

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON MAY 8, 2025

1. CALL TO ORDER BY CHAIRPERSON: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, May 8, 2025 at 4:00 p.m.

Roll Call: Present: Sandy Jacobs

Mason Ruder

Alaina Cunningham

Reese Barrick

Shaun Musil

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

2. MINUTES: There were no corrections or additions to the minutes of the regular session held on April 24, 2025; the minutes stand approved as presented.

3. CITIZEN COMMENTS: There were no comments.

4. CONSENT AGENDA: A. On January 23, 2025 the City Commission approved Resolution 2025-001 accepting the Tallgrass 4th Addition Final Plat. It was later discovered that the Resolution's legal description contained an error. A corrected resolution has been submitted for approval.

B. The following proposed appointments will be presented for approval at the May 22, 2025 City Commission Meeting.

Hays Area Planning Commission / Hays Area Board of Zoning Appeals

Brian Garrett (resides in city limits) – 3-year term to expire 4-30-2028 (2nd term – Hays Area Planning Commission / Hays Area Board of Zoning Appeals; previously served two terms on the independent Board of Zoning Appeals)

Ralph “Bernie” Gribben (resides in ETJ) – 3-year term to expire 4-30-2028 (3rd term)

Matthew Wheeler (resides in ETJ) – 3-year term to expire 4-30-2028 (5th term –nonconsecutive)

Hays Convention & Visitors Bureau Advisory Committee

Meagan Ritsema (Hilton Garden Inn & Convention Center) – 3-year term to expire 5-22-2028 (1st term)

Commissioner Musil moved, Commissioner Cunningham seconded, to approve the Consent Agenda.

Ayes: Sandy Jacobs

Mason Ruder

Alaina Cunningham

Reese Barrick

Shaun Musil

NEW BUSINESS

5. PUBLIC HEARING FOR THE ESTABLISHMENT OF A REINVESTMENT HOUSING INCENTIVE DISTRICT (RHID) FOR TALLGRASS 2ND ADDITION.

PHASE 4: Mayor Jacobs declared the public hearing open to hear comments regarding the establishment of a Reinvestment Housing Incentive District (RHID) for Tallgrass Phase 4.

Jarrold Kuckelman, Assistant City Manager, stated that Heart of America Development Corporation is the “Developer” behind the Tallgrass 2nd Addition development. After the success of the first three phases, Heart of America is proposing to continue on with Phase 4 of the project, which would involve the creation of approximately 101 new residential lots. Phase 4 would continue with a similar type of housing as the first three phases but would also allow for some more variety in housing types, including a potential for some multi-family units. As with the first phases, Heart of America is requesting an RHID to cover the eligible costs.

The Developer requests RHID financing on a pay-as-you-go basis for 25 years. The Developer proposes that the City finance the majority of the RHID-eligible costs and construct the infrastructure related to the Project, and that the City utilize RHID revenues to offset the City’s costs, including debt service requirements on any bonds issued for the Project costs. RHID revenues will be

derived from incremental property tax revenues collected on the Project site. In addition, the Developer will provide the Deposit, which could be utilized by the City to pay for Project costs or to pay debt service on general obligation temporary notes and bonds that are issued to pay Project costs. Any RHID revenues generated in excess of City costs and debt service requirements would be used to reimburse RHID-eligible expenses incurred by the Developer on a pay-as-you-go basis. RHID collection will cease upon the earlier of 25 years or full payment or reimbursement of all RHID-eligible project costs.

The Developer estimates RHID-eligible project costs requested to be financed by the City of approximately \$6.0M (excluding interest on borrowings), and that the RHID will generate approximately \$6.867M of revenue over the maximum 25-year term. RHID collection will cease upon the earlier of 25 years or full payment or reimbursement of all RHID-eligible project costs.

Passage of the Ordinance would establish the RHID, adopt the Development Plan, and approve the Development Agreement. The Development Agreement requires that an escrow account be established in an amount equal to \$1.8M (30% of the estimated infrastructure costs). In addition, any Midwest Energy reimbursement payments related to the Project will be deposited into the account to be available for City debt service. If the Development does not generate sufficient increment after six years, the City would have the option to take ownership of all undeveloped parcels at that time.

There were no public comments.

Commissioner Cunningham moved, Commissioner Barrick seconded, to close the Public Hearing for the establishment of a Reinvestment Housing Incentive District (RHID) for Tallgrass Phase 4.

