar causes beyond the reasonable control Midwest Energy, or any action or inaction of governmental or regulatory authority.
7. This Contract is subject to valid decisions of the Kansas Corporation Commission or Midwest Energy's Board of Directors, if applicable, pursuant to K.S.A. 66-104g, et seq., and other governmental authorities having jurisdiction. However, all other terms and conditions in this Contract shall remain in effect.
8. It is understood that this Contract can only be executed by a duly authorized representative of Midwest Energy signing this form which has previously been signed by Applicant.
9. This Contract supersedes all previous verbal and written agreements between the Parties with respect to extension of natural gas distribution facilities to building sites identified on Exhibit A. No amendment to or modification of this Contract shall be enforceable unless reduced to writing and executed by both Parties.

MIDWEST ENERGY, INC.

By _____
Justin D. MacDonald, Vice President Customer Service

APPLICANT

By _____

Print Name/Title _____



City Commission Work Session

Agenda Memo

From: Jarrod Kuckelman, Assistant City Manager

Work Session: November 6, 2025

Subject: Consider Resolution Evidencing an Intent to Issue Industrial Revenue Bonds (Exit 157 24/7)

Person(s) Responsible: Jarrod Kuckelman, Assistant City Manager

Summary

Triplett, Inc., a Kansas corporation (the “Developer”) submitted an Application for Economic Incentives and the required application fee relating to the planned construction of a new commercial travel plaza and related infrastructure discussed below (the “Project”). The Developer is requesting tax increment financing (“TIF”), a community improvement district (“CID”), and industrial revenue bonds (“IRBs”).

Utilization of the IRBs will allow the Developer to obtain a sales tax exemption for all purchases related to the construction of the Project. No property tax abatement associated with the IRB issuance is requested for the Project. Adopting the IRB 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 finalize the sales tax exemption.

All materials have been reviewed by the City’s special legal counsel, Gilmore & Bell, P.C., and are found to meet all the requirements of Kansas law and the City’s Economic Development Policy. Staff recommends that the Commission adopt the IRB Resolution of Intent.

Background

The Developer seeks to develop the project site into a full-service travel plaza and convenience store, and also install all infrastructure necessary to serve such development.

Discussion

The Developer seeks incentives to develop an approximately 7.3-acre site located at the southeast corner of 230th Avenue and 55th Street.

Developer will construct or cause to be constructed a travel plaza and convenience store to be operated under the 24-7 Travel Store brand and consist of an approximately 9,000 square foot full-service travel plaza and convenience store, including approximately 12 gas fuel positions and 5 diesel fuel positions, electric vehicle charging stations, a restaurant in the travel plaza, a dog park, and RV overnight camp sites.

The Developer has submitted an Application for Economic Incentives, a Supplemental Questionnaire, and related project and financial information. The Developer requests: (a) TIF financing on a pay-as-you-go basis for 20 years; (b) a 2.0% CID sales tax reimbursed on a pay-as-you-go basis for 22 years; and (c) the issuance of IRBs to obtain a sales tax exemption for purchases made in connection with the construction of the project.

Further discussion of the requested incentives and conditions thereon are recited in the attached Term Sheet.

An IRB issuance does not count against the City's debt limit, does not affect the City's debt rating, and does not require taxpayer commitment. Instead, the City acts as a conduit issuer and payment obligations solely belong to the Developer.

If the Resolution of Intent is adopted, the Developer can then obtain and rely upon a sales tax exemption certificate for purchases related to the Project. In the event the IRBs are not issued, the Developer will be responsible for paying to the Kansas Department of Revenue the amount of sales tax that was exempted in reliance on the exemption certificate. Upon completion of the Project, the City would consider an ordinance to authorize the issuance of the IRBs.

Legal Consideration

The City Attorney has reviewed the attached documentation and, based upon the fact that special legal counsel has reviewed all documents, there are no known legal obstacles to proceeding as recommended by City Staff.

Special legal counsel, Gilmore & Bell P.C., has reviewed all the documentation submitted. The requisite property owner has signed the Petition and all other aspects of it comply with the requirements of K.S.A. 12-6a26 et seq. and the City's Economic Development Policy.

Financial Consideration

An IRB issuance does not count against the City's debt limit, does not affect the City's debt rating, and does not require taxpayer commitment. Instead, the City acts as a conduit issuer and payment obligations solely belong to the Developer.

Options

The City Commission has the following options:

- Adopt the Resolution
- Decline to adopt the Resolution
- Provide other direction to City staff

Recommendation

Advance the project by adopting the IRB Resolution of Intent.

Action Requested

Adopt a resolution evidencing an intent to issue Industrial Revenue Bonds.

Supporting Documentation

Term Sheet
Resolution

CITY OF HAYS, KANSAS

PROJECT OVERVIEW AND SUMMARY OF ECONOMIC DEVELOPMENT INCENTIVES REQUEST

(Exit 157 24-7 Travel Store)

August 30, 2023

I. Proposed Project

The proposed project involves the development of approximately 7.3 acres located at the southeast corner of 230th Avenue and 55th Street within the City, as shown on the map attached as **Exhibit A**. Triplett, Inc., a Kansas corporation (the “Developer”) plans to construct (or cause to be constructed) a new Travel Store (as defined herein) and related parking improvements, at a total estimated cost (excluding soft costs) of \$11,172,148.

Developer will initially finance the Travel Store from private sources and request reimbursement for certain eligible expenses from tax increment financing (“TIF”) and a community improvement district (“CID”) sales tax. Developer has identified \$4,217,507 of estimated TIF eligible expenses. The CID sales tax revenue will be applied against the vertical construction cost of the Travel Store, of which \$6,594,641 are estimated to be eligible expenses. Developer currently anticipates the TIF District to generate approximately \$4,538,166 and the CID sales tax to generate approximately \$2,000,000, totaling \$6,538,166. In addition, Developer requests the issuance of industrial revenue bonds to finance the project in order to provide a sales tax exemption for purchases made in connection with construction of the Travel Store. The industrial revenue bonds are estimated to provide a benefit valued at \$125,687 related to the local portion of the exempted sales tax.

The Developer estimates that the appraised value of the Travel Store upon completion will be \$11,172,148. The Developer also estimates that the Travel Store will, upon full completion, create \$5,000,000 of annual taxable retail sales and \$20,000,000 of annual gas/diesel sales.

A. Private Development.

A conceptual site plan of the Travel Store is attached as **Exhibit B**. The Travel Store will be operated under the 24-7 Travel Store brand and consist of an approximately 9,000 square foot full-service travel plaza and convenience store, including approximately 12 gas fueling positions and 5 diesel fueling positions, electric vehicle charging stations, a restaurant in the travel plaza, a dog park, and RV overnight camp sites at an estimated construction cost of \$11,172,148 (collectively, the “Travel Store”).

Developer anticipates that the Travel Store will be complete and open for business as soon as Spring 2025.

B. Public Improvements.

The Travel Store will be constructed by developing an existing improved site. All necessary infrastructure is in place to support the Travel Store, and therefore no additional public improvements are expected.

C. Total Estimated Costs.

Developer's expected costs for the Travel Store total \$11,172,148, and such costs will initially be financed by Developer's private debt and equity, a portion of which would be reimbursed to Developer on a pay-as-you-go basis from incremental property taxes generated within the TIF District and the CID sales tax.

II. Proposed Method of Financing/Requested Economic Development Incentives

The Developer requests that the City Commission authorize staff to begin negotiating a Development Agreement to provide for construction of the Travel Store and to commence the process of implementing the following requested economic development incentives:

1. *Tax Increment Financing District (TIF)* with boundaries as shown on **Exhibit A** (the "*TIF District*"). The TIF District is proposed to be created with one project area and one project plan.

The TIF District would capture all incremental property tax revenues within the TIF District, but no sales taxes within the TIF District would be captured in accordance with the City's Economic Development Policy. The TIF revenues generated within the TIF District would be used to reimburse Developer for TIF-eligible expenses on a pay-as-you-go basis with no bonds issued.

Based on current development plans for the Travel Store, the Developer estimates that the TIF District would generate \$4,538,166 in incremental property tax revenues over its 20-year life.

Triplett, Inc. <i>Exit 157 24-7 Travel Store TIF</i>				
PROPERTY TAX WORKSHEET (UPON STABILIZATION)				
BASE YEAR VALUATION	\$	131,430	Mill Levy	0.120842
BASE YEAR ASSESSED VALUE	\$	32,858	(less 20 USD Base)	-0.020000
PRESENT TAX AD VAL TAX	\$	3,971	(less 8.0 USD CO)	-0.008
ASSUMED STABILIZED VALUE			(less 1.5 State)	-0.001500
TRAVEL STORE	\$	11,172,148	TIF Eligible Mill Levy	0.091342
ASSESSED VALUE (25%)	\$	2,793,037		
TOTAL EST. AD VAL TAX PER YEAR	\$	337,516		
TIF CALCULATION WORKSHEET (UPON STABILIZATION)				
AMOUNT OF TIF AD VAL TAX	\$	255,122		
(LESS BASE ASSESSED VALUE)	\$	(3,001)		
ANNUAL TIF INCREMENT	\$	252,120		
ESTIMATED ANNUAL TIF REVENUE TO DEVELOPER	\$	252,120		
20 year gross TIF value*	\$	4,538,166		
*assumes 18 years of "full" TIF net of construction and stabilization				

Based on current project cost estimates, the Developer estimates that \$4,217,507 of the Travel Store costs are TIF-eligible expenses under State law and the City's Economic Development Policy as follows:

Description	Estimate
All Site Work	\$ 591,841
Detention Pond Seeding	27,274
All Site Concrete	1,772,796
Site Sewer Water	183,600
Site Electrical	101,971
City Utility Fees	86,400
New Tank Field Excavation and Backfill	229,100
Dog Park	51,002
Pavement Joint Sealing	121,873
Salt Guard	11,850
Land	960,000
Design Fees	79,800
Total	\$4,217,507.

2. *Community Improvement District (CID)* with boundaries as shown on **Exhibit A**. Within the CID, a 2.0% CID sales tax would be imposed in addition to the City's current sales tax of 2.25%. The CID sales tax revenues would be used to reimburse the Developer on a pay-as-you-go basis for CID-eligible expenses, which primarily relate to the private construction cost of the Travel Store, gas pumps, and related private improvements.

Based on current project cost estimates, the Developer estimates that the following costs of the Travel Plaza are CID-eligible expenses under State law, and are reimbursable under the City's Economic Development Policy:

Description	Estimate
Building	\$4,560,000
Petroleum Underground	774,797
Dispensers	390,000
Tanks	263,844
Canopies	246,000
Signs	360,000
Total	\$6,594,641

Based on current development plans, the Developer estimates that the CID sales tax would generate approximately \$2,000,000 to fund CID-eligible expenses over the 22-year life of the CID (see table below).

CID WORKSHEET (UPON STABILIZATION)

Annual Travel Store Sales (subject to Sales Tax)	\$5,000,000
Annual CID Revenues (2.0%)	100,000
22 year gross CID value*	2,000,000
*assumes 20 years of "full" CID after stabilization	

TOTAL CID ELIGIBLE EXPENSES:

\$6,594,641

3. *Total Estimated TIF and CID Proceeds.* Developer currently anticipates the TIF District to generate approximately \$4,538,166 and the CID sales tax to generate approximately \$2,000,000, totaling \$6,538,166.

4. *Industrial Revenue Bonds – Sales Tax Exemption.* Developer requests that the City Commission authorize staff to begin preparation of the documentation to provide for an Industrial Revenue Bond (“IRB”) issuance to support the Travel Store. An IRB issuance does not count against the City’s debt limit, does not affect the City’s debt rating, and does not require taxpayer commitment. Instead, the City acts as a conduit issuer and payment obligations solely belong to the Developer.

The specific economic development incentive available through the IRB issuance and being requested is a Sales Tax Exemption. All purchases related to construction of the Travel Store that are included within the IRB issuance are eligible for an exemption from all state and local sales tax. The sales tax exemption certificate could be obtained following adoption by the City of a resolution of intent to issue the IRBs. In the event the IRBs are not issued, the Developer will be responsible for paying to the Kansas Department of Revenue the amount of sales tax that was exempted in reliance on the exemption certificate.

No property tax abatement is requested for the Travel Store.

FINANCIAL SUMMARY

Estimated Benefits			Eligible Benefits	
Financial Summary	Cost	% of project	Financial Summary	Cost
Estimated Project Hard Costs	\$11,172,148		Estimated Project Hard Costs	\$11,172,148
TIF Generate	4,538,166	40.62%	TIF Eligible Expenses	4,217,507
CID Generate	2,000,000	17.90%	CID Eligible Expenses	6,594,641
Estimated IRB (Local Portion)	125,687	1.13%	Estimated IRB (Local Portion)	125,687
Incentive Share	6,663,852	59.65%		
Developer Share	4,508,296	40.35%		

III. Benefits to the City

1. *Tax Revenue.* The City and County would receive all new sales taxes generated by the project. Developer estimates total annual retail sales of the Travel Store will be approximately \$5,000,000. At the City’s current sales tax rate of 2.25%, this amount would generate approximately \$112,500 in annual sales tax revenue for the City.

