



**Caucus Meeting
March 14, 2018**

Mayor Irvin T. "Butch" Callery called the March 14, 2018 City of Villa Hills Caucus meeting to order at 6:36 p.m. at the Dennis M. Stein Municipal Building, 719 Rogers Road, Villa Hills, Kentucky. The prayer and pledge we both given by Mayor Callery. City Administrator/Clerk Craig Bohman took the roll. Those in attendance:

Mayor Butch Callery
G. Bruns
M. Koenig
S. Ringo
J. Vaden
G. Waugaman

Lee Metzger, Assistant City Attorney
Craig T. Bohman, City Administrator/Clerk
Chief Bryan Allen
Derick "Buck" Yelton, Public Works Director
G. Kilburn - absent

A quorum was present.

First on the agenda was a presentation and discussion from PDS "Zoning for the 21st Century" analysis of Villa Hills zoning code.

- Mr. James Fausz from Planning and Development Services of Kenton County gave a presentation on the Z-21 process. He reviewed the history of the zoning code and pointed out that the current code was first adopted in the 1980s and over time 80% of all cities codes are the same with the 20% difference caused by over 500 text amendments in all jurisdictions over the years. Mr. Fausz described the timeline of the Z21 project and the three phases: phase-I analyzed the existing codes which is complete, phase II will be to develop a model template code which is expected to be complete by the end of the year, and phase III which is to reorganize the city's code using more graphic and simplified language which would be up to each city. Mr. Fausz pointed out the PDS is paying for phase I and II. He showed examples of simplification of the text and use of graphics in place of text to make the zoning code more accessible to the public and user friendly. He noted that the project does not commit the city to anything, it is only a recommendation and cities can select how much of their code if any to update.
- Mr. Fausz stated the goals were to streamlining processes, standardize formatting consolidate sections, use tables and graphics to replace text in some cases, consolidating zones, create rules for flag lots, make the code interactive with hyperlinks, and reduces redundancies. He called Council's attention to the 47 page analysis of the Villa Hills code.
- Mayor Callery noted that Ms. Vaden and Mr. Waugaman have served on the taskforce.

- Mr. Waugaman stated that the issue for the city is to get the template and decide what the city wants to do. He noted that the project simplifies the code and removes redundancies and makes it easier to understand.
- Ms. Vaden stated that the intent is everyone can read and understand it. She noted that she is not an attorney so having a simpler code would make it easier to understand. She noted that the City would have to decide if it wants to pay to customize the blueprint to what the city wants. Ms. Vaden said it would make no sense to pay to reformat the code then muck it up with changes later. Mr. Fausz stated he would check and see what the process was for phase III but suspected it would be similar to text amendments.
- Mr. Bruns agreed with Ms. Vaden and asked if the template can include formatting for new items that could be added to the code in the future. Ms. Vaden and Mr. Waugaman replied that the intent is to have such a blueprint. Discussion followed.
- Mr. Bohman commented that the effort was not just for Villa Hills but included 12 of 19 jurisdictions in Kenton County. Mr. Bruns noted that he could see the benefits of this for PDS.
- Mayor Callery thanked Mr. Fausz for presenting.

Next on the agenda was presentation and discussion regarding Tax Increment and Financing District. Mayor Callery introduced attorney Jim Parsons to discuss TIF Districts.

- Mr. Parsons noted that TIFs have been used as a development tool. He stated that they began in 2000 mostly for in Louisville and were readopted in 2007 with state taxes for qualified local projects included. Mr. Parsons said he worked on a TIF for the old Drawbridge and did all the TIFs in Kenton County. Under the statute they are called Local Development Area District.
- Mr. Parsons explained the increment process between new revenue and old revenue. A city or county can create a district where the increase of taxes due to new development can be pledged to pay for improvements or incentives to promote economic development. He noted that TIFs are not a new tax or change in any way the manner in which taxes are collected. He noted that TIFs do not increase taxes within the district or create any new exemptions or restrictions. Mr. Parsons noted they are meant to promote development within the district. He also said that TIFs do not impact zoning or the Comprehensive Plan.
- Mr. Parsons noted a TIF can be used for project costs, replacement assistance and infrastructure. He noted that the allowable uses are very broad and can use revenue to pay private costs, services provided to the development area, marketing and other costs and business incentives. Mr. Parsons said that the city could limit the TIF funds to particular expenses.
- Mr. Parsons stated that TIF revenue could be pledged toward debt service through increment bonds that would not impact the city's debt rating, or could be used on a pay as you go plan. Mr. Bohman inquired if TIFs could can reimburse costs incurred after the TIF was created but before the taxes were collected. Mr. Parsons replied that many TIFs were set up that way.
- Mr. Parsons stated that the city could pledge up to 100% of the real estate tax increment for 30 years but typically cities don't set them that high. He noted that occupational and payroll taxes could also be pledged toward a TIF. He reported that not only can city taxes be placed in the TIF, but so could county and special district taxes with their permission. Mr. Parson noted that school taxes and fire

district taxes are not eligible for a TIF. He noted that Kenton County and PDS participate in TIFs. Mr. Parsons noted that no more than 20% of the existing citywide property value could be placed in a TIF district.

