

# CITY OF BLUE ASH

## Interoffice Memo – City Manager's Office

**TO:** City Council  
**FROM:** City Manager and Department Directors  
**SUBJECT:** Agenda Items for the September 22 Council Meeting  
**DATE:** September 20, 2011  
**COPIES:** Department Directors, Press, Clerk of Council, Solicitor

---

This memo offers a brief description of the topics included on the September 22 Council agenda.

### **9.a.1. Ordinance No. 2011-59 - Transferring funds**

A transfer ordinance is necessary to address several law enforcement grant matters, and to set up the revenue and expenditure appropriations for the Legacy Pointe/itelligence access road and other public improvements that are to be financed through the funds available from recent closing on the TIF bonds.

As discussed later in this memo, under a recent ordinance the City's Police Department was authorized to become the administering agency for a law enforcement liaison grant under Fund No. 293. This new activity, for which the accounting funds are required, possesses the opportunity for earning revenue for a very minimal investment in terms of "hosting" the contractual payee under the program. The attachment reflects a number of listings for Fund No. 293 for both the revenue and expenditure appropriation areas. These entries merely set up the expected "first year" revenues and expenditures relating to this new grant.

The second law enforcement grant item involves Fund No. 282 which is the OVI (Operating a Vehicle while Impaired) Grant for 2012. These federal/state grants often have a grant year that differs from our accounting year (usually starting or ending in October), and it is necessary to set things up at this time for Fund No. 282 for the upcoming year. Therefore, any items reflecting the prefix # 282 relate to this issue.

Although there are a few minor shifts within existing expenditures at the bottom of the attachment page, the remaining listings, which contain some substantial amounts, pertain entirely to the itelligence/Legacy Pointe project.

Utilizing Fifth Third Securities, Inc. as the underwriter, the City of Blue Ash issued a total of \$3,125,000 in limited tax general obligation bonds (TIF bonds) on September 1, 2011, at a net interest cost of 3.41%. That interest percentage represents a weighted average of the bonds which mature over the next 20 years. Upon closing of the bonds, the City received proceeds of \$3,141,950.40 which included a small premium on the issue. The components to be funded out of those proceeds include the "reservation" of the premium, capitalized interest, and the cost of issuance to the Bond Retirement Fund No. 331, and the deposit of the remaining proceeds of \$2,875,000 into the Ilmenau Way connector road project Fund No. 448.

Essentially, these items on the transfer place the proceeds of the bonds in the appropriate funds and accounts, provide for the expected construction funding of the non-grant financed portion of the public improvements, and provide for the payment of the cost of issuance related to the bonds.

City Council may recall that the budget was established (and special "reimbursement" legislation was passed) to provide for an "advance" into this fund as engineering and certain

legal costs had to be expended before funds were available from the bonds. This transfer “recaptures” one-half or \$250,000 of those advanced funds of \$500,000. At this time, since the actual costs related to the public improvements, the sidewalks, utility relocations, etc., are not truly known, it is recommended that the remaining funding be left in place until things firm up on the cost side.

This “advance” will also be a great benefit as the road/utility construction work begins later this fall and into early next year, given the reimbursement nature of the \$250,000 grant authorized by the State on this project. Because of the nature of that grant, it is important to have a certain amount of “working capital” as funds have to be expended before reimbursements are received at a later date.

Please direct questions regarding this transfer to the Treasurer.

**9.a.2. Ordinance No. 2011-60 - Levying special assessments on real property related to property maintenance issues pursuant to Chapter 911 of the BA Code**

As Council is aware, the City’s property maintenance provisions defined in Chapter 911 allow for the City to “step in” and take care of the mowing of tall grass and weeds if the property owner, after an extended period of time and with notice, has not taken care of the problem. The City then bills the landowner for the cost of that maintenance. If the invoiced cost of the maintenance has not been paid by the landowner to the City after a defined period, the City can then “certify it to the County Auditor to be placed upon the tax duplicate and collected and paid back to the City.”

In the past several months, the City has taken care of maintenance issues multiple times on several Blue Ash properties. Ordinance No. 2011-60 represents the notification to the County Auditor of such payments directing the specified amounts to be levied and assessed on the properties as noted within the ordinance.