2. *Implementation of City Policy.* The project would develop the City’s northwest entrance in a manner consistent with the City’s comprehensive plan and would further the purposes of the City’s policies of encouraging economic activity, growing the tax base, and creating jobs.

3. *Increased Construction Activity.* The City and County would realize the economic benefits attendant to a reconstruction project as the Travel Store is built; however, no sales tax will be collected as materials are purchased for the Travel Store.

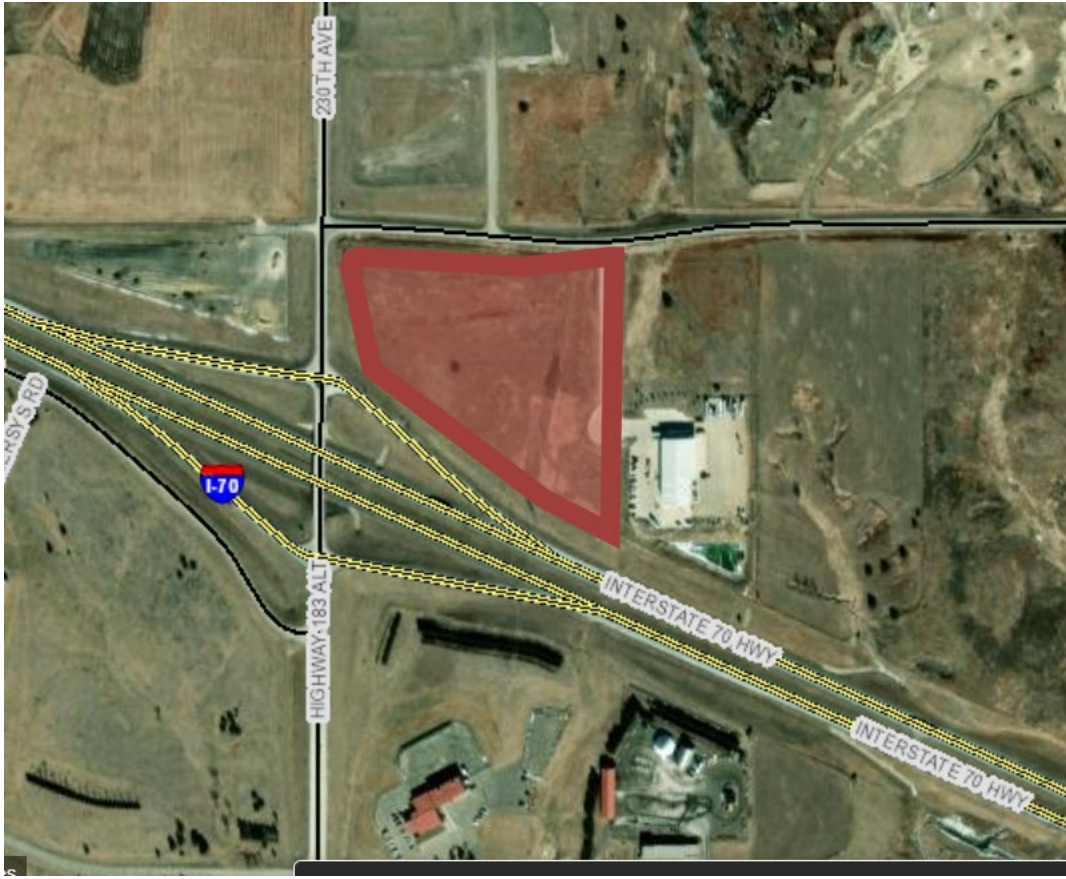
IV. Proposed Timeline

Developer expects to begin construction in Summer 2024 following initial City approvals. See *Exhibit C* attached for a schedule of City Commission approvals for the requested incentives.

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EXHIBIT A

PROJECT LOCATION; TIF DISTRICT; CID DISTRICT



TRAVEL STORE SITE PLAN



RESOLUTION NO. ____

**A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF HAYS,
KANSAS DETERMINING THE ADVISABILITY OF ISSUING TAXABLE
INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF FINANCING THE
ACQUISITION, CONSTRUCTION, FURNISHING, AND EQUIPPING OF A
COMMERCIAL FACILITY LOCATED IN THE CITY; AND AUTHORIZING
EXECUTION OF RELATED DOCUMENTS**

WHEREAS, the City of Hays, Kansas (the “Issuer”) desires to promote, stimulate and develop the general economic welfare and prosperity of the Issuer, and thereby to further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas; and

WHEREAS, pursuant to the provisions of the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 *et seq.* (the “Act”), the Issuer is authorized to issue revenue bonds for such purposes, and it is hereby found and determined to be advisable and in the interest and for the welfare of the Issuer and its inhabitants that revenue bonds of the Issuer in a principal amount of approximately \$11,200,000 be authorized and issued, in one or more series, to provide funds to pay the costs of the acquisition, construction, furnishing, and equipping of a commercial facility (the “Project”) to be located in the boundaries of the Issuer and to be leased by the Issuer to Triplett, Inc., a Kansas corporation, or another related legal entity (the “Tenant”).

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

Section 1. Public Purpose. The governing body of the Issuer hereby finds and determines that the Project will promote, stimulate and develop the general economic welfare and prosperity of the Issuer, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas.

Section 2. Authorization to Acquire Project; Intent to Issue Bonds. The Issuer is hereby authorized to proceed with the acquisition, construction, furnishing, and equipping of the Project and to issue its revenue bonds, in one or more series, in a principal amount of approximately \$11,200,000 (the “Bonds”) to pay the costs thereof, subject to satisfaction of the conditions of issuance set forth herein.

Section 3. Conditions to Issuance of Bonds. The issuance of the Bonds is subject to: (a) the passage of an ordinance authorizing the issuance of the Bonds; (b) the successful negotiation of a Trust Indenture, Site Lease, Project Lease, Bond Purchase Agreement or other legal documents necessary to accomplish the issuance of the Bonds, the terms of which shall be in compliance with the Act and mutually satisfactory to the Issuer and the Tenant; (c) the successful negotiation and sale of the Bonds to a purchaser or purchasers yet to be determined (the “Purchaser”), which sale shall be the responsibility of the Tenant and not the Issuer; (d) the receipt of the approving legal opinion of Gilmore & Bell, P.C. (“Bond Counsel”) in form acceptable to the Issuer, the Tenant and the Purchaser; (e) the obtaining of all necessary governmental approvals to the issuance of the Bonds; and (f) the commitment to and payment by the Tenant or Purchaser of all expenses relating to the issuance of the Bonds, including, but not limited to: (i) expenses of the Issuer and the Issuer Attorney; (ii) any underwriting or placement fees and expenses; (iii) all legal fees and expenses of Bond Counsel; and (iv) all recording and filing fees, including fees of the Kansas Board of Tax Appeals..

Section 4. Sales Tax Exemption. The Governing Body hereby determines that pursuant to the provisions of K.S.A. 79-3601 *et seq.* (the “Sales Tax Act”), particularly 79-3606(b) and (d) and other applicable laws, sales of tangible personal property or services purchased in connection with construction of

the Project and financed with proceeds of the Bonds are entitled to exemption from the tax imposed by the Sales Tax Act; provided proper application is made therefore. In the event that the Bonds are not issued for any reason, the Tenant will not be entitled to a sales tax exemption under the terms of the Sales Tax Act and will remit to the State Department of Revenue all sales taxes that were not paid due to reliance on the sales tax exemption certificate granted hereunder.

Section 5. Reliance by Tenant; Limited Liability of Issuer. It is contemplated that in order to expedite acquisition of the Project and realization of the benefits to be derived thereby, the Tenant may incur temporary indebtedness or expend its own funds to pay costs of the Project prior to the issuance of the Bonds. Proceeds of Bonds may be used to reimburse the Tenant for such expenditures. The Bonds herein authorized and all interest thereon shall be paid solely from the revenues to be received by the Issuer from the Project and not from any other fund or source. The Issuer shall not be obligated on such Bonds in any way, except as herein set out. In the event that the Bonds are not issued, the Issuer shall have no liability to the Tenant.

Section 6. Further Action. The Clerk is hereby authorized to deliver an executed copy of this Resolution to the Tenant. The Mayor, Clerk and other officials and employees of the Issuer, including the Issuer's counsel and Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Resolution, including, but not limited to: (a) cooperate with the Tenant in filing an application for a sales tax exemption certificate with the Kansas Department of Revenue with respect to Bond-financed property; and (b) execution on behalf of the Issuer of the information statement regarding the proposed issuance of the Bonds to be filed with the State Board of Tax Appeals pursuant to the Act.

Section 7. Effective Date. This resolution shall become effective upon adoption by the Governing Body.

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ADOPTED by the Governing Body of the City of Hays, Kansas on November 13, 2025.

Mayor

Attest:

Clerk

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON NOVEMBER 13, 2025**

The City Commission (the "Governing Body") of the City of Hays, Kansas (the "City") met in regular session at the usual meeting place in the City, at 4:00 p.m., the following members being present and participating, to-wit:

Absent:

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

* * * * *

(Other Proceedings)

There was presented a Resolution entitled:

**A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF HAYS,
KANSAS DETERMINING THE ADVISABILITY OF ISSUING TAXABLE
INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF FINANCING THE
ACQUISITION, CONSTRUCTION, FURNISHING, AND EQUIPPING OF A
COMMERCIAL FACILITY LOCATED IN THE CITY; AND AUTHORIZING
EXECUTION OF RELATED DOCUMENTS**

Commissioner _____ moved that the Resolution be adopted. The motion was seconded by Commissioner _____. The Resolution was duly read and considered, and upon being put, the motion for the adoption of the Resolution was carried by the following vote of the governing body:

Aye: _____.

Nay: _____.

Thereupon, the Mayor declared the Resolution duly adopted and the Resolution was then duly numbered Resolution No. _____ and was signed by the Mayor and attested by the Clerk.

* * * * *

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CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Hays, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk



City Commission Work Session

Agenda Memo

From: Jarrod Kuckelman, Assistant City Manager

Work Session: November 6, 2025

Subject: Consider Resolution Evidencing an Intent to Issue Industrial Revenue Bonds (Agiliti)

Person(s) Responsible: Jarrod Kuckelman, Assistant City Manager

Summary

Agiliti Hays, LLC, a Delaware limited liability company (the “Developer”) submitted an Application for Economic Incentives and the required application fee relating to the planned acquisition, renovation, and expansion of an existing commercial manufacturing facility (the “Project”).

The Developer is requesting industrial revenue bonds (“IRBs”) be issued to benefit the Project. Utilization of the IRBs will allow the Developer to (i) obtain a sales tax exemption for all purchases related to the construction of the Project; and (ii) obtain a real property tax abatement for the Project for up to 10 years.

Prior to approving an IRB granting a property tax abatement, a public hearing must be held. Notice of the public hearing has been published as required by statute and sent to USD 489 and Ellis County.

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 effect the property tax abatement.

All materials have been reviewed by the City’s special legal counsel, Gilmore & Bell, P.C., and are found to meet all the requirements of Kansas law and the City’s Economic Development Policy. Staff recommends that the Commission adopt the IRB Resolution of Intent.

Background

The Developer seeks to retain and expand its business through the acquisition, renovation, and expansion of its existing facility located at 500 Commerce Parkway in the City. Currently, the Developer leases the facility and employs approximately 91

employees. Approximately 140 additional jobs are anticipated to be added after the acquisition and completion of the Project.

Discussion

An IRB issuance does not count against the City's debt limit, does not affect the City's debt rating, and does not require taxpayer commitment. Instead, the City acts as a conduit issuer and payment obligations solely belong to the Developer.

If the Resolution of Intent is adopted, the Developer can then obtain and rely upon a sales tax exemption certificate for purchases related to the Project. In the event the IRBs are not issued, the Developer will be responsible for paying to the Kansas Department of Revenue the amount of sales tax that was exempted in reliance on the exemption certificate.

Real property that is acquired with the proceeds of IRBs may be exempt from property taxation for a period of up to 10 years; provided no exemption may be granted from the ad valorem property tax levied by a school district pursuant to the provisions of K.S.A. 72-53,113, and amendments thereto (commonly known as the Capital Outlay Levy which may be up to 8 mills). The Developer requests that the Project receive the maximum abatement for the maximum 10-year period for both (i) the existing facilities and (ii) the renovation and expansion. Property tax abatements available through IRBs commence in the year after which the IRBs are issued. Because the abatement would be applied to the currently existing facility, the City would consider an ordinance to authorize the issuance of the IRBs in December 2025.