- In order to create the district, Mr. Parsons stated that the city would have create one by ordinance and set the boundaries of the district limited to 3 contiguous square miles, enter into a local area development agreement with other jurisdictions, hold a public hearing. He said the local area development agreement must designate an agency to administer TIF district. Mr. Parsons noted that the TIF can sit dormant for up to four years before it must be activated or the district will dissolve. He noted that the base tax amount is set at the time that the TIF is created even if activation is delayed.
- Mr. Waugaman asked for clarification about setting up a new fund for the TIF and identifying the administrative agency. Mr. Parson's re capped and clarified those issues. Mr. Parson's explained the difference between TIFs overlaid on existing development and one placed on vacant land. Mr. Waugaman asked which one Erlanger used. Mr. Parsons replied they used a mix of both. Mr. Parson's noted that most communities use the reimbursement approach to developers versus the bond approach.
- Mr. Parsons explained that the more jurisdictions that participate, more money that would available to pay for project costs. He also explained the 2% job assessment fee but noted it would not be appropriate for Villa Hills due to the existing city and county payroll taxes.
- Mr. Waugaman noted that the city has a development asked if the city could create a separate TIF for an adjacent piece of land. Mr. Parsons said yes discussion followed.
- Mr. Ringo inquired of Mr. Parsons why he was presenting this issue to Council. Mr. Parson's replied that he was invited and believed that there was some interest in creating a TIF district. Mr. Bohman replied that he invited Mr. Parsons to present because he has the most knowledge and experience with TIF districts in the state. Mr. Bohman noted that a TIF should be considered for the Sanctuary and Radio station properties to create a separate fund that only residents and businesses in the new developments would pay for the needed road improvements. Mr. Ringo questioned why create a TIF if all the project costs would be outside the new development. Mr. Bohman replied that the TIF district could be drawn so the affected right-of-ways could be included. Mr. Parsons concurred. Mr. Ringo followed up asking if there was a concern that future councils and budgets may not pay for the improvements and this would address that. Mr. Bohman replied that was a benefit of the TIF, but the real focus was on tapping the other jurisdiction taxes in order to address potential cash flow or debt service for the needed improvements. Discussion followed about how the TIF district works in practical terms. Mr. Ringo stated that the value of the TIF seemed to be the dedication of funds and access to taxes people would pay anyway to other agencies but keeping that money in the city.
- Ms. Vaden asked if future councils could undo the TIF district. Mr. Parson stated that once the taxes were pledged future Councils could not undo the TIF as long as there are costs outstanding or debt that the city agreed to pay for. He stated that once those costs or debts are paid off, the city and the other jurisdictions could dissolve the district or let it continue until its 30 year expiration.
- Mr. Waugaman asked if the TIF could be renewed after 30 years. Mr. Parsons replied that they could not.

- Mr. Bruns asked that if the city is locked in could the other districts pull out. Mr. Parsons said they could not. Mr. Bruns clarified that the TIF is designed to cover the costs of improvements, on a state route for example, and none of the taxes that current residents pay would be used for that expense. Discussion followed about the proposed improvements.
- Mr. Waugaman asked if once the costs are paid for the district could continue for 30 years. Mr. Parsons replied it could.
- Mr. Bohman inquired if the TIF could be amended later to include other areas and he gave the example of adding River Road to the TIF in order to address issues there. Mr. Parsons stated it could be done. Mr. Bruns responded that he could justify setting up a TIF to address issues on Collins and Amsterdam because that is where the city's people are, but would not support using this process to improve River Road.
- Ms. Koenig asked how long it would take to set up the district. Mr. Parsons replied typically it would take a few months and noted the hardest part is working around the meeting schedule of special districts that meet quarterly or less often. He suggested working with the other agencies on the front end to address their concerns. Discussion followed about the TIF creation process.
- Mayor Callery thanked Mr. Parson for a good presentation.

