Northern Kentucky Area Planning Commission  
Meeting Minutes: November 26, 2012

Chairman Tom Litzler called the monthly business meeting of the Northern Kentucky Area Planning Commission to order at 5:15PM in the Commission Chambers of the NKAPC Building in Fort Mitchell. Attendance of members was as follows:

<table>
<thead>
<tr>
<th>Term</th>
<th>Present</th>
<th>Absent</th>
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<tbody>
<tr>
<td>Chairman Tom Litzler</td>
<td>May 2012 through April 2014</td>
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<td>Vice Chairman Paul Meier</td>
<td>May 2012 through April 2014</td>
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<td>Treasurer Dick Spoor</td>
<td>May 2011 through April 2013</td>
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<td>Commissioner Nancy Atkinson</td>
<td>May 2012 through April 2014</td>
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<td>Commissioner Sherry Carran</td>
<td>May 2011 through April 2013</td>
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<td>Commissioner Bill Goetz</td>
<td>May 2012 through April 2014</td>
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<td>Commissioner Gene Weaver</td>
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Also present were: John Chamberlin, CPA, MBA, Van Gorder, Walker & Co., Inc.; Michael Dinn, Dinn Focused Marking; Jim Parsons, special attorney for the City of Covington; Larisa Sims, Assistant City Manager for Covington; Nicole Cullum, CB, Bookkeeper; Jan Crabb, PHR, Finance/HR Administrator; Trisha Brush, GISP, Director of LINK-GIS Administration; Scott Hiles, Director of Infrastructure Engineering; Sharmili Reddy, AICP, Planning Manager; Martin Scribner, AICP, Director of Planning and Zoning; Rob Zwick, Senior Infrastructure Inspector; Garry Edmondson, Legal Counsel; Dennis Andrew Gordon, FAICP, Executive Director; and Lori Remley, Administrative Assistant.

Chairman Litzler asked for a moment of silence and led the Pledge of Allegiance. He asked that the record reflect that a quorum was present.

ACCEPTANCE OF AGENDA

Chairman Litzler asked if there was a motion to accept the agenda. Commissioner Meier made a motion to accept the agenda as presented; Commissioner Weaver seconded the motion. Chairman Litzler asked for a voice vote on the motion which found unanimous approval. The motion passed.

Chairman Litzler called for comments from the public and noted that there were none.

PRESENTATIONS

Chairman Litzler asked for a review of proposed Resolution 823-2012 pledging the incremental increase in real property taxes and authorizing the execution of a local participation agreement.
to pay for project costs and redevelopment assistance within the City Center Covington Development.

Mr. Gordon provided background information regarding Resolution 823-2012 and introduced Attorney Jim Parsons who represents the City of Covington with regard to the TIF district.

Mr. Parsons thanked the Commission for the opportunity to speak. He stated that he is an attorney with Taft, Stettinius, and Hollister and is working on the City Center Development project with the City of Covington. He indicated that the project involves 475 acres in downtown Covington.

Mr. Parsons stated that as a special taxing district, NKAPC is eligible to participate. He indicated that in order for the area to qualify as a development area, it must have been developed previously and meet at least two of seven criteria.

Mr. Parsons explained what a TIF district is and stated that local revenues can be pledged for up to 30 years. He discussed applicable tax rates and stated that the city is not pursuing a special payroll tax. He advised that school and fire districts are precluded from participating in TIF districts.

Mr. Parsons indicated that state revenues may also be available through three state participant programs. He stated that the project is an area-wide TIF district which would consist of a series of projects – some known and some unknown.

Mr. Parsons stated that the City of Covington is moving forward and that there have been no negative comments so far. He indicated that the first public hearing will be held in early December with the second being held on December 20th. He advised members that he had made a similar presentation to the Fiscal Court approximately ten days ago but that commissioners had not made a commitment yet. He also stated that they had met with the executive director of the library to discuss making a presentation.

Mr. Parsons explained that the commitment would be based on the real property tax and that the tangible tax would not be taken into consideration. He indicated that the commitment would be a percentage of the increment between the 2011 and the 2012 real property revenue. He stated that on another project, Campbell County had pledged 50 percent of the increment.

Mr. Parsons indicated that there were no restrictions on the property and that it could be used for residential, commercial, or public projects; however, it must be used to promote economic development in the area. He also stated that annual reports would be issued outlining how revenues were spent.

There was discussion regarding Covington’s pledge of 80 percent. Mr. Parsons indicated that the City would probably be asking for state contributions down the road and the State requires a pledge of 80 percent.