Legal Consideration

The City Attorney has reviewed the attached documentation and, based upon the fact that special legal counsel has reviewed all documents, there are no known legal obstacles to proceeding as recommended by City Staff.

Special legal counsel, Gilmore & Bell P.C. has reviewed all the documentation submitted. All aspects as set forth in the Term Sheet comply with Kansas law and the City's Economic Development Policy.

Financial Consideration

The Developer will advance all costs of the Project. Other than the IRBs, the City will not issue general obligation or special obligation bonds for the Project.

An IRB issuance does not count against the City's debt limit, does not affect the City's debt rating, and does not require taxpayer commitment. Instead, the City acts as a conduit issuer and payment obligations solely belong to the Developer.

Abatement of existing property will result in a reduction of assessed valuation subject to property tax in the City.

Options

The City Commission has the following options:

- Adopt the Resolution
- Decline to adopt the Resolution
- Provide other direction to City staff

Recommendation

Advance the project by adopting the IRB Resolution of Intent.

Action Requested

Hold a public hearing regarding the issuance of the IRBs and an exemption from ad valorem taxation of property constructed or purchased with the proceeds of such IRBs and adopt a resolution evidencing an intent to issue Industrial Revenue Bonds.

Supporting Documentation

Term Sheet
Calendar
Resolution
Cost Benefit Analysis

CITY OF HAYS, KANSAS

PROJECT OVERVIEW AND SUMMARY OF ECONOMIC DEVELOPMENT INCENTIVES REQUEST (AGILITY HAYS, LLC)

October 22, 2025

I. The Proposed Project

Agiliti Hays, LLC, a Delaware limited liability company (the “Developer”) proposes to acquire and expand an existing commercial manufacturing facility at 500 Commerce Parkway in the City (see map attached as **Exhibit A**).

The Developer proposes to finance the Project from a combination of private debt and equity.

A. Private Development.

The existing facility supports approximately 90 employees. Approximately 140 new jobs are anticipated to be added after completion of the Project. Acquisition of the current facility is expected to close in the fourth quarter of 2025. Renovation and construction is expected to begin in the first quarter of 2026 following the City’s approval of the requested incentive. The Project is expected to be completed by the end of 2027.

B. Public Improvements.

No additional public infrastructure improvements are anticipated to support the Project.

C. Total Estimated Costs.

Developer estimates the total costs of the Project to be approximately \$6.55M, consisting of \$4.25M for acquisition of the current facility and related property and \$2.3M in renovation and expansion costs.

II. Proposed Method of Financing/Requested Economic Development Incentives

Developer requests that the City Commission authorize staff to begin preparation of the documentation required to provide for an Industrial Revenue Bond (“IRB”) issuance to support the Project. An IRB issuance does not count against the City’s debt limit, does not affect the City’s debt rating, and does not require taxpayer commitment. Instead, the City acts as a conduit issuer and payment obligations solely belong to the Developer.

The specific economic development incentives available through the IRB issuance and being requested are as follows:

1. ***Sales Tax Exemption.*** All purchases related to construction of the Project that are included within the IRB issuance are eligible for an exemption from all state and local sales tax. The sales tax exemption certificate could be obtained following adoption by the City of a resolution of intent to issue the IRBs. In the event the IRBs are not issued, the Developer will be

responsible for paying to the Kansas Department of Revenue the amount of sales tax that was exempted in reliance on the exemption certificate.

2. ***Property Tax Abatement.*** Real property that is acquired with the proceeds of revenue bonds may be exempt from property taxation for a period of ten years; provided no exemption may be granted from the ad valorem property tax levied by a school district pursuant to the provisions of K.S.A. 72-53,113, and amendments thereto (commonly known as the Capital Outlay Levy which may be up to 8 mills). The Developer requests that the Project receive the maximum abatement for the maximum 10-year period for both (i) the existing facilities and (ii) the renovation and expansion. The abatement will commence the year after issuance of the IRBs, which is expected to occur in December 2025.

III. Benefits to the City

1. ***Increased Employment and Business Expansion.*** The project will allow for retention and expansion of a local company, resulting in the creation of additional jobs and additional opportunities for growth.
2. ***Increased Construction Activity.*** The City and County would realize the economic benefits attendant to a reconstruction project as the Project is built; however, no sales tax will be collected as materials are purchased for the construction of the Project.

IV. Proposed Timeline

Developer expects to acquire the existing facilities in the fourth quarter of 2025 and begin renovation and expansion in the first quarter of 2026 following all City approvals.

EXHIBIT A:
PROJECT LOCATION



CITY OF HAYS, KANSAS
Agiliti Hays, LLC Project
IRB Schedule

DATE	ACTION
Oct. 31, 2025	Notice of public hearing mailed to USD and County and published in official City news outlet (<i>at least 7 days before hearing</i>)
Nov. 6, 2025	Work Session: City Commission considers Resolution evidencing an intent to issue industrial revenue bonds
Nov. 13, 2025	Public hearing regarding issuance of industrial revenue bonds and ad valorem tax abatement for property financed by such bonds City Commission considers Resolution evidencing an intent to issue industrial revenue bonds
Dec. 4, 2025	Work Session: City Commission considers Ordinance authorizing issuance of industrial revenue bonds
Dec. 11, 2025	City Commission considers Ordinance authorizing issuance of industrial revenue bonds
Dec. 12, 2025	Publish Ordinance
Dec. 12, 2025	Informational statement submitted to Board of Tax Appeals (<i>at least 7 days prior to bond closing</i>)
Dec. 23, 2025	Closing of bond issuance

(Published in the official City news outlet, www.haysusa.com, on October 31, 2025)

**NOTICE OF PUBLIC HEARING
AND OF
ISSUANCE OF TAXABLE INDUSTRIAL REVENUE BONDS**

Public notice is hereby given that the City Commission of the City of Hays, Kansas (the “Issuer”), will conduct a public hearing on November 13, 2025 at 4:00 p.m., or as soon thereafter as may be heard at City Hall, 1507 Main Street, Hays, Kansas, in regard to the issuance by the Issuer of its Taxable Industrial Revenue Bonds (Agility Hays, LLC Project), in a principal amount of approximately \$6,550,000 (the “Bonds”) and in regard to an exemption from ad valorem taxation of property constructed or purchased with the proceeds of such Bonds. The Bonds are proposed to be issued by the Issuer under authority of K.S.A. 12-1740 *et seq.*, as amended, to pay the costs of the acquisition, construction, renovation, expansion, furnishing, and equipping of a commercial facility located at 500 Commerce Parkway, Hays, Kansas. The Issuer further intends to lease such facility to Agiliti Hays, LLC, a Delaware limited liability company, or another related legal entity (the “Tenant”). The governing body of the Issuer will not pass an ordinance authorizing the issuance of such revenue bonds until the public hearing has been concluded.

Notice is further given, in accordance with K.S.A. 12-1744e, that the Issuer intends to issue the Bonds and lease the facility to the Tenant as set out above.

A copy of this Notice, together with a copy of the inducement resolution of the Issuer to be considered for adoption on November 13, 2025, indicating the intent of the governing body of the Issuer to issue such Bonds and a report analyzing the costs and benefits of such property tax exemption are on file in the office of the Clerk, or will be as soon as completed, and available for public inspection during normal business hours.

All persons having an interest in this matter will be given an opportunity to be heard at the time and place above specified.

Dated: October 31, 2025

CITY OF HAYS, KANSAS

Jami Breit, Clerk

RESOLUTION NO. ____

**A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF HAYS,
KANSAS DETERMINING THE ADVISABILITY OF ISSUING TAXABLE
INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF FINANCING THE
ACQUISITION, CONSTRUCTION, RENOVATION, EXPANSION, FURNISHING,
AND EQUIPPING OF A COMMERCIAL FACILITY LOCATED IN THE CITY;
AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS**

WHEREAS, the City of Hays, Kansas (the “Issuer”) desires to promote, stimulate and develop the general economic welfare and prosperity of the Issuer, and thereby to further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas; and

WHEREAS, pursuant to the provisions of the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 *et seq.* (the “Act”), the Issuer is authorized to issue revenue bonds for such purposes, and it is hereby found and determined to be advisable and in the interest and for the welfare of the Issuer and its inhabitants that revenue bonds of the Issuer in a principal amount of approximately \$6,550,000 be authorized and issued, in one or more series, to provide funds to pay the costs of the acquisition, construction, renovation, expansion, furnishing, and equipping of a commercial facility (the “Project”) located in the boundaries of the Issuer and to be leased by the Issuer to Agiliti Hays, LLC, a Delaware limited liability company or another related legal entity (the “Tenant”).

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

Section 1. Public Purpose. The governing body of the Issuer hereby finds and determines that the Project will promote, stimulate and develop the general economic welfare and prosperity of the Issuer, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas.

Section 2. Authorization to Acquire Project; Intent to Issue Bonds. The Issuer is hereby authorized to proceed with the acquisition, construction, renovation, expansion, furnishing, and equipping of the Project and to issue its revenue bonds, in one or more series, in a principal amount of approximately \$6,550,000 (the “Bonds”) to pay the costs thereof, subject to satisfaction of the conditions of issuance set forth herein.

Section 3. Conditions to Issuance of Bonds. The issuance of the Bonds is subject to: (a) the passage of an ordinance authorizing the issuance of the Bonds; (b) the successful negotiation of a Trust Indenture, Site Lease, Project Lease, Bond Purchase Agreement or other legal documents necessary to accomplish the issuance of the Bonds, the terms of which shall be in compliance with the Act and mutually satisfactory to the Issuer and the Tenant; (c) the successful negotiation and sale of the Bonds to a purchaser or purchasers yet to be determined (the “Purchaser”), which sale shall be the responsibility of the Tenant and not the Issuer; (d) the receipt of the approving legal opinion of Gilmore & Bell, P.C. (“Bond Counsel”) in form acceptable to the Issuer, the Tenant and the Purchaser; (e) the obtaining of all necessary governmental approvals to the issuance of the Bonds; (f) the commitment to and payment by the Tenant or Purchaser of all expenses relating to the issuance of the Bonds, including, but not limited to: (i) expenses of the Issuer and the Issuer Attorney; (ii) any underwriting or placement fees and expenses; (iii) all legal fees and expenses of Bond Counsel; and (iv) all recording and filing fees, including fees of the Kansas Board of Tax Appeals; and (g) the satisfactory negotiation of an agreement with the Tenant relating to the exemption of property taxes assessed against the Project after issuance of the Bonds.

Section 4. Property Tax Exemption. The Issuer hereby determines that pursuant to the provisions of K.S.A. 79-201a *Twenty-Fourth*, the Project, to the extent purchased or constructed with the proceeds of the Bonds, should be exempt from payment of ad valorem property taxes for ten years commencing with the year following the year in which the Bonds are issued, provided proper application is made therefor; provided no exemption may be granted from the ad valorem property tax levied: (a) by a school district pursuant to the provisions of K.S.A. 72-53,113, and amendments thereto; and (b) for the uses restricted pursuant to the provisions of K.S.A. 79-201a, *Second* and *Twenty-Fourth*. In making such determination the governing body of the Issuer has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. 12-1749d. The Tenant is responsible for preparing such application and providing the same to the Issuer for its review and submission to the State Board of Tax Appeals. The Issuer reserves the right to negotiate an agreement with the Tenant relating to the exemption of property taxes assessed against the Project after issuance of the Bonds.

Section 5. Sales Tax Exemption. The Governing Body hereby determines that pursuant to the provisions of K.S.A. 79-3601 *et seq.* (the "Sales Tax Act"), particularly 79-3606(b) and (d) and other applicable laws, sales of tangible personal property or services purchased in connection with construction of the Project and financed with proceeds of the Bonds are entitled to exemption from the tax imposed by the Sales Tax Act; provided proper application is made therefore. In the event that the Bonds are not issued for any reason, the Tenant will not be entitled to a sales tax exemption under the terms of the Sales Tax Act and will remit to the State Department of Revenue all sales taxes that were not paid due to reliance on the sales tax exemption certificate granted hereunder.

Section 6. Reliance by Tenant; Limited Liability of Issuer. It is contemplated that in order to expedite acquisition of the Project and realization of the benefits to be derived thereby, the Tenant may incur temporary indebtedness or expend its own funds to pay costs of the Project prior to the issuance of the Bonds. Proceeds of Bonds may be used to reimburse the Tenant for such expenditures. The Bonds herein authorized and all interest thereon shall be paid solely from the revenues to be received by the Issuer from the Project and not from any other fund or source. The Issuer shall not be obligated on such Bonds in any way, except as herein set out. In the event that the Bonds are not issued, the Issuer shall have no liability to the Tenant.

