

**CITY OF UNION**  
**Special Business Meeting**  
**August 23, 2017**

**Regular Business**

The meeting was called to order at 3:30 PM on August 23, 2017 by Mayor Larry Solomon.

**Pledge of Allegiance**

Mayor Solomon led all attendees in the pledge to the flag.

**Roll Call**

A quorum was present: Mayor Larry Solomon, Commissioner Bryan Miller, Commissioner John Mefford and Commissioner Jeremy Ramage. Commissioner Eric Dulaney was not present.

**Also present:**

City Attorney-Greg Voss, Esq.

City Communications and Operations Director-Melissa Stark Hinkle

City Administrative Assistant-Christy Everman

**Public Comment**

No members of the public came forward with comment.

**Mayoral Report**

Mayor Solomon updated the commission on the Grand Opening for Kroger. A Sneak Peek event will be held on September 11 from 5-7 p.m. by invitation only. The city has received invitations for city staff, administration and other dignitaries and Mayor Solomon has begun to distribute them.

He then deferred to Commissioner Ramage for a Braxton fence update. Ramage said that Kroger has sent letters to the affected residents along Braxton Drive with a proposal for remediation of the area between Kroger and the current "old farm fence" and new vinyl fence behind Kroger. Kroger is seeking a unanimous choice among the residents for solution, and removal of the farm fence is the recommended solution. Mayor Solomon tasked city staff to monitor the situation and work with those residents to work toward a best-case solution for all involved. Commissioner Ramage will assist with these meetings as needed.

Mayor Solomon also brought forth an issue with some new business owners regarding some permitting issues through Boone County Planning Commission. Mayor suggested a meeting be scheduled among the parties to see if a solution can be reached to help small business owners work better through the process. Issues arise when new businesses come to Union and staff doesn't always know when these business are opening. Commissioner Ramage said that a business license has been proposed before, but was not recommended at the time by EDC. However, with the city growth, the issue may need to be revisited. Ramage will bring the issue back to EDC for development of a program or license to help identify when new businesses come to the city.

### **Community Building**

Commissioner Ramage presented the appraisal received by the city for the building of \$345,000, but feels that the figure is high, based on the current condition of the building and the scope of the work needed to bring the building up to “shovel ready” to open a business in that location. Ramage asked the commission to proceed to the next phase of consideration without a second appraisal, as finding a second appraiser able to do an appraisal on the building in a timely manner has been difficult to find. Discussion about setting a reserve price for potential sealed bid auction was discussed, and what investment the city still has on the books through the loan. Attorney Voss suggested contacting the loan organization to see if the city can negotiate a reduction or elimination of the prepayment penalty on the loan. Mayor Solomon will follow up with City Administrator Plummer to work on this project. Commissioner Ramage will bring forth a proposed reserve price on the Community Building at the September meeting for consideration after looking at both the appraisal against loan amount and other liabilities regarding the building to determine a fair market value.

Director Hinkle presented two estimates for remediation of a bat infestation in the Community Building. The building currently has a small colony of bats residing in the attic and crawl spaces, and a small group of flying squirrels in another area of crawl space. After reviewing both proposals, she recommended Perfection Pest Control to perform the work. Commissioner Miller moved to accept the proposal of Perfection Pest Control for the Bat and Squirrel remediation at the Community Building. Commissioner Mefford seconded. **Motion Approved, 3-0.**

Commissioner Ramage presented the invoice for Schoepf and Associates, Inc. for the appraisal of the Community Building for approval. Commissioner Miller moved to approve the invoice for payment. Commissioner Mefford seconded. **Motion Approved, 3-0.**

### **Industrial Bond Presentation**

Tyler Kalachnik of the firm IceMiller Legal Counsel presented additional information regarding the issuance of industrial revenue bonds by a government entity. Kalachnik outlined the history of the bonds and how the bonds create an opportunity for tax-exempt earnings for those who invest in this type of personal investment opportunity. The bonds provide an opportunity for more financing options for the builder/owner, while the city incurs no debt obligation. Kalachnik did advise that in some situations, developers do ask for a waiver of the ad-valorem tax obligations and transfer ownership of the property(s) to a city for the term of the bond, but that this would not be the case for the Storypoint developers or ownership, and would not be a tax-liability or tax revenue loss situation for the city in this instance. Kalachnik also emphasize that the city would have no obligation or liability regarding the bonds in the case of any fault by the borrowers on the bond obligation. Kalachnik also presented a timeline of the application process to be followed through the Kentucky Private Activity Bond Allocation Committee, and the process is anticipated to be completed by November 15, 2017.

Kalachnik presented opportunity for comment and questions. Mefford asked about the time sensitivity issue for issuing the bonds. Kalachnik advised that the window was closing to apply for this bond cycle, and if they

were unable to meet the timelines presented in his presentation, the developers would not be able to apply for bond consideration again until March of 2018.

