

City of Hays
City Commission
Work Session Notes
Thursday, June 19, 2025 – 4:00 p.m.

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

June 5, 2025 Work Session Notes

There were no corrections or additions to the minutes of the work session held on June 5, 2025; the minutes stand approved as presented.

CDBG Grant for Property at 1012 Main Street (One Twenty Seven Investments LLC) – Interlocal Agreement, Resolution Certifying Legal Authority, and Resolution Declaring a Building Blighted

Collin Bielser, Deputy City Manager, stated that the City of Hays is in receipt of an application from Tim Speno (Developer) to apply for a Community Development Block Grant (CDBG) through the Kansas Department of Commerce. The Developer is seeking \$300,000 in CDBG funds through the Commercial Rehabilitation program. The project at 1012 Main Street involves redeveloping the existing building to allow for Airbnb-rentable units on the second floor. The building, originally constructed in 1917, is owned by One Twenty Seven Investments LLC, and is currently the site of Eclectic Threads Quilt Studio, which will remain located on the ground floor during and after the project. The renovation of the building's second floor will involve exterior masonry, interior plumbing, HVAC, and roof improvements to create three rentable units.

Many important documents and steps are required to be a part of the final CDBG application. Two different resolutions will have to be passed by the Commission to be included in the application. The first is a resolution certifying that the City has the legal authority to apply for the CDBG, and the second is a resolution declaring the building to be blighted. The Commission would also

authorize an Interlocal Agreement between the City and the Developer, which would clarify and establish some of the responsibilities of the Developer to comply with the CDBG guidelines. Finally, the Commission would be required to hold a public hearing prior to submission of the application in order to allow residents to weigh in and voice any potential concerns.

If the project is successful in receiving a CDBG grant, the City would be the initial recipient of all grant funds. The Developer would be responsible for submitting eligible invoices to the City, and City staff would then disburse the grant funds. Since Tim Speno will execute the Interlocal Agreement on behalf of One Twenty Seven Investments as Developer and owner of the property, City staff will also obtain his approval of a Personal Guaranty to protect the City's financial interest as the project Applicant in the event the Developer defaults on any of its Interlocal Agreement obligations. A matching fund of 25 percent, \$104,315, is required as part of the CDBG program, and this would be the responsibility of the Developer. No City funds would be disbursed for the project, and the City would only be distributing grant funds as part of the project.

At the June 26, 2025 Commission Meeting, Commissioners will be asked to hold a public hearing, approve the Interlocal Agreement, approve the form of Personal Guaranty to be executed by Tim Speno, approve the Resolution Certifying Legal Authority, and approve the Resolution Declaring a Building Blighted.

AD3 LLC Rezoning – Request to Rezone 2707 Canal Boulevard from Commercial General District (C-2) to Residential Multi-Family District (R-M)

Jesse Rohr, Director of Public Works, stated that an application has been submitted to request a change in zoning from Commercial General District (C-2) to Residential Multi-Family District (R-M) for .607 acres of land located directly east of little Dillons on Canal Boulevard. The owner of 2707 Canal Boulevard, AD3 LLC, is looking to build a housing development. Staff, as well as the Hays Area Planning Commission (by a vote of 7-0), recommends approval of the rezoning from

Commercial General District (C-2) to Residential Multi-Family District (R-M) as it has remained vacant zoned Commercial General (C-2), and no development has occurred.

At the June 26, 2025 Commission Meeting, Commissioners will be asked to adopt an ordinance approving the rezoning request from Commercial General District (C-2) to Residential Multi-Family District (R-M) for 2707 Canal Boulevard, as legally described within the adopting ordinance.

General Nuisance Abatement for 206 E 14th Street

Jesse Rohr, Director of Public Works, stated that the Planning & Development Division is requesting a Resolution to abate the nuisance violations located on the property at 206 E 14th Street. The subject property is owned by Mr. William Call. The first notification letter was sent to Mr. Call on May 2, 2025. A certified letter was sent on May 15, 2025, and was confirmed as delivered on May 19, 2025, by USPS. To date, little to no progress has been made by the owner to clean up the lot. Since 2014, there have been 25 code cases for the property, ranging from general nuisance items, alley obstructions, inoperable vehicles, & overgrown grass & weeds.

At the June 26, 2025 Commission Meeting, Commissioners will be asked to approve a Resolution to abate the nuisance items located on the property at 206 E 14th Street ten (10) days after the approval date.

UDC Changes – Accessory Structures

Jesse Rohr, Director of Public Works, stated that several modifications to accessory structure regulations within the Unified Development Code (UDC) are being submitted for consideration.

Change 1: Eliminate side and rear setbacks for accessory structures 120 square feet or smaller.

Change 2: Eliminating the maximum of 2 accessory structures that can be placed on a single parcel.

Change 3: No restriction on the size of accessory structures in the A-L

(Agricultural) zoning district.

Staff, as well as the Hays Area Planning Commission (by a vote of 7-0), recommends approving the UDC changes as submitted.

At the June 26, 2025 Commission Meeting, Commissioners will be asked to adopt an ordinance approving the UDC Changes as presented within the adopting ordinance.

Other Items for Discussion

Toby Dougherty, City Manager, gave an update about the upcoming 2026 Budget. The assessed valuation numbers came back from the County, and they are up 2.5%. Mr. Dougherty stated that the budget is based on a cautionary approach, because when looking at how sales tax has been trending flat and inflation keeps rising, we are barely keeping pace with inflation. With these numbers, it doesn't provide the City enough room for growth, scope, and scale. The City still strives to make tactical adjustments when purchasing vehicles and other big purchases. Mr. Dougherty made sure to explain that he is not sounding a panic alarm, the City is in great financial shape, he wanted to reiterate that the proposed 2026 budget that the Commissioners will be receiving maintains everything that the City currently has and the budget doesn't show any expansion.

Commissioners all appreciated the conservative approach to the 2026 budget.

Commissioner Barrick was able to go on a tour of the R-9 Ranch, and he explained how impressed he is about everything that is going on down there and gave kudos to all involved. Mr. Barrick stated that he believes everything that the City has done with the property, the Walk-in Hunting Access Program (WIHA), leasing, and other projects, will almost pay for itself in the future.

Commissioner Cunningham thanked the County for investing in the traffic signal on Canterbury and Old 40, which has been a great addition and will aid in the traffic flow as future developments happen in that area.

The work session was adjourned at 4:45 p.m.

Submitted by: _____

Jami Breit –City Clerk