Discussion continued regarding Gateway Technical College moving forward and the recent effort to dissolve NKAPC. Mr. Parsons stated that he understood the Commission’s position and reminded members that the City of Covington supported NKAPC through this time. He
went on to say that the pledge is based on the real tax revenue and if the revenue goes away then the pledge would be zero percent of zero.

Chairman Litzler asked how the revenue would be used. Mr. Parsons indicated that local revenues can be used for a broad range of things but that state revenues were more limited. Chairman Litzler then asked if the “base year” would be the previous year or if the commitment would remain based on the 2011 revenue. Chairman Litzler questioned how other cities would react and if there had been any objections. Mr. Parsons responded that no one showed up for the public hearing so there wasn’t anyone there to complain.

Larisa Sims, Assistant City Manager for Covington, stated that the Mayor has been talking about this project and overall growth utilizing multiple tools to grow the urban core. She advised members that there has been no negative feedback.

Commissioner Meier asked what affect the non-taxable properties would have on the base. Mr. Parsons indicated that the first several years may have a lower increment due to reduced real property tax revenue. He stated with the reduced assessment in the area, the current year’s revenue may even be less than the base revenue figure. Commissioner Meier then asked if the commitment had to be made for 30 years or if it could be made for a shorter term. Mr. Parsons advised members that they could set the term for whatever the Commission wanted but that the City would prefer all terms be the same.

Chairman Litzler then asked who would determine the amount. Mr. Parsons stated that the City would identify the parcels in the TIF district and that they would work with the special district to determine the amount of the increment.

Commissioner Meier asked if they had any idea how the property was valued. Mr. Parsons responded that it was worth approximately $220 million. After some discussion, it was determined that the base would be approximately $66,000 and that the increment would be anything over that amount.

Mr. Parsons again stated that the TIF district had to meet a minimum of two out of seven criteria. He advised members that this area actually meets six out of seven criteria.

Chairman Litzler stated that Commissioner Goetz was unable to attend the meeting but he had emailed several concerns (a copy of this email is attached to the original minutes). Chairman Litzler indicated that Commissioner Goetz expressed concern about setting a precedent or standard. Commissioner Goetz also recommended referring the matter to the Area Planning Council for discussion and consideration.

Mr. Edmondson stated that he believes the matter should be considered by the Council since it affects the budget. He also indicated that a special district is only supposed to collect enough money to do their job and that doesn’t include promoting development.

Mr. Parsons indicated that participating would promote more revenue and that he understood the Commissioners’ concerns; however, legislation permits special districts to participate.

Commissioner Spoor stated that Commissioners were elected by the Council and that he is in favor of participating but that the full Council should decide the issue after fully vetting it.
Mr. Parsons stated that TIF districts are important tools to jump start local development and that more cities will be looking at them.

Commissioner Meier asked if the boundaries of the district could be expanded. Mr. Parsons stated that the area could be expanded but additional approval would be needed. Discussion regarding the area and boundaries followed.

Commissioner Weaver asked about the timeframe and if the City needed an answer by December 20th. Mr. Parsons indicated that contributors can be added to the local participation agreement at any time.

Chairman Litzler asked if Ms. Sims had anything to add. She indicated that the TIF area met six of the seven criteria and that the blight of the area was a major factor. Ms. Sims stated that the City would like to partner with NKAPC on this project.

Members discussed the timeline and the need to present the resolution to the full Council. Chairman Litzler stated that the soonest the Council could take action was at its next meeting on January 17th and that the Commission would then have to meet to vote. Mr. Edmondson reminded members that they could hold a special meeting after the Council meeting on the 17th to decide the issue if need be.

After a brief discussion regarding investments, Chairman Litzler asked for a motion. Commissioner Meier made a motion to table Resolution 823-2012 and present it to the full Council for consideration and recommendation during its January 17th meeting; Commissioner Spoor seconded the motion. Chairman Litzler asked for a roll call vote on the motion which found Commissioners Atkinson, Carran, Meier, Spoor, Weaver, and Chairman Litzler in favor of the motion. The motion passed unanimously.

Mr. Parsons asked if they should attend the Council meeting on January 17th. Mr. Gordon stated that it would be a good idea for them to be available to answer any questions Council members may have.

Chairman Litzler asked for the report from VanGorder Walker CPAs on its audit of NKAPC’s FY12 books. John Chamberlin thanked members for the opportunity to audit the FY12 books. He provided members with a copy of VanGorder, Walker & Co., Inc.’s opinion letter dated October 16, 2012 and his PowerPoint presentation (copies of which are attached to the original minutes).