Vote: Ayes: Sandy Jacobs

Mason Ruder

Alaina Cunningham

Reese Barrick

Shaun Musil

6. ORDINANCE ESTABLISHING AN RHID AND ADOPTING A PLAN FOR DEVELOPMENT OF HOUSING AND PUBLIC FACILITIES IN THE DISTRICT FOR TALLGRASS 2ND ADDITION, PHASE 4:

Commissioner Ruder moved, Commissioner Musil seconded, to adopt Ordinance No. 4070 to establish a Reinvestment Housing Incentive District, adopt a Development Plan, and approve the Development Agreement.

Vote: Ayes: Sandy Jacobs

Mason Ruder

Alaina Cunningham

Reese Barrick

Shaun Musil

7. PROPERTY ABATEMENT FOR 3404 VINE STREET: Jesse Rohr, Director of Public Works, stated that the property at 3404 Vine Street is owned by HKHR Hospitality Inc. This property is more commonly known as the Rodeway Inn Motel. The Kansas Fire Marshal required the motel to close after performing several inspections in 2024 until required corrections were made. After the structures were not brought into compliance, the Kansas Fire Marshal ordered a cease-and-desist order for the motel. On October 5, 2024, the Kansas Fire Marshal's office was notified by the owner that the motel was closed.

The formal abatement process with the City of Hays was started with a letter dated October 16, 2024, which was posted to the structure and sent certified to HKHR Hospitality Inc. The certified letter was returned to City Staff as unclaimed, and their forwarding address was no longer valid. On November 6, 2024, the certified letter was hand delivered to the manager of the property. To date, no action has been taken by the owner of the property since receiving the formal abatement letter.

Commissioner Cunningham moved, Commissioner Ruder seconded, to approve Resolution No. 2025-004 allowing for the abatement and demolition of the vacant structures located on the property at 3404 Vine Street, ten (10) days after the approval date.

Discussion was held about the letter of intent for the sale of the property, and that if there is forward progress being made on the sale, then the timeline will be moved further than the ten days.

Vote: Ayes: Sandy Jacobs

Mason Ruder

Alaina Cunningham

Reese Barrick

Shaun Musil

8. STORMWATER EQUIPMENT BUILDING – AWARD OF BID: Jesse Rohr, Director of Public Works, stated that the Public Works facility continues to grow as the City of Hays grows in population and area. Over time, maintenance equipment has been added to the fleet in order to accomplish the work throughout the City. The existing equipment storage buildings do not have the capacity to house all of the equipment that should be protected from the outdoor elements. Existing trucks are currently stored outside along with other expensive equipment such as the Airman air compressor, new Stormwater Division tractor and flail mower, and other miscellaneous equipment. It is desired to keep this equipment inside to protect the investment and keep them secure while providing shelter from stormy and winter weather.

The 2025 Budget (page 132) included \$300,000 for the construction of an equipment storage building for the Stormwater Division. Four qualified bids were opened on April 1, 2025. Bids were required to include a minimum 45' x 90' insulated building with concrete floor, 4-14' x 14' overhead doors with electric openers, one walkthrough door, and minimal electrical and heat. The low bidder, QMC, Inc., whose bid came in at \$292,650, has completed other projects in Hays, including the recently constructed MicroFactory on Commerce Parkway owned by Grow Hays.

Commissioner Barrick moved, Commissioner Cunningham seconded, to award the bid to QMC, Inc., and authorize the expenditure of \$292,650 of Stormwater Reserve funds to cover the cost of construction of the Stormwater Division equipment building.

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

Toby Dougherty, City Manager, spoke about the Commission wanting to know about the desires of the community when it comes to fireworks within the City of Hays. James Bell, Public Relations Manager, created a poll that will be on the City website, May 9th, 2025 and community members are encouraged to go online to complete the poll.

9. COMMISSION INQUIRIES AND COMMENTS:

Commissioners talked about how many positive comments they heard about the First Annual Hays Kansas Science Festival and thanked Dallas and Dacia Haselhorst with Treetop Security and STEM Harvest for hosting the festival downtown, which approximately 1,100-1,200 people attended.

Commissioner Cunningham thanked the Ellis County Historical Society for an amazing job putting on the Pioneer Days for 154 3rd graders in the community.

Commissioners also stated that the Hays community has a lot to be proud of with the students in our town.

The meeting was adjourned at 4:25 p.m.

Submitted by: _____

Jami Breit – City Clerk