

CITY OF FORT MITCHELL, KENTUCKY
SPECIAL CITY COUNCIL MEETING
COUNCIL CHAMBER
2355 DIXIE HIGHWAY, FORT MITCHELL, KY 41017
April 10, 2024, 6:00 p.m.

CALL TO ORDER

Mayor Jude Hehman called the regular council meeting to order at 6:00 p.m.

MAYOR AND COUNCIL MEMBERS PRESENT

The following council members were present: Jerry Deatherage, Jeff Dietrich, Greg Pohlgeers, and Mike Stoeckle. Council Members Vicki Boerger, Kim Nachazel and Alyson Roeding were absent. Mayor Hehman stated a quorum of the City Council was in attendance.

OTHERS PRESENT

City Administrator, Edwin King and Assistant City Clerk/Treasurer, Casie Schawe were present.

APPROVAL OF THE AGENDA

Mr. Pohlgeers made a motion to approve the agenda. Mr. Stoeckle seconded the motion. After asking for discussion and hearing none, Mayor Hehman called for a voice vote. The motion passed unanimously.

SPECIAL COUNCIL REPORT

Mr. James Parsons, the City's attorney from Keating, Muething & Klekamp for the Gateway Development, read a summary of **Municipal Order 2024-03: An order of the City Council of the City of Fort Mitchell, Kentucky, authorizing the issuance of up to \$80,000,000 maximum aggregate principal amount taxable industrial building revenue bonds, series 2024A, and authorizing the issuance of up to \$23,000,000 maximum aggregate principal amount special obligation revenue bonds, series 2024B, and authorizing the issuance of up to \$17,000,000 maximum aggregate principal amount special obligation revenue bonds, series 2024C, in order to assist Buttermilk Pike Development Company, LLC, its members, affiliates or assigns, finance the acquisition, construction and equipping of an industrial building facility(s) and related infrastructure improvements located within the City of Fort Mitchell, Kentucky and to improve said facilities; providing for the pledge of revenues for the payment of said bonds; authorizing a springing executory interest deed; authorizing an agreement of lease, authorizing trust indentures appropriate for the protection and disposition of such revenues and further to secure the payment of said bonds; authorizing a bond purchase or bond placement agreement; authorizing a pilot mortgage to secure pilot payments, authorizing a home office payment agreement, and authorizing the execution of any further necessary instruments.**

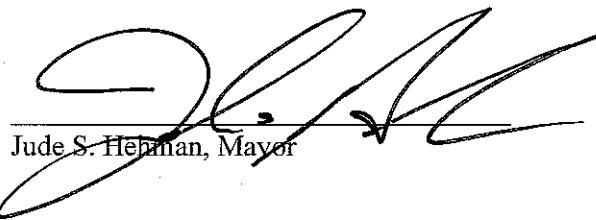
Mr. Parsons stated under State law, these bonds are not the debt of the City, but are the debt of the project. There are different series of bonds for different purposes. Series A bonds are primarily for vertical construction associated with the project. Series B bonds will be sold to the three developers. These bonds will be held in a trust and will be used exclusively to pay for infrastructure improvements. Series B and C bonds are exclusively paid for by the Payments in Lieu of Taxes (PILOT) created by the project and the incremental taxes. The anticipated closing date of the bonds is May 15, 2024. Kenton County via the Port Authority will be depositing \$2 million in the trust account per an agreement with the City which will be used for storm and sanitary improvements. Eventually, the City has an obligation for \$2 million for infrastructure costs when the streets are installed and the first base coat of asphalt is laid. The trustee of this project is Huntington National Bank. Mayor Hehman stated the reason only reason for this special council meeting is to meet bond issuance and construction times. Mr. Parsons

explained the bond order to issue debt needs to be published and the closing on structured bonds will be at least 30 days after the bond order has been published. In Kentucky, there is a 30-day statute of limitations to challenge the issuance of bonds by a city. Mr. King added the structure of the bonds is primarily how the developers wanted them structured, since the City is not responsible for them. The main risk the City has is a reputational risk. The required administrative duties will be paid out of the bond proceeds. Mr. Parsons explained that these bonds only cover half of the project and will not cover the Continuing Care Retirement Center (CCRC). The CCRC does not need the IRB structure for the tax exemption, as it is already tax exempt as a charitable entity. Because the CCRC is exempt from property tax under State law, there is a provision in the agreement that they will pay the City an amount in lieu of taxes. Mr. Dietrich asked if there will be more bonds issued due to the amounts in the Municipal Order being lower than the amount stated in Resolution 2023-14. Mr. Parsons explained that the amount reflected in Resolution 2023-14 was originally overstated for the purpose of taking it to the State hearing. Mr. Dietrich also asked about the timing of the \$2 million that the City has pledged to the project for the street. Mayor Hehman stated he has asked for the provision that the City not fund the \$2 million until the asset is complete.

Mr. Deatherage made a motion to approve Municipal Order 2024-03. Mr. Pohlgeers seconded the motion. Mayor Hehman called for a voice vote. The motion passed unanimously.

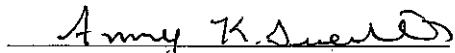
ADJOURNMENT

Mr. Deatherage made a motion to adjourn the Special City Council meeting at 6:18 p.m. and Mr. Dietrich seconded the motion. Mayor Hehman called for a voice vote. The motion passed unanimously.



Jude S. Hehman, Mayor

Prepared By:



Amy Guenther, City Clerk/Treasurer