Section 7. Further Action. The Clerk is hereby authorized to deliver an executed copy of this Resolution to the Tenant. The Mayor, Clerk and other officials and employees of the Issuer, including the Issuer's counsel and Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Resolution, including, but not limited to: (a) cooperate with the Tenant in filing an application for a sales tax exemption certificate with the Kansas Department of Revenue with respect to Bond-financed property; and (b) execution on behalf of the Issuer of the information statement regarding the proposed issuance of the Bonds to be filed with the State Board of Tax Appeals pursuant to the Act.

Section 8. Effective Date. This resolution shall become effective upon adoption by the Governing Body.

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ADOPTED by the governing body of the City of Hays, Kansas on November 13, 2025.

[SEAL]

Mayor

Attest:

Clerk

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON NOVEMBER 13, 2025**

The governing body met in regular session at the usual meeting place in the City on November 13, 2025, at 4:00 p.m., the following members being present and participating, to wit:

Absent:

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

* * * * *

Among other business, in accordance with a notice published on October 31, 2025, in the official City news outlet, www.haysusa.com, a public hearing was held by the governing body relating to the proposed issuance of Taxable Industrial Revenue Bonds (Agiliti Hays, LLC Project) in a principal amount of approximately \$6,550,000 (the “Bonds”) and regarding an exemption from ad valorem taxation of property constructed or purchased with the proceeds of such Bonds. All interested persons were afforded an opportunity to present their views on the issuance of the Bonds, the location and nature of the Project to be financed with the proceeds of the Bonds, and the exemption from ad valorem taxation. Thereupon, the public hearing was closed and there was presented a Resolution entitled:

**A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF HAYS,
KANSAS DETERMINING THE ADVISABILITY OF ISSUING TAXABLE
INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF FINANCING THE
ACQUISITION, CONSTRUCTION, RENOVATION, EXPANSION, FURNISHING,
AND EQUIPPING OF A COMMERCIAL FACILITY LOCATED IN THE CITY;
AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS**

Commissioner _____ moved that the Resolution be adopted. The motion was seconded by Commissioner _____. The Resolution was duly read and considered, and upon being put, the motion for the adoption of the Resolution was carried by the following vote of the governing body:

Aye: _____.

Nay: _____.

Thereupon, the Mayor declared the Resolution duly adopted and the Resolution was then duly numbered Resolution No. _____ and was signed by the Mayor and attested by the Clerk.

* * * * *

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CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Hays, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

[SEAL]

Clerk

October 31, 2025

Board of Education
Unified School District No. 489
323 West 12th Street
Hays, Kansas 67601

County Clerk
Board of County Commissioners
Ellis County Courthouse
718 Main Street
Hays, Kansas 67601

Re: Approximately \$6,550,000
City of Hays, Kansas
Taxable Industrial Revenue Bonds
(Agiliti Hays, LLC Project)

We have enclosed for your information a Notice of the Public Hearing and Issuance of Industrial Revenue Bonds proposed by the City of Hays, Kansas pursuant to K.S.A. 12-1749c and K.S.A. 12-1749d, as amended.

Very truly yours,

CITY OF HAYS, KANSAS

Jami Breit, Clerk

Enclosure

AFFIDAVIT OF MAILING AND PUBLICATION

I, the undersigned, of lawful age, upon oath or affirmation, hereby declare under the penalties of perjury:

1. I am the duly appointed and acting Clerk of the City of Hays, Kansas, and I was the duly appointed and acting Clerk at all times referred to in this affidavit.

2. On _____, 2025, I mailed a letter and attached Notice of Public Hearing addressed as follows:

Board of Education
Unified School District No. 489
323 West 12th Street
Hays, Kansas 67601

County Clerk
Board of County Commissioners
Ellis County Courthouse
718 Main Street
Hays, Kansas 67601

The foregoing items were mailed by first-class mail with adequate postage. Each envelope was endorsed with the return address of my office. Copies of the letter and notice mailed are attached to this affidavit.

3. Neither package was returned undelivered.

4. The Notice of Public Hearing mailed as stated above was published once in the official City news outlet, www.haysusa.com, on _____, 2025, which date was at least seven days prior to the date the public hearing was held. A true copy of the affidavit of publication of the Notice of Hearing is attached to this affidavit.

Jami Breit, Clerk

STATE OF KANSAS)
COUNTY OF ELLIS)

Subscribed and sworn or affirmed before me this ____ day of _____, 2025.

[SEAL]

Notary Public

Typed or Printed Name of Notary Public

My Appointment Expires:

Project Type: Business Retention & Expansion
Industry: Advanced Manufacturing
Prepared By: State of Kansas

Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by State of Kansas using Impact DashBoard, a customized web application developed by Impact DataSource, LLC.

Impact DashBoard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for State of Kansas.

This report, generated by the Impact DashBoard application, has been prepared by State of Kansas to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. State of Kansas made reasonable efforts to ensure that the project-specific data entered into Impact DashBoard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

State of Kansas and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

Introduction

This report presents the results of an economic impact analysis performed using Impact DashBoard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 15-year period.

Existing & Expanded Operations

The Project under analysis represents the expansion of an existing business. The table below illustrates the economic impact over the next 15 years including both the current and expanded operations.

ECONOMIC IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 15 YEARS IN ELLIS COUNTY			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
JOBS			
Direct	91.0	140.0	231.0
Spin-off	33.8	52.0	85.8
Jobs Total	124.8	192.0	316.8
SALARIES			
Direct	\$85,507,041	\$90,459,532	\$175.97M
Spin-off	\$28,763,115	\$30,429,049	\$59,192,164
Salaries Total	\$114.27M	\$120.89M	\$235.16M

The table below summarizes the fiscal impact, the net benefits for local taxing districts, over the next 15 years including both the current and expanded operations.

FISCAL IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 15 YEARS			
NET BENEFITS LESS INCENTIVES			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
Ellis County	\$759,607	\$765,850	\$1,525,457
City of Hays	\$758,693	\$835,442	\$1,594,135
Hays School District (USD 489)	\$982,031	\$1,395,011	\$2,377,042
State of Kansas	\$11,357,310	\$9,844,305	\$21,201,614
	\$13,857,640	\$12,840,608	\$26,698,249

The remainder of this report will focus on the total combined economic and fiscal impact associated with the current and expanded operations.

Economic Impact Overview

The table below summarizes the economic impact of the project over the first 15 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 15 YEARS IN ELLIS COUNTY			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Jobs	231.0	85.8	316.8
Annual Salaries/Wages at Full Ops (Yr 5)	\$11,773,554	\$3,960,423	\$15,733,977
Salaries/Wages over 15 Years	\$175.97M	\$59,192,164	\$235.16M
Taxable Sales/Purchases in Ellis County	\$35,842,097	\$9,618,727	\$45,460,824

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 15 YEARS IN ELLIS COUNTY			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to Ellis County	49.0	10.9	59.9
New residents in Ellis County	127.4	28.4	155.8
New residential properties constructed in Ellis County	7.4	1.6	9.0
New students to attend local school district	24.5	5.5	30.0

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 15 years is summarized in the following table.

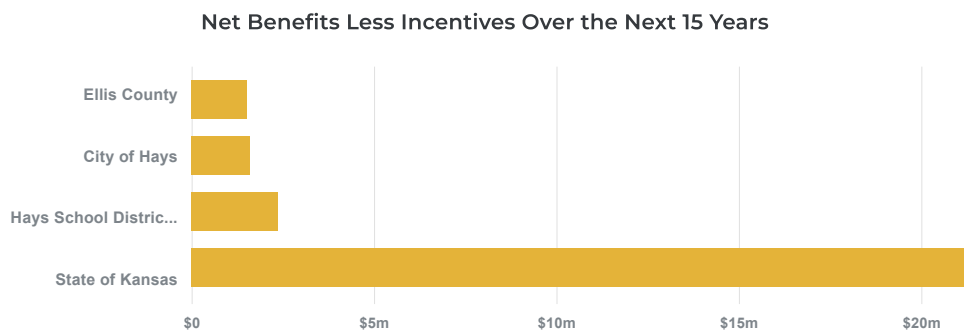
SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 15 YEARS IN ELLIS COUNTY						
YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
1	\$38,207	\$1,062,500	\$755,000	\$1,250,000	\$3,067,500	\$3,105,707
2	\$103,923	\$1,083,750	\$1,470,100	\$3,058,750	\$5,612,600	\$5,716,523
3	\$159,002	\$1,105,425	\$1,499,502	\$2,877,875	\$5,482,802	\$5,641,804
4	\$175,697	\$1,127,534	\$1,529,492	\$2,697,000	\$5,354,026	\$5,529,723
5	\$192,997	\$1,150,084	\$1,560,082	\$2,516,125	\$5,226,291	\$5,419,288
6	\$196,857	\$1,173,086	\$1,591,284	\$2,335,250	\$5,099,619	\$5,296,476
7	\$200,794	\$1,196,548	\$1,623,109	\$2,154,375	\$4,974,032	\$5,174,826
8	\$204,810	\$1,220,479	\$1,655,571	\$1,973,500	\$4,849,550	\$5,054,360
9	\$208,906	\$1,244,888	\$1,688,683	\$1,792,625	\$4,726,196	\$4,935,102
10	\$213,084	\$1,269,786	\$1,722,456	\$1,611,750	\$4,603,992	\$4,817,076
11	\$217,346	\$1,295,182	\$1,756,906	\$1,611,750	\$4,663,837	\$4,881,183
12	\$221,693	\$1,321,085	\$1,792,044	\$1,611,750	\$4,724,879	\$4,946,572
13	\$226,127	\$1,347,507	\$1,827,885	\$1,611,750	\$4,787,141	\$5,013,268
14	\$230,649	\$1,374,457	\$1,864,442	\$1,611,750	\$4,850,649	\$5,081,298
15	\$235,262	\$1,401,946	\$1,901,731	\$1,611,750	\$4,915,427	\$5,150,689

Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 15 YEARS					
	BENEFITS	COSTS	INCENTIVES	NET BENEFITS LESS INCENTIVES	PRESENT VALUE*
Ellis County	\$3,384,327	(\$458,176)	(\$1,400,694)	\$1,525,457	\$945,419
City of Hays	\$5,044,799	(\$2,428,198)	(\$1,022,466)	\$1,594,135	\$1,019,497
Hays School District (USD 489)	\$8,550,703	(\$4,262,151)	(\$1,911,510)	\$2,377,042	\$1,479,218
State of Kansas	\$24,609,869	\$0	(\$3,408,255)	\$21,201,614	\$13,539,855
Total	\$41,589,698	(\$7,148,525)	(\$7,742,925)	\$26,698,249	\$16,983,988

*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.



Public Support Overview

A summary of the total Public Support modeled in this analysis is shown below.

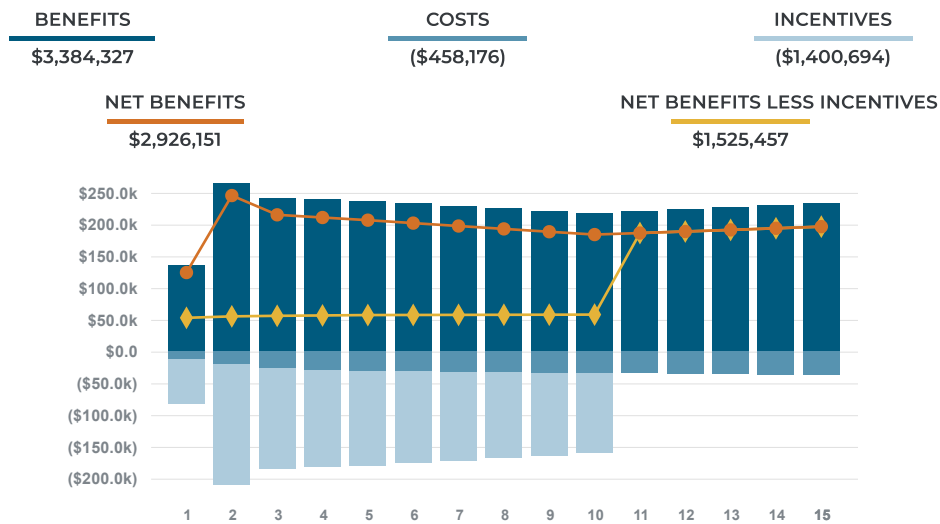
VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION				
	PROPERTY TAX INCENTIVE	SALES TAX INCENTIVE	NON-TAX INCENTIVE	TOTAL
Ellis County	\$1,371,360	\$29,334	\$0	\$1,400,694
City of Hays	\$921,430	\$101,036	\$0	\$1,022,466
Hays School District (USD 489)	\$1,911,510	\$0	\$0	\$1,911,510
State of Kansas	\$54,745	\$659,425	\$2,694,085	\$3,408,255
Total	\$4,259,045	\$789,795	\$2,694,085	\$7,742,925

Ellis County Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Ellis County over the next 15 years of the Project.

