

City of Hays
City Commission
Work Session Notes
Thursday, May 1, 2025 – 4:00 p.m.

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

April 17, 2025 Work Session Notes

There were no corrections or additions to the minutes of the work session held on April 17, 2025; the minutes stand approved as presented.

Ordinance to Establish a Reinvestment Housing Incentive District and Adopting a Plan for the Development of Housing and Public Facilities in the District (Tallgrass 2nd Addition, Phase 4)

Jarrold Kuckelman, Assistant City Manager, stated that the Heart of America Development Corporation (the “Developer”) has submitted an Application for Economic Incentives and the required application fee relating to a residential project and related infrastructure for Phase 4 of the Tallgrass 2nd Addition project. After the success of the first three phases, Heart of America is proposing to continue on with Phase 4, which would involve the creation of approximately 101 new residential lots.

The Developer is requesting that a Reinvestment Housing Incentive District (RHID) be established on the property to be developed. The Developer proposes that the City finance and construct the RHID eligible costs 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. In addition, the Developer will provide a deposit equal to 30% of the projected infrastructure costs (the “Deposit”). The Deposit could be utilized by the City to pay for infrastructure costs or to pay debt service on general obligation temporary notes and bonds that are issued to pay for the project costs. Any RHID revenues generated in excess of

City costs and debt service requirements would be used to reimburse Developer for RHID-eligible expenses 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.

Mr. Kuckelman stated that next week, there will be a public hearing to allow for public comments on this development, after which the Commission will be able to vote on approval of the Ordinance that officially establishes the RHID and adopt the Development Plan and Development Agreement. This is near the end of the process, as after the approval of the Ordinance, the only step remaining is the veto period for the County and School District.

At the May 8, 2025 Commission meeting, Commissioners will be asked to adopt an Ordinance to establish a Reinvestment Housing Incentive District, adopt a Development Plan, and approve the Development Agreement.

Property Abatement for 3404 Vine Street

Jesse Rohr, Director of Public Works, stated that the Planning & Development Division is requesting approval of a resolution to abate violations of the International Property Maintenance Code (IPMC), as adopted by the City per Ordinance Sec. 11-165, for the dangerous structures located at 3404 Vine Street.

In addition to the violations cited by the Fire Marshal, the property at 3404 Vine Street is in violation of the 2015 IPMC. The structures have been deemed dangerous under IPMC Sections 108.1.5(2), 108.1.5(6), and 108.1.5(7). In accordance with City of Hays ordinances and IPMC requirements, notification letters have been issued to the party responsible.

After a certified notice was returned as undeliverable, the notice was hand delivered to the property manager on November 6, 2024. To date, there has been

no response or corrective action from the property owner to bring the structure into compliance. Given the lack of remediation efforts, Staff is proceeding with the necessary steps for abatement and demolition.

Toby Dougherty, City Manager, stated that this is different than cleaning up someone's backyard, there is significantly more work involved. If the Commission approves this next week, it gives city staff authority to act on the abatement; however, it doesn't constrict staff to get it done in a certain amount of time. Passing a Resolution will allow the city to work with the property owner for a plan on their part to remedy the abatement. Since this will be a very cumbersome process, the city would rather work with the owner to come up with a plan of action.

Elinda Mages, acting as the owner's, HKHR Hospitality, representative, asked the Commission not to act on the abatement because they have received a letter of intent from a national chain for the purchase of the property.

Discussion was held, and it was determined that going forward with the abatement doesn't hurt the potential sale of the property.

At the May 8, 2025 Commission meeting, Commissioners will be asked to approve a Resolution 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.

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.

At the May 8, 2025 Commission meeting, Commissioners will be asked 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.

Other Items for Discussion

Commissioner Jacobs thanked everyone in the community who puts on the National Day of Prayer at the VFW.

The work session was adjourned at 4:41 p.m.

Submitted by: _____

Jami Breit –City Clerk