

**MINUTES OF THE PUBLIC HEARING
OF LOVELAND CITY COUNCIL
Tuesday, September 23, 2008**

Mayor Weisgerber called the public hearing to order at 8:52 p.m. He announced this hearing is being held for Council to receive input on the conveyance of City-owned property known as the Christman house, located at 10506 Butterworth Road, to the Loveland Community Improvement Corporation (CIC).

Members Present: Vice Mayor Bednar, Mr. Elliott, Mr. Fitzgerald, Mr. Osborne, Mr. Schickel, Mayor Weisgerber, Mr. Zuch

Also Present: Mr. Carroll, City Manager; Mr. Wright, Assistant City Manager; Mr. Klaine, City Solicitor; Mrs. Cox, Clerk of Council; Chief Sabransky; Safety Director Rees, and Police Specialist Shockey

OPEN FORUM

Mr. Arnold Bellush, 100 Gamekeepers Lane, stated he hoped Council had been thinking about his comments made earlier this evening and summarized his questions as follows: whether or not what Council is planning to do with the conveyance would in any way jeopardize the tax exempt status of the municipal bond that was used to finance the purchase of this property and whether or not they have checked with bond counsel to see if they are in the clear with this; to remind them that the zoning for the adjacent detached housing area was predicated on the use of the Christman property as part of the density calculation and if it no longer is part of that calculation, whether that zoning is now appropriate; whether Council has thought how to finance the principle and interest payments after the money they borrowed to cover the first, second or third year of the TIF's slow start is gone; if the conveyed property is to be leased, whether that lease agreement in anyway affects the tax exempt status of the bond, whose municipal use was to make a park and associated buildings related to that park. Mr. Carroll explained the Christman property was purchased for about \$800,000 for the nearly 11 acre property. The City borrowed \$900,000 to capitalize the first two years of principle and interest payments on the property and Mr. Bellush is correct that \$100,000 will be exhausted in 2009. The purchase was split into two notes: the one for \$650,000 is scheduled for a 20-year term and is for the property the City is keeping, as the intended purpose was for a municipal park; the other portion of the property, which they intend to consider for leasing, was financed with a one-year note that will rollover early next year. Bond counsel was consulted two years ago for the specific purpose of how to handle the home property. Regarding zoning, the conveyance of the property does not change its underlying zoning. The balance of the property is being retained for the municipal purpose of a park and as explained in Memorandum No. 81, the intention is to seek a lot split at a future date to separate that property which is to be retained for a park and that which could be resold at a later date. As far as repaying the loan in 2009 and beyond, Mr. Taphorn's August financial report showed the Maple Avenue TIF, which was bonded in 2004, is starting to perform to the point they're paying back that borrowed money. Since the recreation land (Christman and Crane properties) TIF's development is lagging due to the current real estate market, the City will have to carry the debt on that property or create another plan, such as the revenue stream from the Maple Avenue TIF, to meet that debt in 2009 and for another two or three years. If at some future date, should revenues perform on the recreation land TIF, the City can be repaid should funds be available.

As there were no other speakers to address Council, Mayor Weisgerber entertained a motion to close this public hearing: so moved by Mr. Osborne and seconded by Mr. Fitzgerald. The motion was approved by unanimous consent the hearing adjourned at 9:00 p.m.

Mayor

Clerk of Council