



CITY OF INDEPENDENCE
SPECIAL COUNCIL MEETING AGENDA
January 11, 2021
Independence Municipal Center
Council Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL OF MEMBERS

OLD BUSINESS

NEW BUSINESS

- **RESOLUTION NO. 2020-R-04 – Spegal Development Agreement**
- **RESOLUTION NO. 2020-R-05 – Inducement – Industrial Revenue Bonds**
- **PROPOSED ORDINANCE – Intent to Annex – 1st Reading**

ATTORNEY'S REPORT

CITY ADMINISTRATOR REPORT – Chris Moriconi

MAYOR'S REPORT – Christopher J. Reinersman

ADJOURNMENT

City of Independence, Ky.
RESOLUTION NO. 2021-R-04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, KENTUCKY, AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND VTRE DEVELOPMENT, LLC, OR ITS ASSIGNS, RELATING TO THE ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLATION OF AN INDUSTRIAL PARK DEVELOPMENT TO BE LOCATED IN THE CITY; APPROVING AN ANNEXATION AGREEMENT BETWEEN THE CITY AND LLOYD SPEGAL AND JUDITH SPEGAL; AUTHORIZING THE FILING OF AN APPLICATION TO THE KENTON COUNTY PLANNING COMMISSION RELATING TO THE ZONING CLASSIFICATION OF THE PROPERTY TO BE ANNEXED IN ACCORDANCE WITH THE PROVISIONS OF KRS 100.209; AND TAKING OTHER ACTION.

WHEREAS, VTRE Development LLC (“VTRE”) has a purchase contract to acquire property and develop thereon an industrial and business park on property located in unincorporated Kenton County, Kentucky, at 861 East Mt. Zion Road, Independence, Kentucky (the “Property”), owned by Lloyd Spegal and Judith Spegal, his wife (the “Property Owners”); and

WHEREAS, the City of Independence, Kentucky (the “City”) and VTRE have negotiated a Development Agreement for the development of the Property for industrial and office use (the “Project”); and

WHEREAS, the Property Owners and VTRE are agreeable to the voluntary annexation of the Property by the City, and have negotiated an Annexation Agreement relating to the Property; and

WHEREAS, as part of the annexation of the Property, and in furtherance of the Project, the City may change the zoning classification for the Property annexed so long as it complies with the provisions of KRS 100.209, prior to giving second and final reading to the Annexation Ordinance.

NOW, THEREFORE, BE IT ORDERED AND RESOLVED BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, KENTUCKY, AS FOLLOWS:

SECTION I

That the City hereby approves and authorizes the Mayor to execute the Development Agreement between the City and VTRE attached as Exhibit “A”.

SECTION I

That the City hereby approves and authorizes the Mayor to execute the Annexation Agreement between the City and the Property Owners, which is consented to by VTRE, attached as Exhibit “B”.

SECTION III

That the City hereby authorizes the Mayor to submit an application to the Kenton County Planning Commission following the first reading of the Annexation Ordinance, in accordance with the provisions of KRS 100.209, to change the zoning classification of the Property at the time it is annexed by the City, to I-1 (Industrial Zone), subject to the provisions and condition of the Development Agreement and Annexation Agreement.

SECTION IV

That the Mayor and other City officials are authorized to take any and all action in furtherance of this Resolution, the Development Agreement and Annexation Agreement.

SECTION V

INTRODUCED, SECONDED, READ, AND ADOPTED AT A DULY CONVENED MEETING OF THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, KENTUCKY, held on the 11th day of January, 2021, on the same occasion signed in open session by the Mayor as evidence of his approval, attested under seal by the City Clerk, ordered to be filed and recorded as required by law, and declared to be in full force and effect according to law.