### **Office Administration Report**

In the absence of CAO Plummer at training, Mayor Solomon presented documentation regarding a process for applying for Industrial Revenue Bond (IRB) consideration for the City of Union. These documents were prepared by City Administrator David Plummer with assistance from City Attorney Voss. The documents contained an application, which required a \$1500 application fee. Upon acceptance of the bonds, the city would require an additional \$5000 dollar bond issuance fee to be paid by the applicant.

Commissioner Mefford inquired with Mr. Kalachnik if these documents seemed in line with what other cities and municipalities were doing in the state. Kalachnik stated that the documents were in line with what other areas were doing, and were acceptable to his firm and clients. Mefford also inquired about fees. Kalachnik and Voss advised that these fees would cover the administrative and legal review costs for the bond issuance, and would allow the city to remain revenue neutral in the process, not incurring, nor profiting, from the programs. The fees would offset the hiring of an outside bond council to review the documents, in line with what other municipalities do for bond programs across the state. Hiring this council would allow for expertise in bond programs, beyond what the normal city attorney duties would be. Voss advised that this would allow the city to exercise due diligence in bond issuance and protect the citizens interest.

### **City Attorney Report**

Attorney Voss had no report.

### **Legislation: Ordinances/Municipal Orders/ Resolutions (prepared by Attorney Greg D. Voss)**

#### **Municipal Order**

**MUNICIPAL ORDER NO. 2017-26** –A MUNICIPAL ORDER SETTING FORTH THE GENERAL PROCEDURE FOR THE ISSUANCE OF INDUSTRIAL REVENUE BONDS BY THE CITY OF UNION, KENTUCKY. Commissioner Ramage moved to approve, Mefford seconded. **Motion approved 3-0.**

#### **Ordinances**

**ORDINANCE NO. 2017-10** --AN ORDINANCE OF THE CITY OF UNION, KENTUCKY APPROVING WITH CONDITIONS, A REQUEST OF STORYPOINT FOR AND ON BEHALF OF ARLINGHAUS I LLC FOR A ZONING MAP AMENDMENT, SUCH ZONING MAP AMENDMENT TO THE BOONE COUNTY ZONING MAP BEING A ZONE CHANGE FROM RURAL SUBURBAN ESTATES/UNION TOWN OVERLAY (RSE/UTO) TO PUBLIC FACILITIES/PLANNED DEVELOPMENT (PF2/PD) FOR A 14.104 ACRE SITE GENERALLY LOCATED ON THE EAST SIDE OF U.S. 42 AND IMMEDIATELY SOUTH OF THE PROPERTY AT 9001 U.S. 42 (KROGER MARKETPLACE), UNION, KENTUCKY. Commissioner Mefford moved to approve, Miller seconded. **Motion approved 3-0.**

Resolutions

**RESOLUTION NO. 2017-07** -ENCOURAGING AND INDUCING CSIG HOLDING COMPANY LLC, OR AN AFFILIATE THEREOF, (THE "COMPANY"), TO PROCEED WITH THE ACQUISITION, CONSTRUCTION, EQUIPPING, AND INSTALLATION OF AN INDUSTRIAL BUILDING BY AGREEING TO UNDERTAKE THE ISSUANCE OF INDUSTRIAL REVENUE BONDS, IN AN AGGREGATE AMOUNT NOT TO EXCEED \$42,000,000, ISSUED IN ONE OR MORE SERIES ("BONDS"); AND AGREEING TO TAKE SUCH OTHER ACTION AS NECESSARY OR REQUIRED TO AUTHORIZE THE ISSUANCE OF THE BONDS. Commissioner Ramage moved to approve, Miller seconded. **Motion approved 4-0.**

Ordinances (continued)

**ORDINANCE NO. 2017-11**—AN ORDINANCE LEVYING AND FIXING THE TAX RATES OF THE CITY OF UNION, KENTUCKY, FOR THE 2017 CALENDAR YEAR; LEVYING SAID TAX UPON REAL AND TANGIBLE PROPERTY; FIXING THE DATE OF PAYMENT, DISCOUNT PAYMENT, DELIQUENCY AND INTEREST CHARGES; FIXING THE PURPOSE THEREFORE; AND SETTING FORTH THE PROCEDURE FOR THE COLLECTION OF TAXES. **First Reading**

Announcements:

The September Special meeting of the Commission will be Tuesday, September 5 at 7 PM.  
Kroger Grand Opening will be held September 14, 2017.

Adjournment

Motion to adjourn was made by Commissioner Miller, and seconded by Commissioner Ramage. **Motion approved 3-0.** Meeting adjourned at 5:02 p.m.

**APPROVED:**

**ATTEST:**

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**Larry Solomon, Mayor**

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**Donna Wahoff, City Clerk**