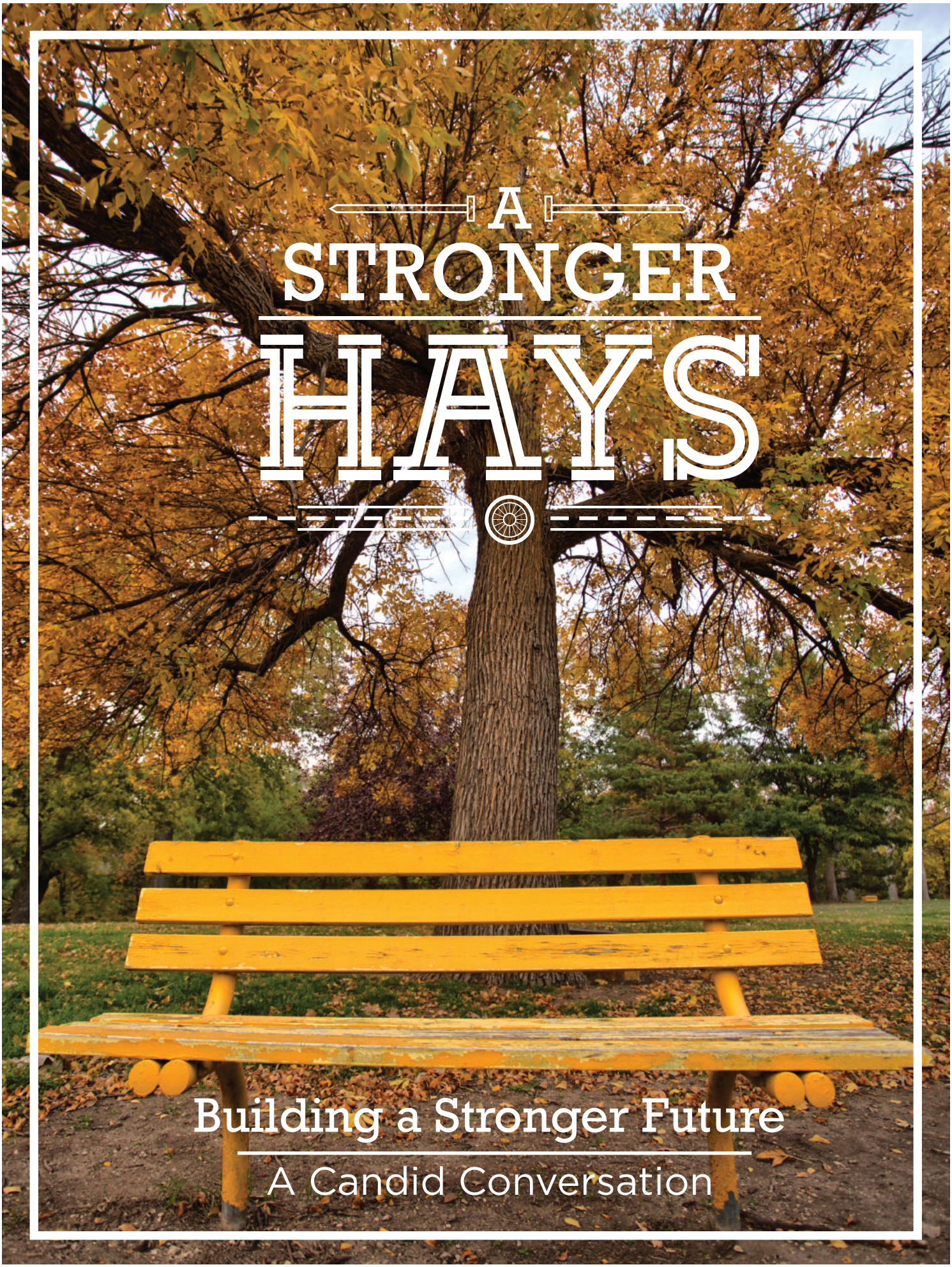


A STRONGER HAYS

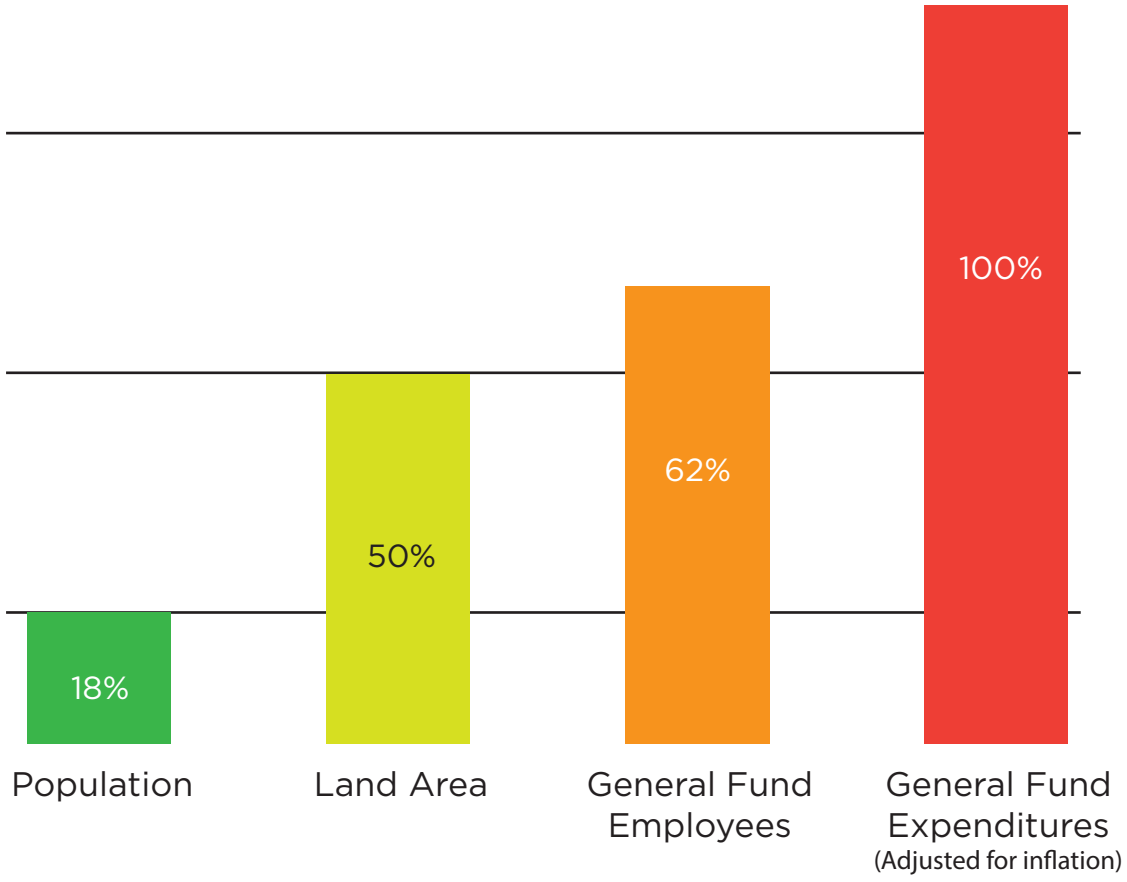
Building a Stronger Future

A Candid Conversation

"Sustainability is the ability to continue a defined behavior indefinitely."

