

THE PARK HILLS CITY COUNCIL HELD A PUBLIC HEARING AND CAUCUS MEETING ON MONDAY, AUGUST 27, 2018 AT 7:00 P.M. AT ST. JOSEPH HEIGHTS, 1601 DIXIE HIGHWAY, WITH MAYOR MATT MATTONE PRESIDING. COUNCILMEMBERS PRESENT: PAMELA SPOOR, KATHY ZEMBRODT, JASON RESER, GREG CLAYPOLE, STEVE ELKINS AND KARL OBERJOHN ALSO PRESENT WAS CITY ATTORNEY, TODD MCMURTRY AND CITY ENGINEER, JAY BAYER

PUBLIC HEARING

A Public Hearing to hear comments from the public regarding the proposed tax rate for the fiscal year 2018-2019 Real Property. There were no comments.

CAUCUS MEETING

Call to Order

Pledge of Allegiance

Roll Call

I. Presenters:

Mr. Jim Parsons, lawyer with Keating, Muething & Klekamp (KMK), was present at the meeting to discuss the proposed Park Pointe Development Industrial Revenue Bond (IRB).

Mr. Parsons started by saying, an IRB is used as an incentive for developers and have been used across Norther Kentucky. Notre Dame Academy used one for past projects at the school. Bonds are issued, not as a debt of the city, but as a benefit for the interest rate. The bond issuer serves as a conduit to provide a lower interest rate to the borrower, but the issuer is not obligated for debt repayment. Under state law, IRBs are private activity bonds issued by a local government or state. They can be issued for a number of reasons at no debt to the city. The reason IRBs are an important incentive is because there are not a lot of incentives local governments can give to help with development. TIF is one that can be utilized and IRBs. The reason IRBs can provide an incentive is because projects financed with IRBs are exempt from local real estate taxes. Communities may negotiate for payments to replace portions of local property taxes lost through a Payment In Lieu of Taxes (PILOT) agreement. These are done to assist with projects that have extreme costs, or infrastructure, to finance.

Projects financed are not the debt of the city and do not affect its credit. If the city would be willing to issue bonds for the Park Pointe project, the PILOT agreement with the city would be 100%. In that case, the city would not lose any real estate taxes and would also pick up any additional taxes the city would normally receive such as insurance premium taxes or any tangible taxes that may be applicable. With this project taking place in two different cities, Mr. Parsons stated it would be easier for one city, Park Hills or Covington, to issue the IRB for the entire project. The negotiated PILOT agreement would have to be worked out with Park Hills, Covington, Kenton County Schools and the

Kenton County Government. He added; most of the incentives under the IRB concept are not that beneficial to the project unless an arrangement can be worked out with the school district. The PILOT agreement has not been finalized with the school yet but Mr. Parsons stated they seem to be understanding and supportive of moving forward.

Mr. Parsons stated the city would have an agreement in place with the developer. This agreement would require the developer to do other things such as the improvement of Amsterdam Valley. An IRB can be used for many different projects.

Mr. Oberjohn asked if the road tax collected by the city would be affected. Mr. Parsons replied it would just need to be incorporated into the agreement and the tax would not be affected.

The Mayor asked how an IRB would benefit Park Hills' economic development. Mr. Parsons said the city would still receive other taxes such as the municipal insurance tax which would produce a net benefit for the city.

Mr. Parsons added there are no administrative costs to the city. There is a bond trustee appointed to handle the tax payments. The only cost could be to create manual tax preparation; the PVA would still maintain fair cash value to compute tax bills. The timeframe is usually around three months. The bonds would close simultaneously with the loan. Mr. Elkins asked the term of the agreement. Mr. Parsons stated, in Covington, there are 20% PILOT payments over a 30 year term; others have 50% PILOT payments; depends on the need of the project.

The Mayor wonders how Park Hills will benefit if only 23 new homes are to be built within the Park Hills city limit. Mr. Parsons believes the new residents on the Covington side will frequent Park Hills' businesses. An IRB will not affect future loans or the credit rating for Park Hills.

II. Petitioner

A. Ms. Rachel Biesik stated she, and her husband Ken, have lived in Park Hills for 23 years and they have concerns regarding the proposed plan for Amsterdam Valley. She said the developers for the Park Pointe project are the same that created the Views, which she believes are not attractive. She does not want to see Park Hills go down the same road. She does not want to see the city give up control to the developers. She thinks it will eliminate streets' clear cuts, flatten Amsterdam Valley and put in an oversized detention pond. She does not believe the developers will try to save as many trees as they say they will. She would like Park Hills to have their own landscaping experts. If the developers do not want to wait, she would like them to move forward without the city's help and figure out how to improve Amsterdam Valley on our own.

III. Old Business

Due to technical difficulties with presentations, the Mayor asked to move on to Old Business.

A. Tree Ordinance review – Mike Conway

Mr. Conway was not present. Mr. Pat Flannery asked that the city council pass the new Tree Ordinance. Ms. Spoor stated there was little change to the Ordinance but that Mr. Winslow wanted to look it over to make sure it didn't conflict with the other Ordinances regarding trees such as the Nuisance Ordinance. The Ordinance has already had first reading. Mr. McMurtry will discuss with Mr. Winslow.