NET BENEFITS OVER 15 YEARS: ELLIS COUNTY			
BENEFITS	CURRENT	EXPANSION	TOTAL
Sales Taxes	\$92,845	\$134,460	\$227,304
Real Property Taxes	\$0	\$1,601,166	\$1,601,166
FF&E Property Taxes	\$704,531	\$434,968	\$1,139,499
New Residential Property Taxes	\$0	\$106,163	\$106,163
Miscellaneous Taxes and User Fees	\$78,685	\$231,509	\$310,194
Benefits Subtotal	\$876,061	\$2,508,266	\$3,384,327
COSTS	CURRENT	EXPANSION	TOTAL
Cost of Government Services	(\$116,454)	(\$341,722)	(\$458,176)
Costs Subtotal	(\$116,454)	(\$341,722)	(\$458,176)
Net Benefits	\$759,607	\$2,166,544	\$2,926,151
INCENTIVES	CURRENT	EXPANSION	TOTAL
Capital Investment - Sales Taxes Rebated	\$0	(\$29,334)	(\$29,334)
Property Taxes Abated	\$0	(\$1,371,360)	(\$1,371,360)
Incentives Subtotal	\$0	(\$1,400,694)	(\$1,400,694)
Net Benefits Less Incentives	\$759,607	\$765,850	\$1,525,457

Annual Fiscal Net Benefits for Ellis County

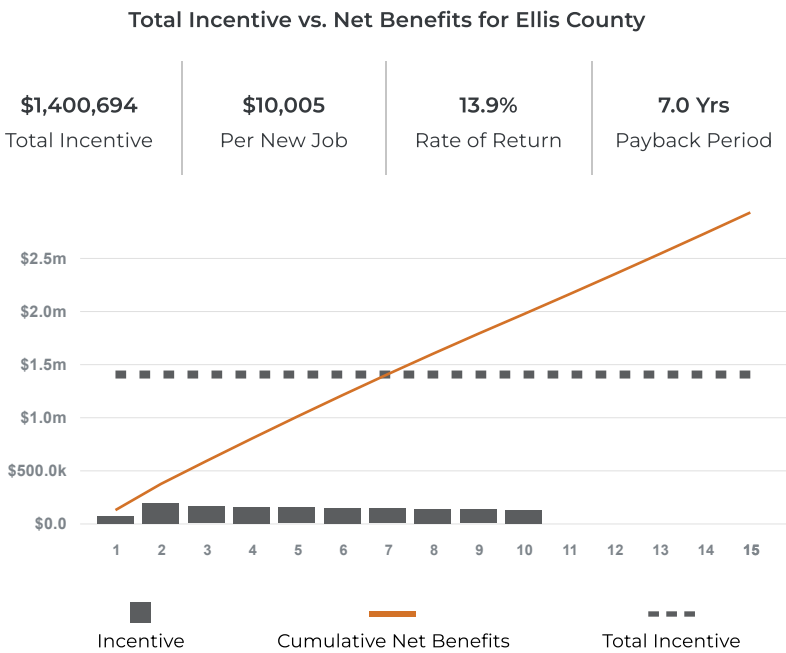


Total Incentives

Ellis County is considering the following incentives for the Project.

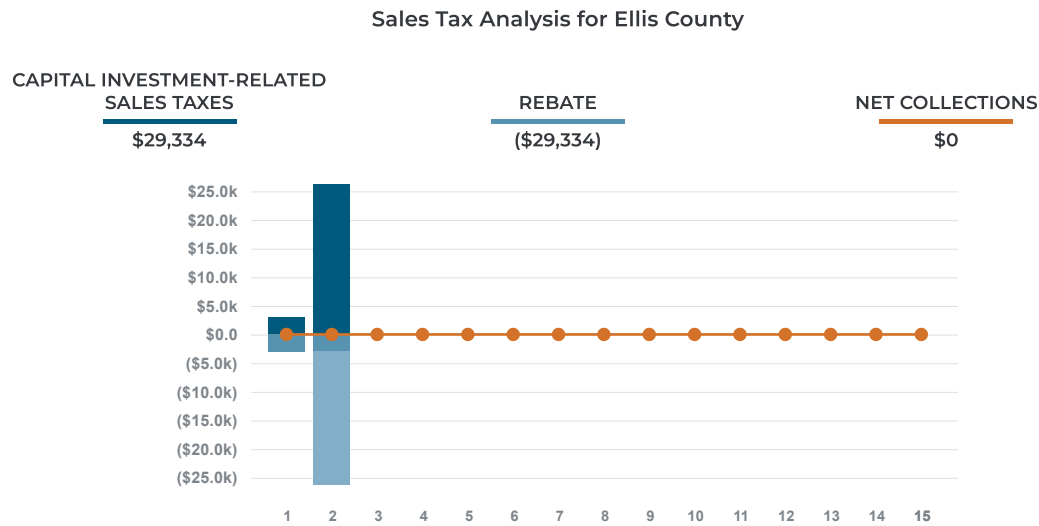
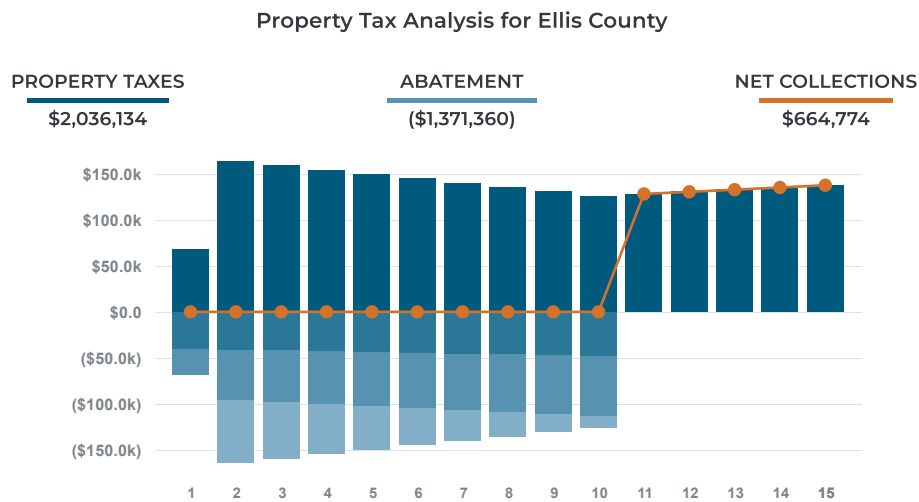
INCENTIVES UNDER CONSIDERATION			
YEAR	PROPERTY TAX ABATEMENT	SALES TAX REBATE	TOTAL
1	\$68,293	\$3,020	\$71,313
2	\$163,925	\$26,314	\$190,238
3	\$159,048	\$0	\$159,048
4	\$154,209	\$0	\$154,209
5	\$149,409	\$0	\$149,409
6	\$144,649	\$0	\$144,649
7	\$139,930	\$0	\$139,930
8	\$135,253	\$0	\$135,253
9	\$130,618	\$0	\$130,618
10	\$126,026	\$0	\$126,026
Total	\$1,371,360	\$29,334	\$1,400,694

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to Ellis County. The intersection indicates the length of time until the incentives are paid back.



Tax Incentives

The following property tax incentive is modeled for Ellis County in this analysis.

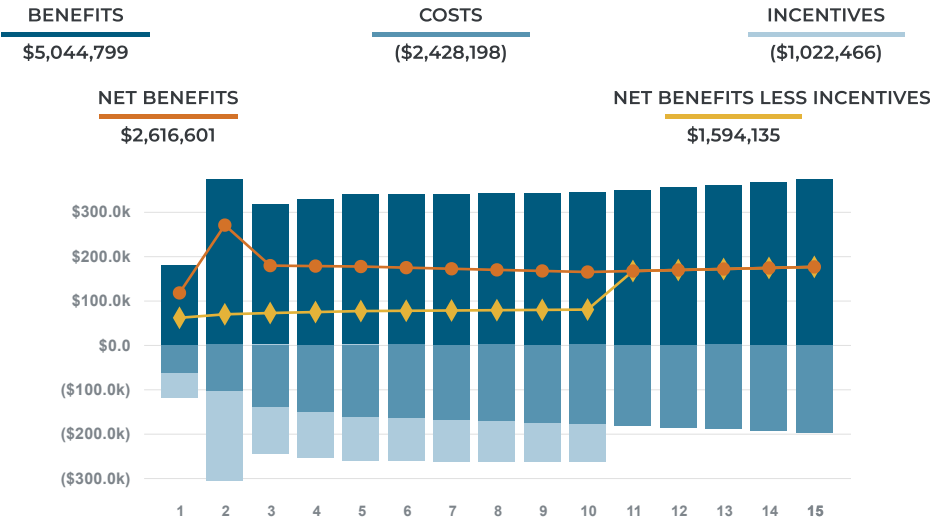


City of Hays Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by City of Hays over the next 15 years of the Project.

NET BENEFITS OVER 15 YEARS: CITY OF HAYS			
BENEFITS	CURRENT	EXPANSION	TOTAL
Sales Taxes	\$315,212	\$463,117	\$778,329
Real Property Taxes	\$0	\$1,075,839	\$1,075,839
FF&E Property Taxes	\$473,381	\$292,259	\$765,641
New Residential Property Taxes	\$0	\$59,496	\$59,496
Transient Guest Taxes	\$0	\$45,395	\$45,395
Utility Revenue	\$435,915	\$1,120,647	\$1,556,563
Utility Franchise Fees	\$84,980	\$219,111	\$304,091
Miscellaneous Taxes and User Fees	\$127,470	\$331,977	\$459,447
Benefits Subtotal	\$1,436,958	\$3,607,842	\$5,044,799
COSTS	CURRENT	EXPANSION	TOTAL
Cost of Government Services	(\$228,187)	(\$593,135)	(\$821,322)
Cost of Utility Services	(\$450,078)	(\$1,156,798)	(\$1,606,876)
Costs Subtotal	(\$678,265)	(\$1,749,933)	(\$2,428,198)
Net Benefits	\$758,693	\$1,857,908	\$2,616,601
INCENTIVES	CURRENT	EXPANSION	TOTAL
Capital Investment - Sales Taxes Rebated	\$0	(\$101,036)	(\$101,036)
Property Taxes Abated	\$0	(\$921,430)	(\$921,430)
Incentives Subtotal	\$0	(\$1,022,466)	(\$1,022,466)
Net Benefits Less Incentives	\$758,693	\$835,442	\$1,594,135

Annual Fiscal Net Benefits for City of Hays

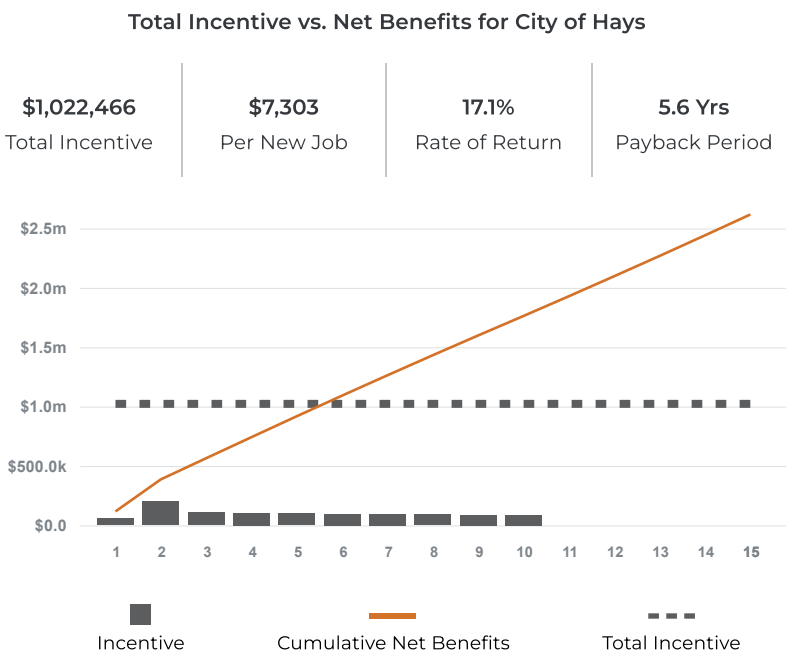


Total Incentives

City of Hays is considering the following incentives for the Project.

