

City of Hays
City Commission
Work Session Notes
Thursday, March 20, 2025 – 4:00 p.m.

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

February 20, 2025 Work Session Notes

There were no corrections or additions to the minutes of the work session held on February 20, 2025; the minutes stand approved as presented.

DHDC Request to Build a Storage Building at UP Plaza

Julie Rider, Executive Director with Downtown Hays Development Corporation (DHDC), stated that they desire to construct a 16' x 12' building at Union Pacific Plaza to store miscellaneous items needed for the community events they host throughout the year.

Union Pacific Plaza is recognized as a City Park and before any structure can be constructed at the behest of an outside organization, the City Commission must provide approval. Once constructed, the building will become property of the City of Hays.

DHDC will be self-funding the venture and offering an opportunity for the community to donate to the project. DHDC's goal is to have the building complete by early summer.

Mayor Jacobs confirmed that there will be no ongoing expenses for the City besides building maintenance.

It was the consensus of the Commission to allow DHDC to proceed with construction, with no formal action required at the Commission Meeting.

Resolution Setting a Public Hearing for the Establishment of a Reinvestment Housing Incentive District (Tallgrass 2nd Addition, Phase 4)

Jarrod Kuckelman, Assistant City Manager, stated that the Heart of America Development Corporation (the “Developer”) 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 located at the northeast corner of 22nd Street and Wheatland Avenue. Preliminary plans include approximately 101 single-family homes and infrastructure to support and serve the development (collectively, the “Project”). The Developer reports that some lots may be converted to multi-family use.

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 a 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. 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 reimbursement of all RHID-eligible project costs.

For financial consideration, the Developer will provide to the City a deposit that is equal to 30% of the projected infrastructure costs. The eligible project costs are estimated to be approximately \$6 million, while the RHID is estimated to generate about \$6.867 million of revenue over 25 years. If the Development were to not generate sufficient increment to cover costs after 6 years, the City would have the option to take ownership of all undeveloped lots.

If the Commission approves the Resolution, a public hearing will be set for May 8, 2025. Following the public hearing, the Commission would consider an Ordinance establishing the RHID and adopting the Development Plan. If an RHID is established and the Development Plan adopted, the City and the Developer

would enter into a Development Agreement to govern the rights and responsibilities of the parties.

At the March 27, 2025 Commission meeting, Commissioners will be asked to adopt a Resolution setting a public hearing for the establishment of an RHID and adoption of a Development Plan.

2024 Building Code Update

Jesse Rohr, Director of Public Works, stated that the City of Hays last adopted its building codes in 2017, to the 2015 version. Adopting the 2024 International Building Code (IBC) and International Residential Code (IRC) ensures that new and renovated structures meet modern safety, accessibility, and energy efficiency standards. City staff have worked to maintain previous amendments that would exempt enforcement of certain provisions of the updated code. Maintaining these previous amendments will minimize changes for contractors and retain the City's current practices, all while keeping up with industry's best practices.

Up to date building codes streamline permitting and create consistency for developers and builders. Many state and federal funding programs require compliance with the latest codes. Adopting the 2024 IBC and IRC will help the community maintain eligibility for certain grants and reduce liability risks when disasters strike. Additionally, insurance providers often base coverage and premium rates on code compliance, benefiting homeowners.

City Staff has worked with local contractors to adopt the updated codes, while also striving to maintain the amendments from the 2015 code adoption, to help minimize changes to current construction practices. Staff engaged local contractors, creating a contractor code committee, which met several times and conducted a public meeting open to all licensed contractors to review and go over code updates and revisions. Staff has reviewed the comments received and with the committee's agreement, staff concurs with the amendments as presented.

While some code updates may have upfront costs, they often lead to long term savings through disaster resilience and reduced maintenance costs. Updated

codes also align with best practices, reducing costly design modifications and project delays.

At the March 27, 2025 Commission meeting, Commissioners will be asked to approve an ordinance adopting the 2024 International Building Code and International Residential Code with amendments as legally described within the adopting ordinance.

Smoky Hill River Wellfield Status Update

Toby Dougherty, City Manager, gave an update on the status of the water available in the Smoky Hill River Wellfield. He stated that the City of Hays is currently in moderate drought, and the future outlook shows that drought conditions will persist. The Smoky Hill River aquifer shows some saturation upstream, but when you hit the City's wellfield, the aquifer level is declining, and it turns dry in our wellfield. Once you reach Russell's wellfield, it is dry and is significantly more depleted than the City of Hays' wellfield.

Mr. Dougherty said after talking with our counterparts at Russell, we think that we need to get a request on record at the Kansas Water Office for a release of water from Cedar Bluff to top off both wellfields. There will be two separate releases because there are two separate pools of water. Russell owns water rights in Cedar Bluff, the City of Hays does not; however, the State of Kansas owns one of the levels in Cedar Bluff, and we are able to ask for a release from that because we have an operations agreement with the State of Kansas.

Mr. Dougherty said that the next step is going to be the City of Hays working with Russell. Mr. Dougherty will craft a letter to the Kansas Water Office asking for a release out of the artificial recharge pool. This process at the State will take a while before we hear anything.

Mayor Jacobs made a point to say that we would not be having to do any of this if the R9 Project was done and taken care of. She is sorry that we have to ask for this, but the City is going to take care of our community and our citizens.

All Commissioners mirrored Mayor Jacobs's sentiments and encouraged anyone who had comments about this to contact Edwards County and let them know the City of Hays wants the water we own.

Other Items for Discussion

Commission Jacobs asked the Parks Department to put together an overview of all the City Parks, the amenities, and the sustainability.

Executive Session

Commissioner Ruder moved, Commissioner Barrick seconded, that the Governing Body recess to an executive session at 4:51 p.m. for a period not to exceed 20 minutes to include the City Commission, City Manager, Deputy City Manager, Assistant City Manager, and City Attorney to discuss data related to the financial affairs or trade secrets of corporations, partnerships, trusts, and individual proprietorships.

Vote: Ayes: Sandy Jacobs

Mason Ruder

Alaina Cunningham

Reese Barrick

Shaun Musil

No action was taken within the executive session, which ended at 5:09 p.m.

The work session was resumed and adjourned at 5:09 p.m.

Submitted by: _____

Jami Breit –City Clerk