IV. Back to Presenters

B. Mr. Joe Daugherty was present at the meeting to discuss Park Pointe's plans regarding Amsterdam Valley. He provided a sideshow presentation. He believes the 28' amount of dirt SD1 wants to put in is too high and that the detention pond is bigger than it needs to be. He is unhappy about the amount of dirt that will be put on Amsterdam Road. He added; Option 2 is not much cost to the city but the storm water issue needs to be addressed. He would like to see the area used by Mr. VonHandorf put to better use and put a dam in that is a reasonable size.

(Mr. Daugherty's presentation is attached as an addendum to the minutes)

Mayor Mattone reminded everyone that the property is owned by the developer and that the city could have more authority if an agreement is put in place.

Ms. Froelich wanted to let everyone know that Mr. Daugherty is a resident and doesn't work for another entity involved in the development.

C. Mr. Paul Zeltwanger was present at the meeting to speak on behalf of Joshua One (Park Pointe development). Mr. Zeltwanger stated he met with Mr. Daugherty and other residents regarding the Amsterdam Valley. He believes the IRB is the right mechanism to move along with the project. He stated he wants the area to look as nice as Park Hills residents want it to look. He stated the combined storm sewer overflow problem needs to be solved. SD1 is willing to bring some money to the table for the project. He stated the biggest battle with SD1 is in regards to the landscaping. Mr. Zeltwanger stated he is adamant that the landscaping look attractive. He is looking to vacate the downhill side of Amsterdam Road and make the uphill road two-way. He discussed the recent landslide on Amsterdam Road in Covington's city limits; he believes eliminating the downhill side would alleviate the problem of future landslides. He added; Mr. Daugherty's plans do not work for the developers but can be a good in-between.

Ms. Spoor asked who has the authority over the basin. Mr. Zeltwanger stated SD1 but believes they would be flexible. Ms. Spoor added the city has an opportunity to improve the area which we cannot afford on our own. She would like the city to work with SD1 to provide self-maintaining landscaping. Mr. Zeltwanger stated berms would be used to provide privacy to the basin and plants, such as cattails, can be planted in the basin. Mayor Mattone would like the city to get an agreement together to move the project along.

(Mr. Zeltwanger's presentation is added as addendum number 2 to the minutes)

D. Mr. Joe Daugherty spoke again regarding the lower Jackson Road project. Some residents on Jackson are unhappy about losing their trees due to the project. It was

said that trees would be compromised anyway due to the street improvements even if the sidewalk was to remain in the same place.

(Please see Mr. Daugherty's presentation attached as addendum number 3 to minutes)
Mayor Mattone invited those interested to attend the upcoming Infrastructure meeting scheduled for this Thursday to discuss.

Mr. Oberjohn thanked everyone who came to the lower Jackson street meeting. He added the most common request of residents is to save the trees. Mr. Oberjohn reiterated the fact that due to the road work, trees would be affected negatively. He went over several options regarding the street width and explained how each width would add, or subtract, driver comfort.

(Please see Mr. Oberjohn's presentation attached as an addendum number 4 to the minutes)

The next Infrastructure meeting is scheduled for Thursday at 4:30 at the office of Bayer and Becker. The public is welcome to attend. Mr. Oberjohn stated he hopes to have more drawings available. Ms. Spoor is unable to attend the meeting but wants to add; it would be nice to widen lower Jackson Road but it is more important to think about the people who live there and their concerns. If trees are removed, the street will lose its shaded tree line. Mayor Mattone added the storm water maintenance needs to be addressed and, even though the city wants to preserve trees, street improvements need to be made.

Mr. Reser thanked Mr. Oberjohn for his work on the presentation as he is sure it took a lot of time.

Mayor Mattone would like to find the best compromise and let people know, any tree(s) lost will be replaced. He added the UK tree study should be ready this fall which can be referenced.

Mr. Oberjohn said rolled curbs are planned to be used. He believes they will look nicer with a flat sidewalk and no need for curb cuts for driveways. He said if there is to be a green strip between the street and sidewalk, box curbs could be used. Utilities will be replaced/upgraded in the fall with the street work to begin in the spring. Mayor Mattone reminded everyone that SD1's match expires in a year so the city needs to move forward.

V. Back to Old Business

B. Dangerous trees – Pam Spoor

Ms. Spoor worries about dead Ash Trees near the road in danger of falling. She would like to know the best option to have dead trees removed. Mr. McMurtry stated it was an issue of who is responsible to pay for the tree removal, the city or the property owner. He added the Nuisance Ordinance should deal with that. The Mayor stated there is some money in the budget for tree removal.

Mayor Mattone asked that the Ordinance regarding political signs be posted to the website.

Mr. Bayer added his meeting space at Bayer Becker has room for about 15 people. The Mayor asked that Mr. Daugherty take a poll to see who plans to attend and let the city clerk know if the meeting location will need to be changed to the city building.

Caucus Meeting
August 27, 2018
Page 5

9:27 Motion to enter into executive session to discuss deliberations on the future acquisition or sale of real property was made by Ms. Zembrodt; second by Mr. Reser.

Adjournment from Caucus Meeting

Mayor, Matt Mattone

ATTEST:

City Clerk