

**CAMPBELL COUNTY FISCAL COURT
(MAYORS' MEETING)
MINUTES
April 26, 2016**

A special meeting of the Campbell County Fiscal Court and local representatives was held on Tuesday, April 26, 2016, at 6:00 p.m. at the Campbell County Fiscal Court Chambers, 1098 Monmouth Street, Newport, Kentucky. Items on the Agenda were: (1) TANK, (2) Catalytic Development Funding Corporation, (3) Southgate Partners, (4) Updates on Transportation Projects and Economic Development Projects, and (5) Other Items of Interest.

Steve Pendery	Judge/Executive
Tom Lampe	County Commissioner
Brian Painter	County Commissioner
Matt Elberfeld	County Administrator, CCFC
Paula Spicer	Fiscal Court Clerk, CCFC
Cindy Minter	Planning and Zoning Director, CCFC
Seth Cutter	Economic Development Officer, CCFC
Marie Schenkel	Finance Director, CCFC
Craig Sorrell	Campbell County Police Chief
William Rachford	Mayor, Alexandria
Greg Meyers	Mayor, Highland Heights
Angelo Penque	Mayor, Cold Spring
Ed Riehl	Mayor, Bellevue
Jim Hamberg	Mayor, Southgate
Virgil Boruske	Mayor, Dayton
Tom Edge	City Attorney, Dayton
Jim Collins	Administrator, Highland Heights
Mark Wurschmidt	Sanitation District No. 1
Brian Ellerman	Sanitation District No. 1
Ron Lovan	Northern Kentucky Water District
Senator Wil Schroder	Kentucky State Senate
Bob Porter	Office of Congressman Thomas Massie
Billy Matthews	Office of US Senator Rand Paul
Andrew Aiello	General Manager, TANK
Jeanne Schroer	President/CEO, Catalytic Fund
Joe Klare	Catalytic Fund
Jack Moreland	President, Southbank Partners

Judge Pendery called the meeting to order at 5:55 p.m. He then asked Jack Moreland, President of Southbank Partners, to begin his presentation. Mr. Moreland explained that Southbank represents six Cities: Ft. Thomas, Dayton, Bellevue, Newport, Covington and Ludlow, and has been in business since about 1997. He joined Southbank in 2009. Southbank's main thrust is working along the river and its signature project is Riverfront Commons. He listed projects that Southbank and its partners are working on in Campbell County: Route 9 connector which is about 80% constructed, the 22 acres of developable land that was Newport Steel site, Ovation

development site, Manhattan Harbour development, grant for economic development opportunity at the site of Joe's Crab Shack/Buckhead's parking lot, signage highlighting Riverfront Commons, \$3.8 million Taylor Creek Overlook Park on the river, Aqua on the Levee \$80 million mixed use development under construction, Phase II of a project to increase pedestrian traffic flow in Newport between the New Riff Distillery and Newport on the Levee, upgrade of Newport Festival Park on the riverfront, bids for the sky wheel at Newport on the Levee, two pedestrian bridges connecting the Levee to the Taylor Southgate Bridge, Hampton Inn project, and development of the Fourth Street School. Mr. Moreland then listed projects that Southbank is involved with in Covington and in Ludlow. They have worked with seven different engineering firms on the Riverfront Commons project. In response to Judge Pendery's question Mr. Moreland stated that construction of the Taylor Creek Overlook is underway with funding from the Transportation Cabinet who solicited bids and used its own engineers for the project. This is on the Bellevue/Newport boundary and Southbank will work with both Cities for maintenance of the new park. He advised that they received a \$10,000 grant from Duke Energy for landscaping. Mr. Moreland explained that the former Fourth Street School in Newport, which sold for \$2.7 million will be redeveloped into a six-story, 190 unit high-rise. The project is in a TIF which also includes the lot adjacent to the Peace Bell. Mr. Moreland then talked about the lawsuit filed by the City of Cincinnati against the Newport/Southgate Bridge Company regarding maintenance of the Purple People Bridge approach in Cincinnati. He pointed out that the bridge itself is still safe. Judge Pendery asked if Mr. Moreland could make a similar presentation at a future Fiscal Court meeting.