Please direct questions regarding this ordinance to the Solicitor.

**9.a.3. Ordinance No. 2011-61 – amending Ordinance No. 2011-58 to establish two revenue accounts for the ODPS/OCJS Law Enforcement Liaison Grant**

At the last meeting, Council passed Ordinance No. 2011-58 which authorized the City’s participation in a new law enforcement grant, and also permitted the creation of a new fund to track the revenues and expenses of that effort. Unfortunately, it was not recognized at the time that the related grant year overlaps our accounting year and thus now requires an amendment to that Ordinance so that two funds, instead of one, will be created for this grant process. The finance office will alternate between these two funds to keep the grant years separate from one another as required under our agreement. This Ordinance is amended only to provide that second fund so that each year may be handled separately and the two funds can be rotated as new grants are awarded and the other grants are closed out.

Please direct questions regarding this ordinance to the Treasurer.

**9.b.1. Ordinance No. 2011-62 – authorizing the City Manager to enter into contracts for utility and communication facilities for Legacy Pointe**

The City Administration has been working very closely with Duke Realty Limited Partnership, LLC, the owner of the 29-acre parcel now designated as the Legacy Pointe Subdivision, itelligence, the administration and the Board of the Sycamore Community School District and with various engineers and attorneys on the itelligence project currently underway along Reed Hartman Highway at Osbourne Boulevard. Much has been accomplished on this project already, including finalization of the tax incentive financing arrangement with all parties, the actual issuance of the bonds that will be utilized to pay for the public improvements, the purchase of an 8-acre component of the Duke Realty property by itelligence, and the execution

of the development/construction agreement by itelligence with Duke's construction division. The City's Public Works Director has been working very closely with the roadway engineer on the final design for the access roadway (Ilmenau Way) and for the relatively complex requirement for new utility and telecommunication installations and the relocation of overhead lines underground to accommodate our agreement with itelligence and Duke Realty Limited Partnership, LLC.

Council may recall that the public improvements, the cost of which is to be paid by the proceeds of the bond issue (addressed earlier in this memo related to the transfer ordinance), include the full design and construction of the new access road (which will be public dedicated right-of-way), the installation of curbs, gutters, storm drainage systems, sidewalks, pavement, and rather complex utility accommodations. The utility component of this project has two distinct categories. The first involves the agreements to include within the public improvements the relocation underground of existing overhead utilities along Reed Hartman Highway adjacent to the Duke/itelligence property all the way to the Wendy's property on the west side of Reed Hartman Highway. That involves not only the physical construction of the underground conduits required to accommodate this commitment, but also the cost associated with having the various conductors and wires or cable, and equipment installed by those providing telecommunication, fiber, or electric power and services.

The second major component involves providing underground conduit installations along both sides of Ilmenau Way and along the south side of Osborne Boulevard. This Ordinance is needed so that contracts can be entered into for the installation of the necessary "utility" or "telecommunication" capacities to serve itelligence and those developments will likely occur on remaining undeveloped lots in Legacy Pointe.

The Public Works Director has been working not only on the design, but on the contractual arrangements that are necessary for each of the providers of these services, including Time Warner and their affiliates, Cincinnati Bell, KDL/Windstream, and Duke Energy. In order to avoid delays due to the delivery of necessary materials, the Public Works Director has indicated the need to secure authorization from City Council for contracts with these various entities to live up to the obligations the City has as to the public improvements.

Although we have estimates at this time as to the costs associated with each component, the cost to the project for each of these installations will begin as estimates and will be finalized once the actual costs are known. Therefore, it is impossible to provide a specific threshold or dollar amount for each of these contracts. However, collectively, they are not expected to exceed the budgeted total of \$847,000 that was included in the bond proceeds for this portion of the work.

Specifically, the ordinance seeks City Council's authority for the City Manager to enter into agreements with Time Warner and affiliates, Cincinnati Bell, Duke Energy, and KDL/Windstream, relating to their component of the public improvements. None of these efforts can be bid, as all of them involve proprietary and/or specific installations relating to either public utility or telecommunication service as a customer provided to business and residents.

Should there be any questions relating to this Ordinance, they can be directed to the Public Works Director or the Treasurer.