Members present voting in favor: _____

Members present voting against: _____

Christopher J. Reinersman, Mayor

ATTEST:

Gina Gabbard, City Clerk

City of Independence, Ky.
RESOLUTION NO. 2021-R-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, KENTUCKY (THE "CITY"), AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT BETWEEN THE CITY AND VTRE DEVELOPMENT LLC (THE "COMPANY") RELATING TO THE ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLATION OF AN INDUSTRIAL AND BUSINESS PARK DEVELOPMENT PROJECT LOCATED IN THE CITY (THE "PROJECT"); AGREEING TO UNDERTAKE THE ISSUANCE OF INDUSTRIAL BUILDING REVENUE BONDS AT THE APPROPRIATE TIME TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING, EQUIPPING AND INSTALLING SAID PROJECT AND FACILITIES; AND TAKING OTHER PRELIMINARY ACTION.

WHEREAS, VTRE Development LLC, an Delaware limited liability company, or its assigns, to be authorized to business in the Commonwealth of Kentucky (the "Company"), proposes the acquisition, construction, equipping and installation of an industrial and business development project, including site amenities, to be located within the City (the "Project"), the Project being located on East Mt. Zion Road, as provided for in Section 103.200 of the Kentucky Revised Statutes, and in this respect, has been determined that the City may assist the Company by causing the acquisition, construction, equipping and installation of the Project and by entering into at the appropriate time a lease agreement with reference thereto pursuant to authority of Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (collectively, the "Act"), all in furtherance of the purposes of the Act and the public benefit of the residents and inhabitants of the City; such lease agreement to be upon such terms and conditions as the Act may require and the City may deem advisable; and

WHEREAS, the acquisition, construction, equipping and installation of the Project by the Company will encourage the expansion of commerce in accordance with the public policy of the Commonwealth of Kentucky by promoting the economic development of the Commonwealth of Kentucky and the City, will relieve conditions of unemployment, will encourage the increase of commerce and will improve the economic welfare of the people of the City; and

WHEREAS, the Project site is not currently located within the territorial limits of the City, but the Company plans to have the Project site annexed into the City; and

WHEREAS, the City is further authorized by the Act to issue bonds, which term under the Act encompasses bonds, variable rate bonds, commercial paper bonds, bond anticipation notes or any other obligations for the payment of money issued by a city, county or other authority pursuant to the Act, for the purpose of defraying the cost of acquiring, constructing, equipping and installing an industrial building or buildings, as defined in the Act; discussions have occurred between representatives of the Company and the City incident to the issuance of industrial building revenue bonds by the City; the City has agreed with the Company to issue such bonds upon compliance by the

Company with certain conditions, requirements and obligations, and subject to the approval of the City of the terms of all agreements, ordinances and other documents required incident to said bond issue; and the City has authorized the Company to proceed with the acquisition, construction, equipping and installation of the Project, subject to reimbursement of the costs of the Project from the proceeds of such bonds, when, as and if issued; and

WHEREAS, based upon an estimate of the costs of the Project, the City proposes to issue its industrial building revenue bonds in one or more series as determined by the Company and agreed to by the City in an amount not to exceed Seventy Million Dollars (\$70,000,000) (the "Bonds"), such Bonds to be sold and delivered by the City to pay the costs of the Project, together with costs incident to the authorization, sale and issuance of such Bonds, but with such contributions from the Company as may be necessary; and

WHEREAS, the City proposes to enter into, at the appropriate time, a lease agreement with the Company with respect to the Project, whereby the Company will covenant and agree to pay amounts sufficient to provide for the payment of principal of and premium, if any, and interest on the Bonds, together with all trustee and paying agents' fees in connection with the Bonds as the same become due and payable; the liability of the Company under this instrument or any other instrument related to the issuance of the Bonds shall be limited to its interest in the Project to be financed thereby and no party shall have the right to obtain payment from the Company or from any assets of the Company other than such Project; and

WHEREAS, it is deemed necessary and advisable that a Memorandum of Agreement between the City and the Company be executed setting forth the preliminary agreements of the parties with respect to the acquisition, construction, equipping and installation of the Project, the issuance of the Bonds to defray the costs thereof and the payments to be made by the Company with respect to the Project; and