Mr. Chamberlin stated that NKAPC was in a strong cash position and recommended that it look at low risk investments. He stated that NKAPC has done a very good job keeping its expenditures in line with its revenue and that its actual revenue has been slightly higher than its budgeted revenue. Mr. Chamberlin stated that actual expenditures were once again below budgeted expenditures with staffing costs being the largest expenditure.

Mr. Chamberlin reviewed his opinion letter and final financial statements for year end June 30, 2012. He stated that the only control deficiency found was in financial reporting and was due to the size of the organization. There was discussion regarding this deficiency and staff advised members that Ms. Cullum receives the funds and Ms. Crabb handles the deposits.
Chairman Litzler then asked for the findings of Dinn Focused Marketing for Direction 2030. Mr. Gordon stated that staff is a little over one year into the contract with Dinn Focused Marketing. He advised members that data regarding the local market place was being merged with GIS data creating a powerful tool. He indicated that this tool had brought the HBA and others to the table for discussions on the comprehensive plan. Mr. Gordon stated that there were questions regarding how to keep up the data and that this was an opportunity to create a clearinghouse for important data.

Mr. Gordon then introduced Michael Dinn. Mr. Dinn made a PowerPoint presentation regarding Long Range Planning Market Intelligence (a copy of which is attached to the original minutes). He outlined the objectives and showed members a small sample of the data contained in the portfolio. He demonstrated how data can be integrated with GIS and manipulated. Mr. Dinn stated that our community and economy is based on five different types of households – upscale, families, traditional, metropolitan and seniors. He indicated that how these households live is an important factor. He spoke about the lifestyles and portraits of these households. He then showed the breakdown and map of the Kenton County market place based on the five different types of households.

Mr. Dinn showed how the data could be broken down and charted by values or by the number of property transfers in over the last ten years. He stated that he and staff had recently done a case study on the affect of open spaces on home values. The study showed that properties close to Devou Park are more valuable. However, he indicated that the area around Doe Run was not market proven yet and there was less turnover in the last ten years. He stated that the values were set by the builders. Mr. Dinn closed by outlining the value of market intel.

**ONGOING BUSINESS**

Chairman Litzler asked that the staff update report from Infrastructure Engineering be moved up. Rob Zwick, Senior Infrastructure Inspector, reported on the Street Inspection Process – Our Evolving Standards. A copy of Mr. Zwick’s presentation and comments are attached to the original minutes.

Chairman Litzler asked if the Minutes of the October 22 monthly business meeting were acceptable or if anyone had any additions/corrections. Commissioner Weaver made a motion to accept the October 22 minutes as presented; Commissioner Atkinson seconded the motion. Chairman Litzler asked for a roll call vote on the motion which found Commissioners Atkinson, Meier, Weaver and Chairman Litzler in favor of the motion with Commissioners Carran and Spoor present but not voting. The motion passed unanimously.

Ms. Crabb gave an overview of the October financial report along with the fee-based revenue report through November 16 ($27,131 in the black). After a brief discussion regarding investments, Chairman Litzler asked for a motion. Commissioner Meier made a motion to accept the October reports as presented subject to audit; Commissioner Carran seconded the motion. Chairman Litzler asked for a roll call vote on the motion which found Commissioners Atkinson, Carran, Meier, Spoor, Weaver, and Chairman Litzler in favor of the motion. The motion passed unanimously.
Chairman Litzler asked for legal counsel’s report. Mr. Edmondson advised members that appeal was certified on November 26th and that the Appellants had 60 days to file their briefs. He stated that he was still going to ask the Court’s permission to file an amicus brief in support of the County Clerk.

Chairman Litzler asked the executive director for his report. Mr. Gordon advised members that the new phone system will be installed the week of December 10th and that CRW would also be in town that week to meet with IT staff and the various work groups on the new land development-tracking software. He also indicated that the preliminary 2012 election numbers were in and that if another petition drive was mounted they would need 134 fewer signatures than they did in 2011.

Chairman Litzler then asked for reports from committees or members of the Commission. He also took the opportunity to congratulate Commissioners Carran and Atkinson on their recent election victories.

Commissioners Carran and Meier advised that the Comp Plan Taskforce would be meeting at 5:30 PM on Wednesday, November 28th. Commissioner Meier stated that the turnout at the Blessed Sacrament meeting was disappointing.