The next item on the agenda was a discussion regarding Franchise Tax Re-Establishment

- Mr. Bohman explained that the 2005 Tax Modernization Bill stripped cities of their ability to collect local cable franchise fees and replaced those dollars with a portion of a new statewide telecom tax. HE noted that the telecom tax ever generated the same money as the previous cable franchise fee. Mr. Bohman reported that the state Supreme Court overturned the prohibition on cities collecting local cable franchise fees and said that each city could choose which one they wanted. Mr. Bohman reported that TBNK was requesting to go back to the Franchise fee that was still in the franchise agreement because it would provide more funds for both the city and TBNK.
- Mr. Bruns asked what the city had to do and Mr. Bohman replied pass a resolution telling state we wanted to collect our own cable franchise fee. Mr. Bruns said he is in favor.

Following on the agenda was discussion the regarding community garden request by Kentucky Refugee Ministries.

- Mr. Bohman explained that Kentucky Refugee Ministries opened an office in Northern Kentucky and are assisting the local Chin refugees. He stated that the City received a request for a community garden and that the city owned a portion of the hillside along Rogers Road between the bridge and Sierra around the overhead electrical tower that is difficult to maintain with city equipment due to slope and debris from clear cutting. Mr. Bohman suggested the 1/3 acre lot to Kentucky Refugee Communities and they are interested. He proposed a \$1 per year lease with a portion of the space set aside for nearby residents. Mr. Bohman touted the plan as a win-win, the city gets an eye-sore lot cleaned up and the Chin Community get a community garden.

- Ms. Vaden asked if this was a sale or lease. Mayor Callery replied it would be a lease. Ms. Vaden followed up about the length of the term, Mr. Waugaman suggested five years. Discussion followed about other non-profit agencies with community gardens.
- Vaden inquired if there was any city owned land that could be used as a gathering place. Mr. Ringo suggested Rigney Park for their Futsal games. Discussion followed on other Ms. Vaden stated that the city should work with the Chin Community because they are new to community.

The next agenda item was discussion regarding Madonna Manor expansion.

- Mr. Ringo brought Council's attention to the Madonna Manor expansion and asked about a few of the details.
- Mr. Ringo asked if the Montessori School was going to be relocated to another location. Mr. Bohman replied both the school and the building would remain in place based on the meetings he has attended. Several side bar conversations about various aspects of the map followed.
- Mr. Ringo asked for clarification about the 10 foot of screening and asked for the definition of screening requirements and what the 10 foot buffer meant. Mr. Bohman replied it was a 10 foot wide strip of evergreens. Discussion followed about where the new screening would go and if screening should be in place on certain portions of the property already. Mr. Bruns questioned how many trees it would take because trees grow over time. Mr. Bohman replied he would have to talk to PDS. Mr. Ringo agreed and asked staff to stay on top of the issue and find out when the 10 foot came into compliance (such as at planting or after so many years). Ms. Koenig suggested the residents and developer together get together to address these issues. .
- Mr. Ringo discussed the upcoming meeting with the Manor's Executive Director to address Fire Authority concerns in particular the 911 identification system when residents of the Manor call dispatch. Mr. Bruns and Mr. Ringo shared examples of problems caused by the lack of clear identification where on site the call is coming from.
- Mr. Bruns commented about the funding and revenue issues with the future development and the lack of tax revenue due to its tax status. Discussion followed about the taxes received and how the services exceed the limited revenue received.

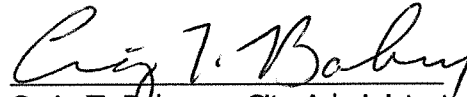
Last on the agenda was General Discussion.

- Mr. Ringo noted that Shadow Night will be held April 18th. He passed out the application from students and asked for elected officials and staff to review and select their shadow March 21st. He suggested inviting the students to committee members. Mr. Ringo noted that St. Joseph did not participate this year.
- Mr. Ringo also asked that since he has two committees, to add a student shadow for recreation. The consensus was yes to add the additional student.
- Ms. Koenig stated April 27th and 28th are the only dates for the yard sale. Ms. Vaden asked if the city was going to have two yard sales this year. Ms. Koenig replied that there would only be the spring yard sale.

With there being no further discussion or comments, a motion was made by Mr. Ringo, seconded by Mr. Bruns to adjourn. Motion carried voice vote all in favor.

Time of adjournment was 8:16 p.m.

Respectfully submitted,



Craig T. Bohman, City Administrator/Clerk



Irvin T. "Butch" Callery, Mayor