Judge Pendery stated that they'd wait to proceed with the meeting so that people who arrived during Mr. Moreland's presentation could get something to eat.

Introductions of all of the attendees followed. Judge Pendery stated that Mr. Moreland's presentation started early so that Mr. Moreland could leave due to health issues. He then called on Andrew Aiello to begin his presentation.

Andrew Aiello, General Manager, Transit Authority of Northern Kentucky (TANK), started with an overview of TANK's organization. They are the regional transit authority for Boone, Campbell and Kenton Counties providing five types of service: Park and Ride service, local bus service, UPASS Programs for Gateway and Northern Kentucky University, Southbank Shuttle and RAMP a door-to-door service for individuals with disabilities federally required by the American's With Disabilities Act. TANK operates 30 routes every day serving about 3.7 million passengers each year. Mr. Aiello showed a map of the routes in northern Kentucky and then of Campbell County specifically. He stated that work-related trips are the primary function of TANK's service, over 75% of riders are going to and from work, and about 10% are going to and from education. Mr. Aiello briefly described TANK's history and the payroll license fee approved by Campbell and Kenton County voters in 1978 to fund public transit service in northern Kentucky; Boone County funds TANK from its General Fund. A formula is used to calculate the cost-share for services for each of the three Counties. He explained that TANK is a Special Purpose Governmental Entity and as such is subject to all rules and regulations that government agencies are. However, unlike some SPGE's, TANK does not collect tax dollars directly. He stated that each County appoints three members to the 9-member Board of Directors. Mr. Aiello explained how TANK's budget must be approved and adopted by each of the three Fiscal Courts. He then provided a breakdown of TANK's budget and expenses, and its sources of revenue. He pointed out that Campbell County's contribution to TANK for FY2016

is essentially the same as it was for FY2009 due to some slight reductions and service changes. Mr. Aiello talked about the correlation between ridership numbers and gasoline prices. In Northern Kentucky 60% of jobs are accessible by public transit. TANK works with employers throughout the area to meet workforce needs. They have at least six pilot programs where the employer funds the pilot; if the route is successful then TANK will consider adding it to the system. Mr. Aiello talked about the east-west express route that started a couple of years ago, suburban hubs, investment in corridors and improved frequency and span of service. He stated that these services all take investment, not only from the Fiscal Court level, but on the state, federal and private level. The state of Kentucky invests about 34 cents per capita for public transit. That is the lowest among surrounding states and 12 times less than the average. TANK has a long-range plan and is constantly trying to do more with less. Judge Pendery stated that TANK has first claim on payroll tax money in Campbell County and the remainder gets put in the General Fund. He stated that the General Assembly froze the source of revenue and the cap on salary that the tax applies to. He believes that the cap should be allowed to move with inflation. Judge Pendery complimented Mr. Aiello on the thrifty and efficient way that TANK is operated. Mr. Aiello stated that they have had to reduce some service in Campbell County over the years. They are trying to solve some work force problems in the context of a tight budget.