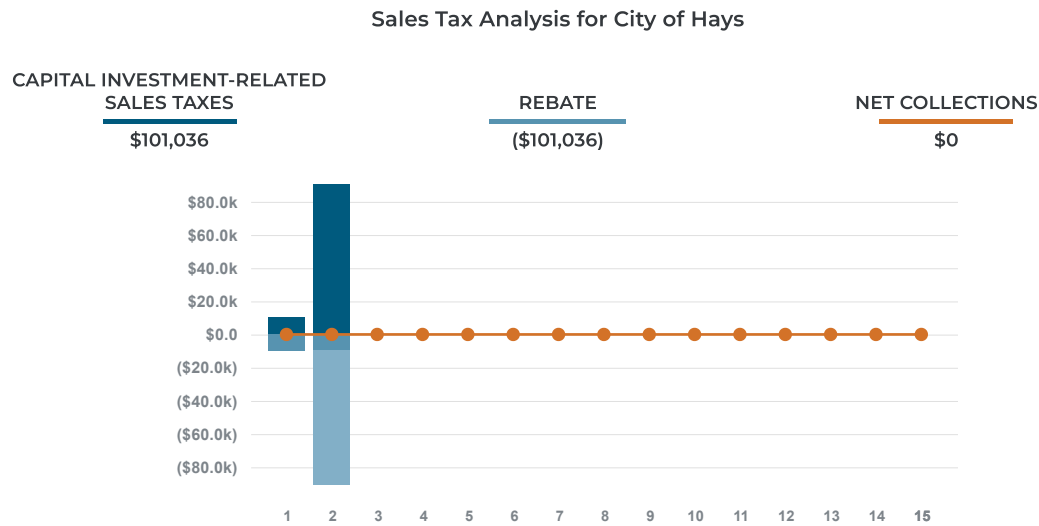
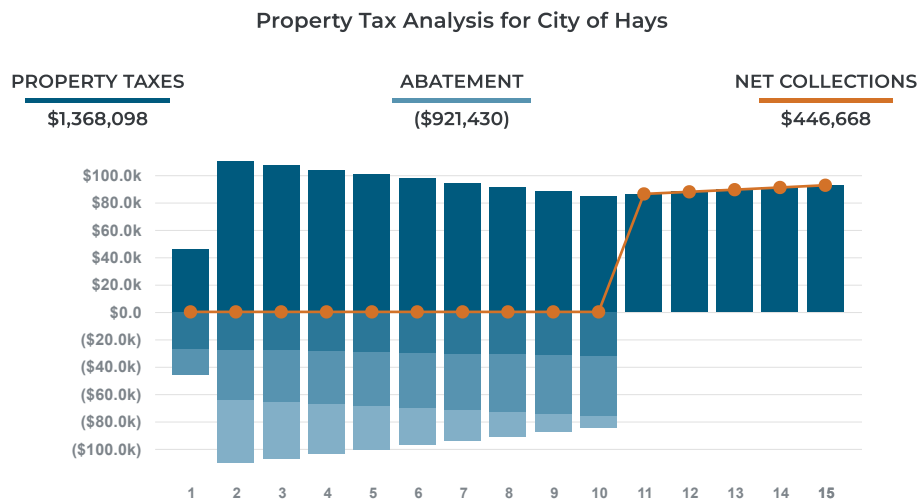
INCENTIVES UNDER CONSIDERATION			
YEAR	PROPERTY TAX ABATEMENT	SALES TAX REBATE	TOTAL
1	\$45,886	\$10,193	\$56,079
2	\$110,143	\$90,844	\$200,986
3	\$106,866	\$0	\$106,866
4	\$103,614	\$0	\$103,614
5	\$100,389	\$0	\$100,389
6	\$97,191	\$0	\$97,191
7	\$94,021	\$0	\$94,021
8	\$90,878	\$0	\$90,878
9	\$87,764	\$0	\$87,764
10	\$84,678	\$0	\$84,678
Total	\$921,430	\$101,036	\$1,022,466

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to City of Hays. The intersection indicates the length of time until the incentives are paid back.



Tax Incentives

The following property tax incentive is modeled for City of Hays in this analysis.

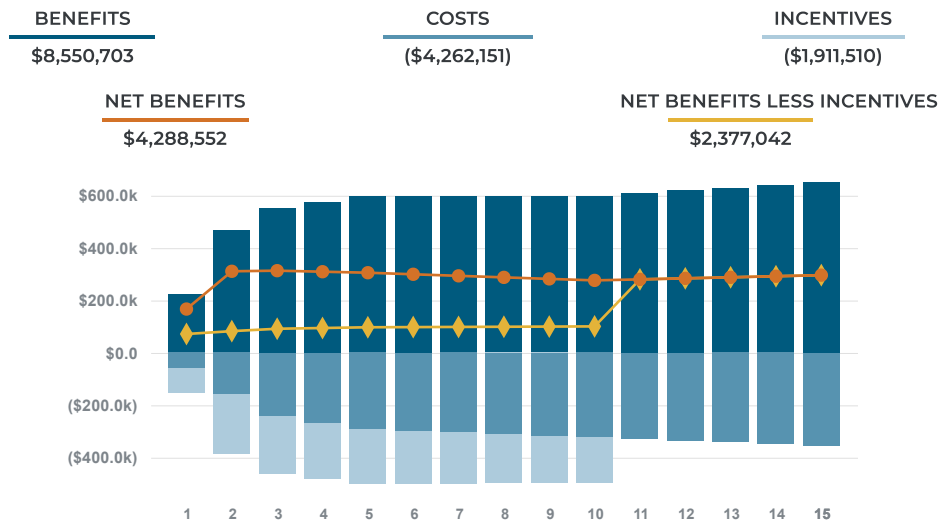


Hays School District (USD 489) Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Hays School District (USD 489) over the next 15 years of the Project.

NET BENEFITS OVER 15 YEARS: HAYS SCHOOL DISTRICT (USD 489)			
BENEFITS	CURRENT	EXPANSION	TOTAL
Real Property Taxes	\$0	\$2,231,832	\$2,231,832
FF&E Property Taxes	\$982,031	\$606,293	\$1,588,324
New Residential Property Taxes	\$0	\$122,307	\$122,307
Addtl. State & Federal School Funding	\$0	\$4,608,239	\$4,608,239
Benefits Subtotal	\$982,031	\$7,568,671	\$8,550,703
COSTS	CURRENT	EXPANSION	TOTAL
Cost to Educate New Students	\$0	(\$4,262,151)	(\$4,262,151)
Costs Subtotal	\$0	(\$4,262,151)	(\$4,262,151)
Net Benefits	\$982,031	\$3,306,521	\$4,288,552
INCENTIVES	CURRENT	EXPANSION	TOTAL
Property Taxes Abated	\$0	(\$1,911,510)	(\$1,911,510)
Incentives Subtotal	\$0	(\$1,911,510)	(\$1,911,510)
Net Benefits Less Incentives	\$982,031	\$1,395,011	\$2,377,042

Annual Fiscal Net Benefits for Hays School District (USD 489)



Hays School District (USD 489) Public Support

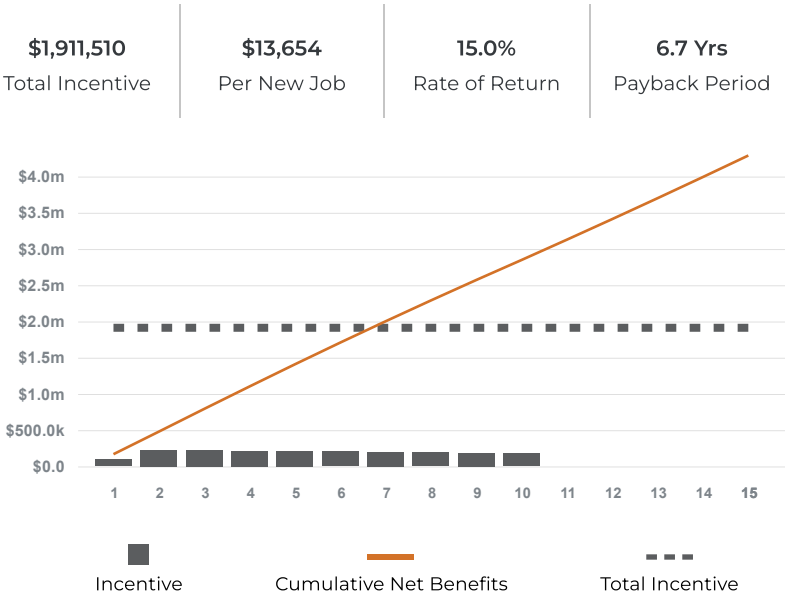
Total Incentives

Hays School District (USD 489) is considering the following incentives for the Project.

INCENTIVES UNDER CONSIDERATION		
YEAR	PROPERTY TAX ABATEMENT	TOTAL
1	\$95,192	\$95,192
2	\$228,491	\$228,491
3	\$221,693	\$221,693
4	\$214,948	\$214,948
5	\$208,258	\$208,258
6	\$201,624	\$201,624
7	\$195,046	\$195,046
8	\$188,526	\$188,526
9	\$182,066	\$182,066
10	\$175,665	\$175,665
Total	\$1,911,510	\$1,911,510

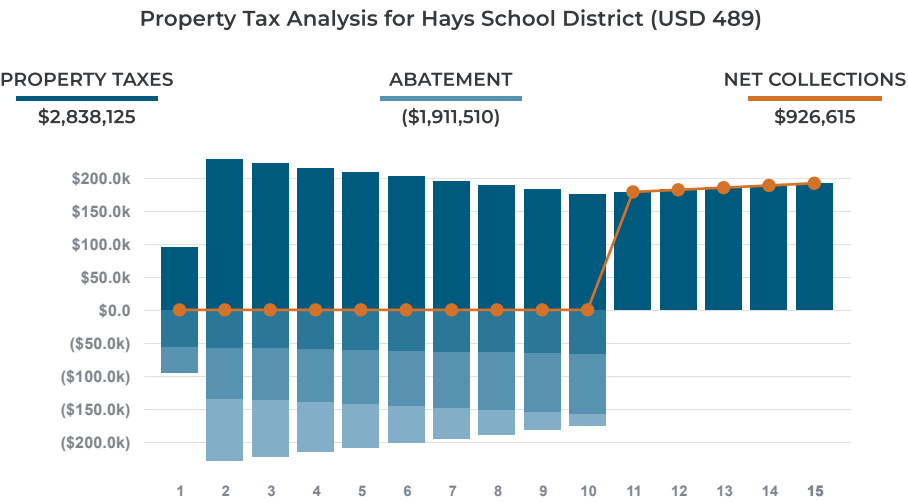
The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to Hays School District (USD 489). The intersection indicates the length of time until the incentives are paid back.

Total Incentive vs. Net Benefits for Hays School District (USD 489)



Tax Incentives

The following property tax incentive is modeled for Hays School District (USD 489) in this analysis.

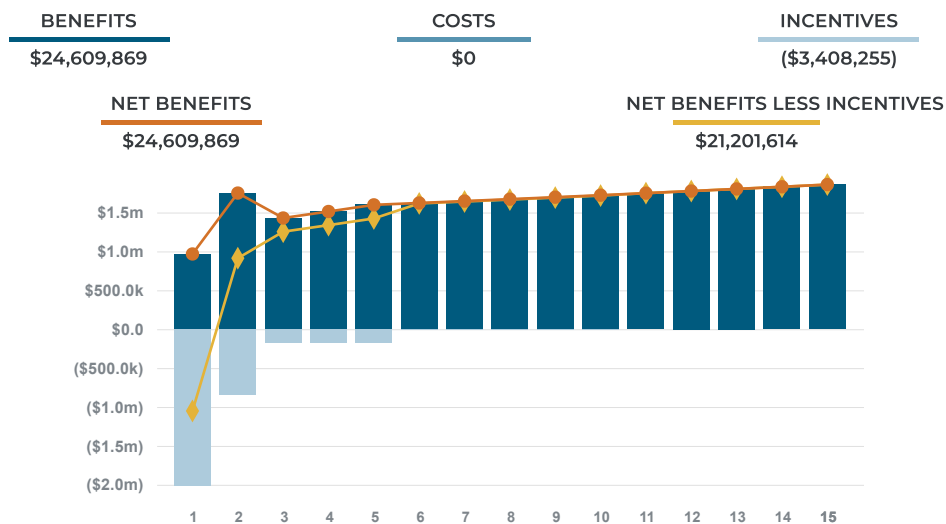


State of Kansas Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by State of Kansas over the next 15 years of the Project.