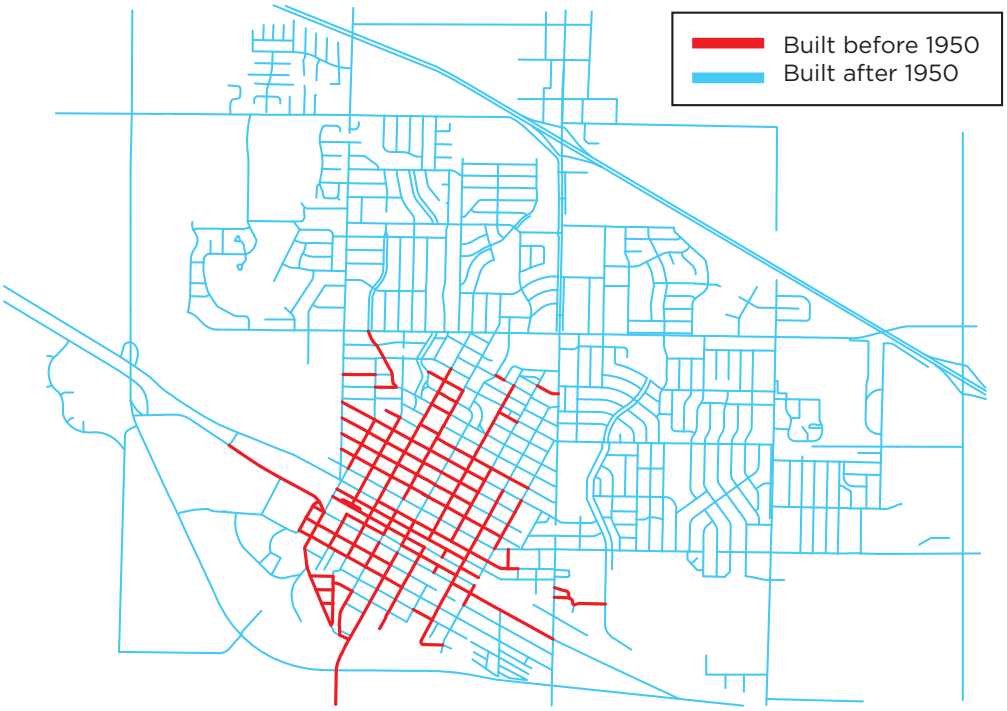
UNSUSTAINABLE GROWTH

The City of Hays' current pattern of development does not match the growth rate of its population. The revenues we're receiving are not sufficient enough to justify our current expenses. Our growth rate is simply unsustainable.



1991 -2015

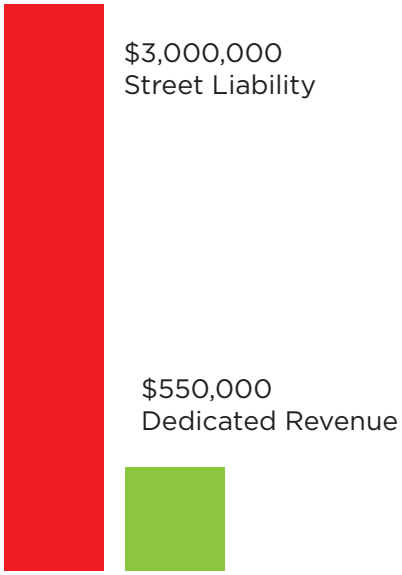
OUR STREETS ARE UNDERFUNDED



The City of Hays has built 84% of its streets since 1950. Prior to 1950, Hays built streets of high quality, with longevity in mind. This can be seen in the brick streets of downtown Hays. Since that time, streets have been mostly built of asphalt. Though asphalt streets are cheaper to build, they cost more to maintain.

When adding new streets, past generations failed to take the future cost of maintenance into account. Currently we have an annual street liability of $3 million.

The City of Hays has never had a dedicated funding source to cover the annual liability. As a result, we currently have a $2.5 million gap between what we should be spending on streets and the regular revenues we receive to maintain and replace our streets.



QUALITY OF LIFE AMENITIES

Hays residents have requested an increase in quality of life amenities. The city has responded to these requests and added many new amenities in the last 25 years while attempting to keep taxes as low as possible. However, the cost to provide and maintain these amenities is quickly starting to outpace the revenues received.