Jeanne Schroer, President and CEO of the Catalytic Fund of Northern Kentucky since 2008, introduced Joe Klare, Manager of Real Estate Finance and Investments whose focus is Campbell County and the cities located therein. She provided a history of the Catalytic Fund which was formed as an initiative of the original Vision 2015 plan to contribute to regional economic development efforts. Its focus is on revitalization of urban communities which is very complicated, requiring specialized real estate expertise to put transactions together and to advance them. The Catalytic Fund is a non-traditional financing source to help these projects move forward. It is a \$10 million private capital investment fund; it is not a public entity or not for profit. Ms. Schroer described how the Catalytic Fund got its start with a \$100,000 contribution, herself as the only employee and a \$1 million commitment as a challenge to put together a \$10 million fund. Ms. Schroer explained that every investment decision is based on a strategic data driven and well underwritten project plan. She explained the four "P's" to a successful project: plans, partnerships, projects and promote. Ms. Schroer listed several projects that they've been involved with. Her goal is to have the private sector and private market take over funding once the Catalytic Fund starts investments. The projects that they've worked on are ones that are complex and that developers and private lenders will not tackle. Ms. Schroer then talked about an initiative in Newport where they are putting together a master plan to rebuild the single family housing market in the urban core. They are also working with the City of Bellevue on the Marianne Theater. Ms. Schroer finished by talking about the three Beyond The Curb urban living tours that they've held.

Cindy Minter provided an update on Kentucky Highway Department road projects referring to a list of projects that was distributed, noting certain projects that need additional funding from the legislature to move forward and projects that are in progress. She pointed out projects that they thought were moving forward but have now been delayed to future funding years. She stated that the Kentucky Transportation Cabinet's maintenance projects are exceeding their maintenance budget, and District Six's active and approved projects exceed the funding budget for the entire State. Seth Cutter stated that progress is being made on the KY9 extension project through the west side of Newport and it is generating some development interest. He then noted that the northern portion of the connector road project in Highland Heights for Northern

Kentucky University is underway. Ms. Minter stated that right-of-way acquisition is moving forward on the US27 project in the southern part of the County, but construction funding has been pushed back to 2018. Senator Schroder thanked Ms. Minter and Mr. Cutter for their assistance with keeping track of road projects during the recent session. He advised that funded road projects exceed revenue by 300%. He has talked to Judge Fields in Pendleton County about changing the US27 project from 4-lanes to 3-lanes; he would rather keep the 4-lane plan and hope that funding becomes available in the future. Judge Pendery stated that District Six has advised that maintenance and other certain things must be financed from the gasoline tax revenue first and due to the decrease in gasoline tax, less than 50% of projects are being funded.

Ms. Minter advised that the County has a new building inspection staff. Her department is in the process of revising the building and electrical inspection contracts as mandated by the State. The partner cities will be sent a revised contract to sign.

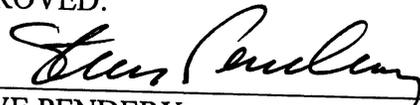
Seth Cutter reviewed economic statistics for Campbell County for 2015 regarding population and the labor force. He talked about visits with employers and developers in the County. There is a lot of interest in the former Newport Steel site and the Northern Kentucky University site. He listed new projects: the new brewery in Newport, Carabello Coffee expansion, Purple Poulet in Dayton, new businesses in Ft. Thomas, NKU's request for proposals for a mixed use project at Nunn Drive and US 27, and Hillshire/Tyson (the County's largest for-profit employer) which was just approved for the County's jobs incentives. He stated that TMK-IPSCO continues to downsize its Wilder plant. Mr. Cutter announced that *Site Selection* magazine rated Kentucky and in particular the Cincinnati/Northern Kentucky metro area very highly in terms of projects with major investments. He advised that he received about 40 responses to the business survey that was launched in January. In response to a question, he stated that he has talked to the property manager at the site of the Factory restaurant and they hope to have the space filled soon.

Judge Pendery asked if anybody had something to share with the group. Mayor Meyers advised that a project to build 114 units of senior citizen housing is underway in Highland Heights and will be ready for tenants at this time next year.

Judge Pendery asked for suggestions for topics for the next Mayors meeting on July 26, 2016. Mayor Hamberg suggested that they have a speaker from the Highway Department District Six at the next meeting.

There being no further items for discussion, Judge Pendery thanked those in attendance and the meeting was adjourned at 7:30 p.m.

APPROVED:



STEVE PENDERY

Campbell County Judge/Executive

ATTEST:


Paula K. Spicer, Fiscal Court Clerk