NET BENEFITS OVER 15 YEARS: STATE OF KANSAS			
BENEFITS	CURRENT	EXPANSION	TOTAL
Sales Taxes	\$2,392,006	\$3,296,275	\$5,688,281
Income Taxes	\$7,742,739	\$8,191,192	\$15,933,932
Real Property Taxes	\$0	\$63,919	\$63,919
FF&E Property Taxes	\$28,125	\$17,364	\$45,489
New Residential Property Taxes	\$0	\$0	\$0
Corporate Income Taxes	\$1,194,439	\$1,683,810	\$2,878,249
Benefits Subtotal	\$11,357,310	\$13,252,560	\$24,609,869
COSTS	CURRENT	EXPANSION	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$11,357,310	\$13,252,560	\$24,609,869
INCENTIVES	CURRENT	EXPANSION	TOTAL
Capital Investment - Sales Taxes Rebated	\$0	(\$659,425)	(\$659,425)
Property Taxes Abated	\$0	(\$54,745)	(\$54,745)
Non-Tax Incentive	\$0	(\$2,694,085)	(\$2,694,085)
Incentives Subtotal	\$0	(\$3,408,255)	(\$3,408,255)
Net Benefits Less Incentives	\$11,357,310	\$9,844,305	\$21,201,614

Annual Fiscal Net Benefits for State of Kansas

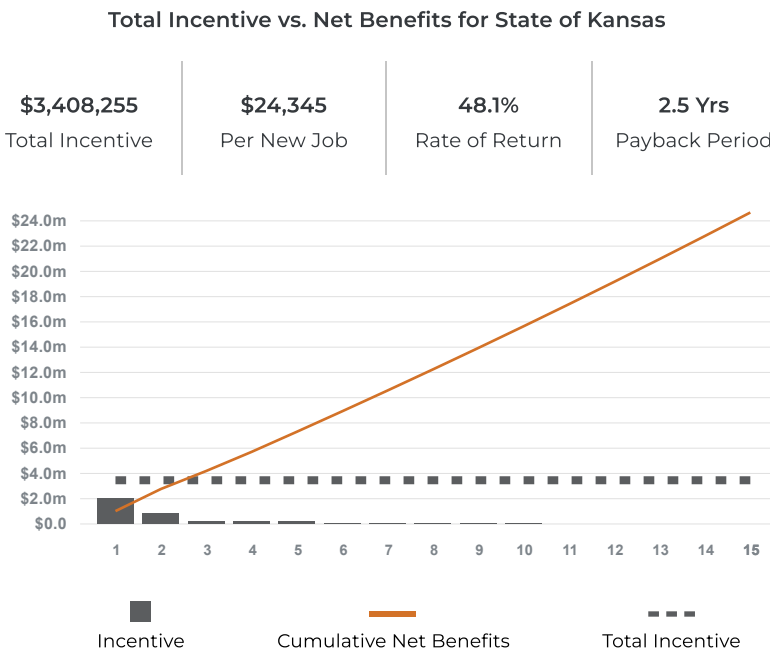


Total Incentives

State of Kansas is considering the following incentives for the Project.

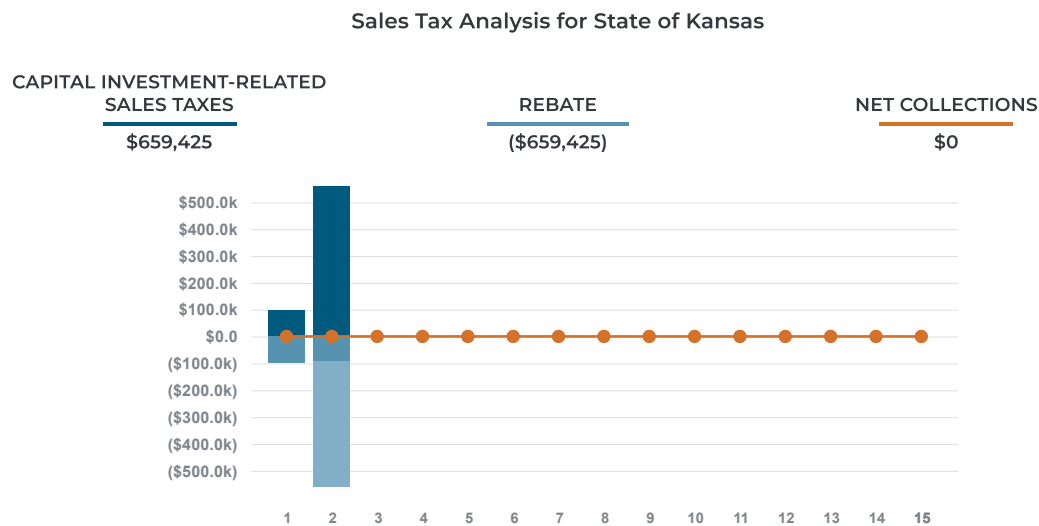
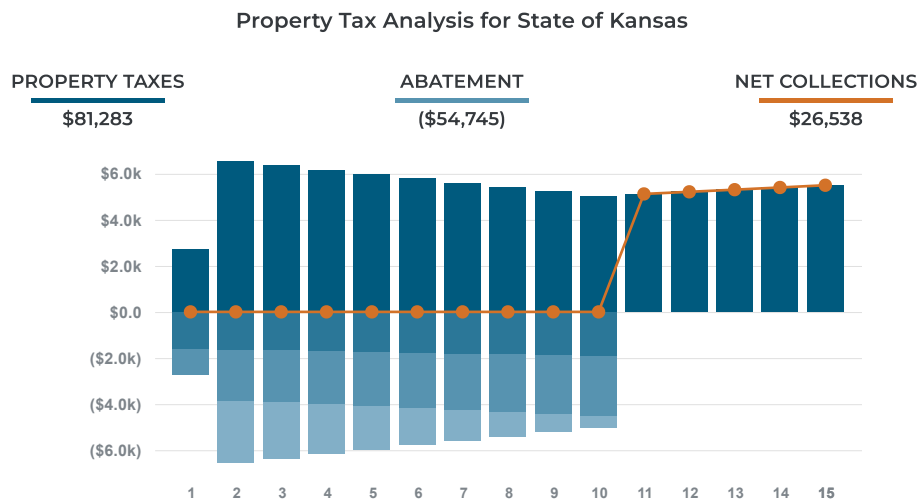
INCENTIVES UNDER CONSIDERATION				
YEAR	PROPERTY TAX ABATEMENT	SALES TAX REBATE	NON-TAX INCENTIVE	TOTAL
1	\$2,726	\$98,150	\$1,916,825	\$2,017,701
2	\$6,544	\$561,275	\$269,315	\$837,134
3	\$6,349	\$0	\$169,315	\$175,664
4	\$6,156	\$0	\$169,315	\$175,471
5	\$5,964	\$0	\$169,315	\$175,279
6	\$5,774	\$0	\$0	\$5,774
7	\$5,586	\$0	\$0	\$5,586
8	\$5,399	\$0	\$0	\$5,399
9	\$5,214	\$0	\$0	\$5,214
10	\$5,031	\$0	\$0	\$5,031
Total	\$54,745	\$659,425	\$2,694,085	\$3,408,255

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to State of Kansas. The intersection indicates the length of time until the incentives are paid back.



Tax Incentives

The following property tax incentive is modeled for State of Kansas in this analysis.

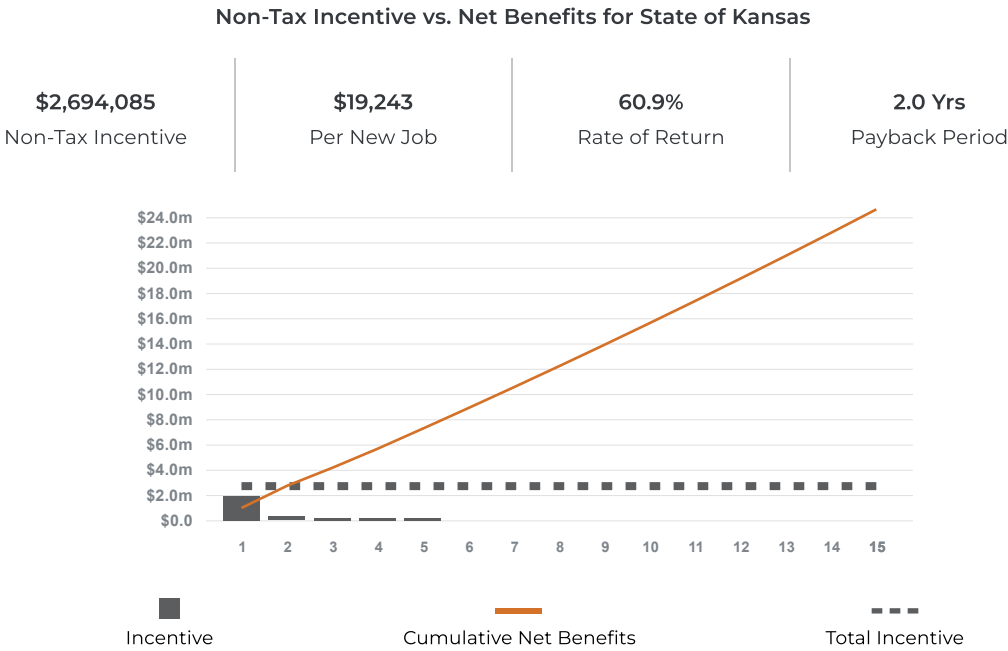


Non-Tax Incentives

State of Kansas is considering the following non-tax incentives for the Project.

NON-TAX INCENTIVES UNDER CONSIDERATION	
YEAR	NON-TAX INCENTIVE
1	\$1,916,825
2	\$269,315
3	\$169,315
4	\$169,315
5	\$169,315
Total	\$2,694,085

The graph below depicts the non-tax incentives modeled in this analysis versus the cumulative net benefits to State of Kansas. The intersection indicates the length of time until the incentives are paid back.



Overview of Methodology

The Impact DashBoard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 15-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

339112 SURGICAL AND MEDICAL INSTRUMENT MANUFACTURING		ELLIS COUNTY
Employment Multiplier	(Type II Direct Effect)	1.3714
Earnings Multiplier	(Type II Direct Effect)	1.3364

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

For more information on Impact DataSource, LLC and our product Impact DashBoard, please visit our website www.impactdatasource.com

Appendix

ELLIS COUNTY PROPERTY TAX ABATEMENT				
YR.	LAND	BUILDINGS...	FF&E	TOTAL
1	\$39,923	\$28,369	\$0	\$68,293
2	\$40,722	\$55,239	\$67,964	\$163,925
3	\$41,536	\$56,344	\$61,167	\$159,048
4	\$42,367	\$57,471	\$54,371	\$154,209
5	\$43,214	\$58,620	\$47,575	\$149,409
6	\$44,079	\$59,792	\$40,778	\$144,649
7	\$44,960	\$60,988	\$33,982	\$139,930
8	\$45,859	\$62,208	\$27,186	\$135,253
9	\$46,777	\$63,452	\$20,389	\$130,618
10	\$47,712	\$64,721	\$13,593	\$126,026
11	\$0	\$0	\$0	\$0
12	\$0	\$0	\$0	\$0
13	\$0	\$0	\$0	\$0
14	\$0	\$0	\$0	\$0
15	\$0	\$0	\$0	\$0
Total	\$437,151	\$567,205	\$367,004	\$1,371,360

ELLIS COUNTY PROPERTY TAX ABATEMENT SCHEDULE			
YR.	LAND	BUILDINGS...	FF&E
1	100.0%	100.0%	100.0%
2	100.0%	100.0%	100.0%
3	100.0%	100.0%	100.0%
4	100.0%	100.0%	100.0%
5	100.0%	100.0%	100.0%
6	100.0%	100.0%	100.0%
7	100.0%	100.0%	100.0%
8	100.0%	100.0%	100.0%
9	100.0%	100.0%	100.0%
10	100.0%	100.0%	100.0%
11	0.0%	0.0%	0.0%
12	0.0%	0.0%	0.0%
13	0.0%	0.0%	0.0%
14	0.0%	0.0%	0.0%
15	0.0%	0.0%	0.0%

ELLIS COUNTY CONSTRUCTION MATERIALS AND FF&E PURCHASES: SALES TAX REBATE			
YR.	CONSTRUCTION MATERIALS REBATE	FF&E EXPENDITURES REBATE	TOTAL
1	\$3,020	\$0	\$3,020
2	\$2,800	\$23,514	\$26,314
3	\$0	\$0	\$0
4	\$0	\$0	\$0
5	\$0	\$0	\$0
6	\$0	\$0	\$0
7	\$0	\$0	\$0
8	\$0	\$0	\$0
9	\$0	\$0	\$0
10	\$0	\$0	\$0
11	\$0	\$0	\$0
12	\$0	\$0	\$0
13	\$0	\$0	\$0
14	\$0	\$0	\$0
15	\$0	\$0	\$0
Total	\$5,820	\$23,514	\$29,334