Commissioner Spoor stated that the Long-Range Operations Committee had met with our representative from PNC and that Mr. Moorman was very knowledgeable. He stated that Mr. Moorman would be reviewing where we are now and would be coming back with recommendations. Mr. Spoor stated that the money in reserve could be invested for the short term but would be limited in yield.

NEW BUSINESS

Chairman Litzler asked for a review of a recommendation to reappoint the executive director to a one-year term representing NKAPC on the OKI Board of Trustees and Executive Committee to commence January 2013.

After a brief discussion, Chairman Litzler asked for a motion. Commissioner Meier made a motion to reappoint the executive director to a one-year term representing NKAPC on the OKI Board of Trustees and Executive Committee to commence in January 2013; Commissioner Weaver seconded the motion. Chairman Litzler asked for a roll call vote on the motion which found Commissioners Atkinson, Carran, Meier, Spoor, Weaver, and Chairman Litzler in favor of the motion. The motion passed unanimously.

Chairman Litzler then opened final discussion regarding the executive director’s FY12 performance, following up on the discussion members pursued on September 24th. He reminded members that he had emailed a grading report template for them to insert their comments and that he had only received two back so far. Chairman Litzler indicated that he would compile all of their comments into one report to be placed in Mr. Gordon’s file.

Chairman Litzler then asked if, based on the discussion held during Mr. Gordon’s evaluation on September 24th, if there was a motion to resolve the issue of his performance incentive for FY12. Commissioner Weaver made a motion to approve a one-time two percent performance incentive for the executive director; Commissioner Carran seconded the motion. Chairman
Litzler asked for a roll call vote on the motion which found Commissioners Atkinson, Carran, Meier, Spoor, Weaver, and Chairman Litzler in favor of the motion. The motion passed unanimously.

**DISCUSSION**

Chairman Litzler opened discussion on the fiscal management recommendations given to the Commission by the NKAPCouncil.

Members discussed recommendation #8

“Analyze staff’s space needs and options provided by the NKAPC Building to assure that available space is being put to its most productive use. Make whatever changes may be warranted, including the possibility of renting part of the building to maximize use of this brick and mortar asset.”

Mr. Gordon stated that, after combining the current planning and long-range planning departments, the only floor space not being used actively was on the lower level of the building. He indicated that this space would be hard to lease due to the following issues:

1. the common stairwell;
2. security between NKAPC and tenant;
3. the location of NKAPC’s server room;
4. one unisex restroom; and
5. none of the space is handicapped accessible.

He also reminded members of the steps the Commission had taken during the renovation to restrict public access to parts of the building. He stated further that he’d hate to see a reversal of that progress with any action now.

Commissioner Spoor stated that leasing the space would probably be an issue due to the fact that tax exempt bonds were use to purchase and renovate the building.

Mr. Gordon advised members that NKAPC is currently paying $1,300-$1,400 per year for offsite storage and suggested bringing this storage back in-house for cost savings and greater accessibility. After a lengthy discussion, Commissioner Meier made a motion that the Commission not move toward renting space in the building due to: the costs that would be necessary to make that space marketable, accessible, and secure; the costs that could be eliminated by moving off-site storage back on site; and, the terms of our bond financing. Commissioner Spoor seconded the motion. Chairman Litzler asked for a roll call vote on the motion which found Commissioners Atkinson, Carran, Meier, Spoor, Weaver, and Chairman Litzler in favor of the motion. The motion passed unanimously.

Members also discussed recommendation #15.

“Investigate whatever options may exist to streamline and realign responsibilities of Kenton County’s planning framework and to guarantee a continuation of operations. If this investigation and subsequent legal review indicate that opportunities exist,
conceptualize and develop a plan for realizing the goal and setting forth the benefits it could provide to the citizens and jurisdictions we serve.”

There was discussion regarding streamlining the NKAP Council, NKAP Commission, and Kenton County Planning Commission. Mr. Gordon advised members that he had met with the council’s executive committee on November 8th to discuss various points. He indicated that the committee had indicated that the ideas made sense and that he is now trying to schedule a meeting with Paul Darpel, chair of the Kenton County Planning Commission.

Chairman Litzler asked if there was any other business.

With no new business, Chairman Litzler reminded members of upcoming meetings as noted on the agenda and stated that the next meeting would be held at 5:15 on Monday, December 17th.

With no other business to discuss, Commissioner Meier made a motion to adjourn; Commissioner Weaver seconded the motion. With no objections, Chairman Litzler adjourned the meeting at approximately 8:30 PM.

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Tom Litzler, Chairman

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Dennis Andrew Gordon, FAICP
Executive Director/Secretary