NOW, THEREFORE, BE IT ORDERED AND RESOLVED BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, KENTUCKY, AS FOLLOWS:

It is hereby found, determined and declared that (i) the recitals set forth in the preamble to this Resolution, which are incorporated in this Section by reference, are true and correct; (ii) the total amount of money necessary to be provided by the City for the acquisition, construction, equipping and installation of the Project to be financed by the Bonds will not exceed Seventy Million Dollars (\$70,000,000); (iii) the Company has represented that it will have sufficient financial resources to acquire, construct, equip and install the Project and to place it in operation and to continue to operate, maintain and insure the Project throughout the term of the Bond issue, meeting when due the obligations of the proposed lease agreement; and (iv) sufficient safeguards will be provided by the lease agreement to insure that all money provided by the City from the proceeds of the sale of the Bonds will be expended by way of direct expenditure or reimbursement, solely and only for the purposes of the Project.

SECTION II

It is hereby found, determined and declared that the cost of acquiring, constructing, equipping and installing the Project will be paid out of the proceeds of the Bonds and such contributions of the Company as may be necessary to complete the Project as defined in the lease agreement to be executed by and between the City and the Company at the appropriate time pursuant to the Act; **THAT NONE OF THE BONDS WILL BE GENERAL OBLIGATIONS OF THE CITY; THAT NEITHER THE BONDS NOR THE INTEREST THEREON SHALL CONSTITUTE OR GIVE RISE TO ANY INDEBTEDNESS OF THE CITY OR ANY CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER, BUT THAT THE BONDS AND THE PAYMENT OF INTEREST THEREON SHALL BE SECURED AND PAYABLE SOLELY AND ONLY BY A PLEDGE OF AMOUNTS TO BE PAID BY THE COMPANY UNDER SUCH LEASE AGREEMENT; AND THAT NO PART OF SAID COSTS WILL BE PAYABLE OUT OF ANY GENERAL FUNDS, REVENUES, ASSETS, PROPERTIES OR OTHER CONTRIBUTIONS OF THE CITY.**

SECTION III

In order to induce the acquisition, construction, equipping and installation of the Project in the City with the resultant public benefits which will flow therefrom, it is deemed necessary and advisable that the Memorandum of Agreement hereinafter referred to be approved and executed for and on behalf of the City. Accordingly, the Memorandum of Agreement by and between the Company and the City substantially in the form and with the contents set forth in EXHIBIT A attached hereto and incorporated herein by reference is hereby approved and the Mayor is hereby authorized and directed to execute and deliver said Memorandum of Agreement.

SECTION IV

Inasmuch as the Project is to be acquired, constructed, equipped and installed in order to conform to the requirements of the Company, so that the Company may provide additional housing, economic development and employment to citizens and residents of the local community, and inasmuch as the Company is able to plan, acquire, construct, equip and install the Project and possesses more expertise in such matters, it is hereby found, determined and declared that acquisition, construction, equipping and installation of the Project should be undertaken or caused to be undertaken by the Company. Accordingly, the Company is hereby authorized to formulate and develop plans for the acquisition, construction, equipping and installation of the Project and to enter into such contracts and undertakings as may be required for the acquisition, construction, equipping and installation of the Project. Reimbursements made to the Company after the receipt of the proceeds of the sale of the proposed Bond issue by the City shall be subject to the certifications by qualified persons to be designated by the Company as specified in the lease agreement to be entered into by the City and the Company at the appropriate time pursuant to the Act.

SECTION V

This Resolution and the Memorandum of Agreement approved hereby constitute the present official intent of the City to issue the Bonds at a later date.

SECTION VI

Keating Muething & Klekamp PLL, Cincinnati, Delaware, is hereby approved as local Bond Counsel. Local Bond Counsel is authorized and directed to take any legal action necessary or appropriate in connection with the issuance of the Bonds. The City Attorney is authorized and directed to assist Local Bond Counsel in any appropriate manner.

SECTION VII

No City funds shall be expended on the Project, except such as are derived from Bond proceeds.