ELLIS COUNTY CONSTRUCTION MATERIALS AND FF&E PURCHASES REBATE SCHEDULE		
YR.	CONSTRUCTION MATERIALS	FF&E PURCHASES
1	100.0%	100.0%
2	100.0%	100.0%
3	0.0%	0.0%
4	0.0%	0.0%
5	0.0%	0.0%
6	0.0%	0.0%
7	0.0%	0.0%
8	0.0%	0.0%
9	0.0%	0.0%
10	0.0%	0.0%
11	0.0%	0.0%
12	0.0%	0.0%
13	0.0%	0.0%
14	0.0%	0.0%
15	0.0%	0.0%

CITY OF HAYS PROPERTY TAX ABATEMENT				
YR.	LAND	BUILDINGS...	FF&E	TOTAL
1	\$26,825	\$19,061	\$0	\$45,886
2	\$27,361	\$37,116	\$45,666	\$110,143
3	\$27,909	\$37,858	\$41,099	\$106,866
4	\$28,467	\$38,615	\$36,532	\$103,614
5	\$29,036	\$39,387	\$31,966	\$100,389
6	\$29,617	\$40,175	\$27,399	\$97,191
7	\$30,209	\$40,979	\$22,833	\$94,021
8	\$30,813	\$41,798	\$18,266	\$90,878
9	\$31,430	\$42,634	\$13,700	\$87,764
10	\$32,058	\$43,487	\$9,133	\$84,678
11	\$0	\$0	\$0	\$0
12	\$0	\$0	\$0	\$0
13	\$0	\$0	\$0	\$0
14	\$0	\$0	\$0	\$0
15	\$0	\$0	\$0	\$0
Total	\$293,726	\$381,111	\$246,594	\$921,430

CITY OF HAYS PROPERTY TAX ABATEMENT SCHEDULE			
YR.	LAND	BUILDINGS...	FF&E
1	100.0%	100.0%	100.0%
2	100.0%	100.0%	100.0%
3	100.0%	100.0%	100.0%
4	100.0%	100.0%	100.0%
5	100.0%	100.0%	100.0%
6	100.0%	100.0%	100.0%
7	100.0%	100.0%	100.0%
8	100.0%	100.0%	100.0%
9	100.0%	100.0%	100.0%
10	100.0%	100.0%	100.0%
11	0.0%	0.0%	0.0%
12	0.0%	0.0%	0.0%
13	0.0%	0.0%	0.0%
14	0.0%	0.0%	0.0%
15	0.0%	0.0%	0.0%

CITY OF HAYS CONSTRUCTION MATERIALS AND FF&E PURCHASES: SALES TAX REBATE			
YR.	CONSTRUCTION MATERIALS REBATE	FF&E EXPENDITURES REBATE	TOTAL
1	\$10,193	\$0	\$10,193
2	\$9,450	\$81,394	\$90,844
3	\$0	\$0	\$0
4	\$0	\$0	\$0
5	\$0	\$0	\$0
6	\$0	\$0	\$0
7	\$0	\$0	\$0
8	\$0	\$0	\$0
9	\$0	\$0	\$0
10	\$0	\$0	\$0
11	\$0	\$0	\$0
12	\$0	\$0	\$0
13	\$0	\$0	\$0
14	\$0	\$0	\$0
15	\$0	\$0	\$0
Total	\$19,643	\$81,394	\$101,036

CITY OF HAYS CONSTRUCTION MATERIALS AND FF&E PURCHASES REBATE SCHEDULE		
YR.	CONSTRUCTION MATERIALS	FF&E PURCHASES
1	100.0%	100.0%
2	100.0%	100.0%
3	0.0%	0.0%
4	0.0%	0.0%
5	0.0%	0.0%
6	0.0%	0.0%
7	0.0%	0.0%
8	0.0%	0.0%
9	0.0%	0.0%
10	0.0%	0.0%
11	0.0%	0.0%
12	0.0%	0.0%
13	0.0%	0.0%
14	0.0%	0.0%
15	0.0%	0.0%

HAYS SCHOOL DISTRICT (USD 489) PROPERTY TAX ABATEMENT				
YR.	LAND	BUILDINGS...	FF&E	TOTAL
1	\$55,648	\$39,543	\$0	\$95,192
2	\$56,761	\$76,996	\$94,733	\$228,491
3	\$57,897	\$78,536	\$85,260	\$221,693
4	\$59,055	\$80,107	\$75,787	\$214,948
5	\$60,236	\$81,709	\$66,313	\$208,258
6	\$61,440	\$83,343	\$56,840	\$201,624
7	\$62,669	\$85,010	\$47,367	\$195,046
8	\$63,923	\$86,711	\$37,893	\$188,526
9	\$65,201	\$88,445	\$28,420	\$182,066
10	\$66,505	\$90,214	\$18,947	\$175,665
11	\$0	\$0	\$0	\$0
12	\$0	\$0	\$0	\$0
13	\$0	\$0	\$0	\$0
14	\$0	\$0	\$0	\$0
15	\$0	\$0	\$0	\$0
Total	\$609,335	\$790,615	\$511,560	\$1,911,510

HAYS SCHOOL DISTRICT (USD 489) PROPERTY TAX ABATEMENT SCHEDULE			
YR.	LAND	BUILDINGS...	FF&E
1	100.0%	100.0%	100.0%
2	100.0%	100.0%	100.0%
3	100.0%	100.0%	100.0%
4	100.0%	100.0%	100.0%
5	100.0%	100.0%	100.0%
6	100.0%	100.0%	100.0%
7	100.0%	100.0%	100.0%
8	100.0%	100.0%	100.0%
9	100.0%	100.0%	100.0%
10	100.0%	100.0%	100.0%
11	0.0%	0.0%	0.0%
12	0.0%	0.0%	0.0%
13	0.0%	0.0%	0.0%
14	0.0%	0.0%	0.0%
15	0.0%	0.0%	0.0%

STATE OF KANSAS PROPERTY TAX ABATEMENT				
YR.	LAND	BUILDINGS...	FF&E	TOTAL
1	\$1,594	\$1,133	\$0	\$2,726
2	\$1,626	\$2,205	\$2,713	\$6,544
3	\$1,658	\$2,249	\$2,442	\$6,349
4	\$1,691	\$2,294	\$2,171	\$6,156
5	\$1,725	\$2,340	\$1,899	\$5,964
6	\$1,760	\$2,387	\$1,628	\$5,774
7	\$1,795	\$2,435	\$1,357	\$5,586
8	\$1,831	\$2,483	\$1,085	\$5,399
9	\$1,867	\$2,533	\$814	\$5,214
10	\$1,905	\$2,584	\$543	\$5,031
11	\$0	\$0	\$0	\$0
12	\$0	\$0	\$0	\$0
13	\$0	\$0	\$0	\$0
14	\$0	\$0	\$0	\$0
15	\$0	\$0	\$0	\$0
Total	\$17,451	\$22,643	\$14,651	\$54,745

STATE OF KANSAS PROPERTY TAX ABATEMENT SCHEDULE			
YR.	LAND	BUILDINGS...	FF&E
1	100.0%	100.0%	100.0%
2	100.0%	100.0%	100.0%
3	100.0%	100.0%	100.0%
4	100.0%	100.0%	100.0%
5	100.0%	100.0%	100.0%
6	100.0%	100.0%	100.0%
7	100.0%	100.0%	100.0%
8	100.0%	100.0%	100.0%
9	100.0%	100.0%	100.0%
10	100.0%	100.0%	100.0%
11	0.0%	0.0%	0.0%
12	0.0%	0.0%	0.0%
13	0.0%	0.0%	0.0%
14	0.0%	0.0%	0.0%
15	0.0%	0.0%	0.0%

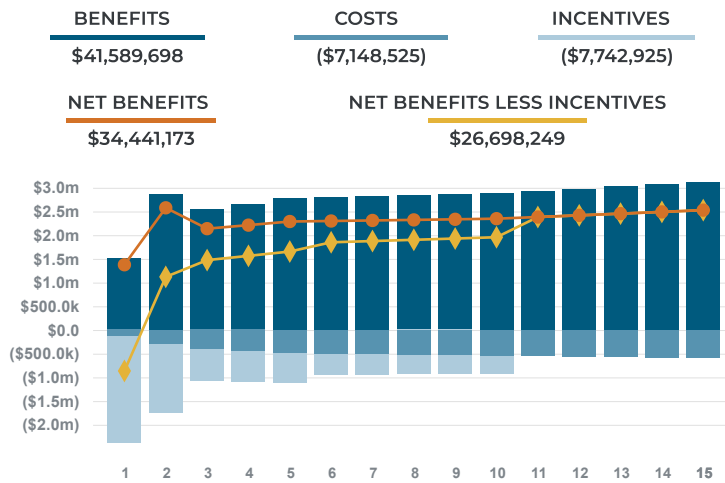
STATE OF KANSAS CONSTRUCTION MATERIALS AND FF&E PURCHASES: SALES TAX REBATE			
YR.	CONSTRUCTION MATERIALS REBATE	FF&E EXPENDITURES REBATE	TOTAL
1	\$98,150	\$0	\$98,150
2	\$91,000	\$470,275	\$561,275
3	\$0	\$0	\$0
4	\$0	\$0	\$0
5	\$0	\$0	\$0
6	\$0	\$0	\$0
7	\$0	\$0	\$0
8	\$0	\$0	\$0
9	\$0	\$0	\$0
10	\$0	\$0	\$0
11	\$0	\$0	\$0
12	\$0	\$0	\$0
13	\$0	\$0	\$0
14	\$0	\$0	\$0
15	\$0	\$0	\$0
Total	\$189,150	\$470,275	\$659,425

STATE OF KANSAS CONSTRUCTION MATERIALS AND FF&E PURCHASES REBATE SCHEDULE		
YR.	CONSTRUCTION MATERIALS	FF&E PURCHASES
1	100.0%	100.0%
2	100.0%	100.0%
3	0.0%	0.0%
4	0.0%	0.0%
5	0.0%	0.0%
6	0.0%	0.0%
7	0.0%	0.0%
8	0.0%	0.0%
9	0.0%	0.0%
10	0.0%	0.0%
11	0.0%	0.0%
12	0.0%	0.0%
13	0.0%	0.0%
14	0.0%	0.0%
15	0.0%	0.0%



AGILITI 2025 HAYS

Scenario 1



JOBS



478.3 Total
231.0 Direct
247.3 Spin-off

140.0 New Jobs @ \$44,078
91.0 Retained Jobs @ \$54,335
231.0 Direct Jobs @ \$51,792

SALARIES



\$43,064 Avg
\$51,792 Direct
\$34,910 Spin-off

CAPITAL INVEST.



\$13.1M
Buildings + FF&E

	Ellis County	City of Hays	Hays School District (USD 489)	State of Kansas	Total
NET BENEFITS LESS INCENTIVES	\$1,525,457	\$1,594,135	\$2,377,042	\$21,201,614	\$26,698,249
Present Value	\$945,419	\$1,019,497	\$1,479,218	\$13,539,855	\$16,983,988
NET BENEFITS	\$2,926,151	\$2,616,601	\$4,288,552	\$24,609,869	\$34,441,173
Present Value	\$2,027,710	\$1,820,834	\$2,950,523	\$16,672,606	\$23,471,672
BENEFITS					
Sales Taxes	\$227,304	\$778,329	\$0	\$5,688,281	\$6,693,914
Real Property Taxes	\$1,601,166	\$1,075,839	\$2,231,832	\$63,919	\$4,972,756
FF&E Property Taxes	\$1,139,499	\$765,641	\$1,588,324	\$45,489	\$3,538,953
Income Taxes	\$0	\$0	\$0	\$15,933,932	\$15,933,932
Other Benefits	\$416,357	\$2,424,991	\$4,730,546	\$2,878,249	\$10,450,143
Benefits Subtotal	\$3,384,327	\$5,044,799	\$8,550,703	\$24,609,869	\$41,589,698
COSTS					
Cost of Government Services	(\$458,176)	(\$821,322)	(\$4,262,151)	\$0	(\$5,541,649)
Other Costs	\$0	(\$1,606,876)	\$0	\$0	(\$1,606,876)
Costs Subtotal	(\$458,176)	(\$2,428,198)	(\$4,262,151)	\$0	(\$7,148,525)
INCENTIVES					
Sales Tax Rebate - Capital Investment	(\$29,334)	(\$101,036)	\$0	(\$659,425)	(\$789,795)
Property Tax Abatement	(\$1,371,360)	(\$921,430)	(\$1,911,510)	(\$54,745)	(\$4,259,045)
Non-Tax Incentive	\$0	\$0	\$0	(\$2,694,085)	(\$2,694,085)
Incentives Subtotal	(\$1,400,694)	(\$1,022,466)	(\$1,911,510)	(\$3,408,255)	(\$7,742,925)
<i>Payback Period</i>	<i>7.0 Years</i>	<i>5.6 Years</i>	<i>6.7 Years</i>	<i>2.5 Years</i>	<i>3.8 Years</i>