CITY PARKS AREA

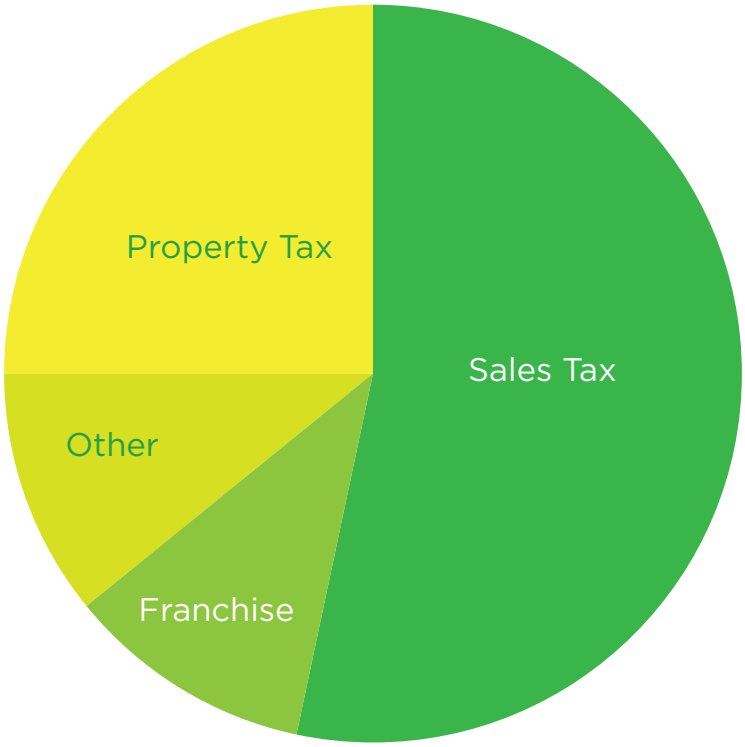
1991
365 Acres
11 Employees

2015
840 Acres
19 Employees

FUNDING WITH SALES TAX

Hays is a regional shopping hub. Leveraging this position, we have replaced the General Fund property tax levy with a sales tax. By relying on the sales tax as our main source of income, people from outside of Hays help pay for the general services they also utilize, such as fire, police, parks, and streets. As a result, Hays has the lowest property tax outside of Johnson County.

"What Pays for General Services?"



THE DISCONNECT

Shifting towards a sales tax revenue model has created a disconnect between the drivers of growth and the revenues needed to support it. Most residential and some commercial/industrial developments do not generate enough revenues to cover the cost of providing general services and maintaining the infrastructure.

New residential developments are good examples of this disconnect. Property owners pay taxes, but it is not enough to cover the total cost of general services and infrastructure.

Sample Neighborhood in Hays

EXPENSES	$485,000
TAX REVENUE	$250,000

INFRASTRUCTURE INVESTMENTS

The City has invested tens of millions of dollars creating infrastructure in an effort to promote industrial and business development. Unfortunately, these areas still remain largely undeveloped or underutilized.

48TH & ROTH

22ND STREET

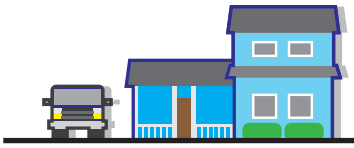
COMMERCE PARKWAY

UNDEVELOPED AND UNDERUTILIZED AREAS

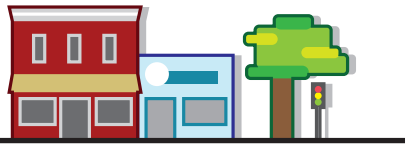
Even though vacant and underutilized properties with infrastructure exist in Hays, some continue to chase properties without infrastructure and then ask for subsidies to pay for the infrastructure. So why do we keep adding costs to our yearly “bill” by expanding outward when there is plenty of room to build in Hays?

WHAT COULD BE DONE?

In many ways the city's finances are similar to your personal finances.



Personal & City



Let's say you bought some nice things, but now you've got some debt that you can't afford. How would you handle it?

The city's finances aren't much different. The city's liability costs are rising faster than its revenue and it has more infastructure than it can sustain. How should the city handle it?

POSSIBLE OPTIONS

Go to Vegas and bet big. Or maybe buy a bunch of lotto tickets. You might get lucky.

Gamble

Build new roads and infastructure in the hopes that it will bring more retail and sales tax revenue.

Take on a second job. It'll be a big sacrifice, but you can keep living this lifestyle.

Revenue

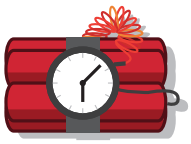
Raise taxes. It's a huge sacrifice, but it guarantees more revenue to meet the growth rate.

Instead of buying new, fix up what you already own. Save money and live within your means.

Conserve

Stop adding infastructure in new areas. Instead, develop and redevelop where infrastructure already exists. Grow internally instead of externally.

Worry about it later. These things have a way of working themselves out.



Nothing

Let the future residents of Hays worry about that. Surely they'll figure something out by then.

WHAT SHOULD BE DONE?

There is no “one best way” to address this situation. There are many paths to choose and it will be up to the community to decide.

Our current pattern of growth and development is unsustainable. If changes are not made, taxes will go up or services and amenities will be cut. We have to address these problems now.

The current course is not an option.

For more information visit: www.astrongerhays.com