SECTION VIII

To the extent any resolution, ordinance or part thereof is in conflict, the provisions of this Resolution shall prevail and be given effect.

SECTION IX

This Resolution shall be in full force and effect from and after its adoption as provided by law.

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INTRODUCED, SECONDED, READ AND ADOPTED AT A DULY CONVENED MEETING OF THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, KENTUCKY, held on the 11th day of January, 2021 on the same occasion signed in open session by the Mayor of the City as evidence of his approval, attested under seal by the City Clerk, ordered to be filed and recorded as required by law, and declared to be in full force and effect according to law.

Members present voting in favor: _____
Members present voting against: _____

Christopher J. Reinersman, Mayor

ATTEST:

Gina Gabbard, City Clerk

ORDINANCE NO. 2021-O-

AN ORDINANCE ANNEXING CERTAIN UNINCORPORATED TERRITORIES WITHIN THE COUNTY OF KENTON, KENTUCKY AND CONTIGUOUS TO THE PRESENT BOUNDARY LINES OF THE CITY OF INDEPENDENCE, KENTUCKY, AND DEFINING BY METES AND BOUNDS THE TERRITORY ANNEXED; DESIGNATING THE ZONING CLASSIFICATION OF THE PROPERTY TO BE ANNEXED TO INDUSTRIAL PARK, AFTER COMPLIANCE WITH THE PROVISIONS OF KRS 100.209, AT THE TIME THE ANNEXATION OF THE PROPERTY IS FINAL

WHEREAS, Kentucky Revised Statute 81A.410 authorizes and delegates city legislative bodies the authority to annex territories; and

WHEREAS, Kentucky Revised Statute 81A.412 provides the manner in which said annexation should be accomplished through the consent of the property owner; and

WHEREAS, the property owner, by way of an annexation agreement, has provided written consent to the annexation, through the execution of the Annexation Agreement attached as Exhibit C (the "Agreement"); and

WHEREAS, the property herein described is adjacent to and contiguous to the city's boundaries; and

WHEREAS, the City of Independence, Kentucky (the "City") through compliance with the provisions of KRS 100.209 may designate the zoning classification of the property to be annexed; and

WHEREAS, the City is willing to annex the property, subject to the terms of the Agreement; and

WHEREAS, by reason of population density, commercial, industrial, institutional or governmental use of land, or subdivision of land, said property is urban in character or suitable for urban purposes without unreasonable delay; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF INDEPENDENCE, KENTUCKY:

SECTION I

A. That the City of Independence, Kentucky, does hereby and herewith annex to its present boundaries and include the same within the territorial limits of the City of Independence, Kenton County, Kentucky, the following described unincorporated land and area, located in the County of Kenton, Commonwealth of Kentucky, a 100-acre plus parcel located at 861 E. Mt. Zion Road, Independence, Kentucky, PIDN 018-00-00-003.00 (the "Property"), and is more particularly described as follows:

SEE ATTACHED EXHIBIT "A", Legal Description, and EXHIBIT "B", Plat of the property being annexed.

B. That the Property at the time it is annexed into the City shall have a zoning classification of Industrial Park ("IP") in accordance with the City's Zoning Map and Zoning Ordinance, and in accordance with the terms of the Agreement; and that prior to the adoption of this Ordinance the City has submitted an application to the Kenton County Planning Commission in accordance with the provisions of KRS 100.209 to conduct the required public hearing and processes to have the Property zoned as IP, in accordance with the terms of the Agreement, including the Concept Plan and Development Condition attached as exhibits to the Agreement.

C. That the City hereby approves the zoning classification of the Property to IP, and approves the Concept Plan and Development Condition related the development of the Property as attached to the Agreement.

SECTION II

That this ordinance shall take effect and be in full force from and after its passage, publication and recording, according to law.

Christopher J. Reinersman, Mayor

ATTEST:

Gina Gabbard, City Clerk

First Reading: January 11, 2021

Second Reading: _____

Ayes: _____

Nays: _____

Publication Date: _____