

MINUTES
October 31, 2017
KENTUCKY CAPITAL DEVELOPMENT CORPORATION

The regular meeting of the Kentucky Capital Development Corporation, which was rescheduled due to unavailability of a quorum of board members on the regularly scheduled date of October 17th, was called to order at 12:02 p.m., October 31, 2017. Those present were Danny Willis, Chairman; Dave Weller, Vice Chairman; Rex Fowler, Treasurer; Dr. Houston Barber; Zachary Horn; Terri Bradshaw, President/CEO; Laura Ray Warren, Administrative Assistant; Huston Wells, Franklin County Judge Executive; Ann Northcutt, Franklin County Community Development/Grant Administrator; Bill May, Mayor of Frankfort; Cindy Steinhauser, Frankfort City Manager; Carmen Inman, President/CEO Frankfort Area Chamber of Commerce; Alfred Miller, staff writer with the Frankfort State-Journal and many citizens of the business community of Frankfort and Franklin County.

MEETING MINUTES

Danny Willis presented the minutes from the September meeting. On a motion by Rex Fowler and seconded by Dr. Barber, the minutes of the regular meeting of September 17, 2017 were unanimously approved.

MONTHLY BUSINESS

Rex Fowler presented the monthly invoices for October 2017 for a total of \$17,709.27. On a motion by Dave Weller and a second by Dr. Barber, the board voted unanimously to approve the October 2017 invoices for payment.

Mr. Fowler then presented the General Fund Monthly Financial Reports for September 2017. The September Operating Account had receipts of \$2,113.63 and disbursements of \$14,129.99. The balance in the Operating Account at the end of September was \$519,068.71. Other financial reports for September included the Land Account with an ending balance of \$499,720.38; the County Revolving Loan Account with a balance of \$585,249.57; and the City Revolving Loan Account with a balance of \$251,607.87 with a notation that the next interest posting will be updated for the December reports. On a motion by Dr. Barber and a second by Dave Weller, the board voted unanimously to approve the September 2017 Financial Reports.

NEW BUSINESS

The discussion of the KyMEA contract began with comments from Ms. Bradshaw. Prior to the Board meeting, the board members were provided a summary of the possible effects to economic development within the community if the Frankfort Plant Board (FPB) chooses to leave the KyMEA. This summary was based on the events and statements from the October 17th FPB Board meeting. A lengthy discussion was had by the board and they invited members of the audience to speak.

In the meeting, Rex Fowler, the plant manager at Centria and KCDC board member stated, "The one reason we are here is because of the low cost of power. We have plants nationwide and two overseas and we have the lowest cost of power of any of them. If that rate is unsure...it won't take my company seconds until they decide to look for somewhere else. Just so you know, that's a real threat here guys...this is a billion and a half company and they'll just start making plans to stop making capital investment here...we've been here since 1988 ..and we have invested over \$200M in capital in our plant and we'd like to see that continue... I know TOPY, Meritor and others are very concerned about what's going on and I want to make that 100% clear."

Mr. Baldwin's responded... "Well, again, there's no, it seems very unlikely, I can't imagine a scenario where we would try to break this contract."

Judge Wells reiterated his concerns by recognizing the representatives from TOPY, Buffalo Trace and other existing industry who are currently investing approximately \$200M in expansion projects in our community. He stated, "These are investors. These are the people committed to make things happen in our community. You could stop all that real quick. Your words have virtually stopped all that. So you need to change your words and make them feel comfortable about what you're doing or we're going to be in trouble here."

Mr. Baldwin's response was, "And we will certainly work towards improving that communication but honestly I don't think my words did that. I was very clear about where we were going and this information did not come from the board."

The City Manager discussed the importance of using staff expertise and asked Mr. Baldwin if they had received regular reports from staff throughout the KyMEA planning process. Mr. Baldwin said they had received no reports from staff.

Rodney Williams, Area President of Whitaker Bank, encouraged the board to "speak with staff about the mix (of energy), of where the megawatts are coming from, how they are generated, what's being used to generate it...There were members of Plant Board staff that were involved in this dating back to 2013 when this all started, so the idea that staff hasn't been used as a resource is not true. It ought to be obvious and very troubling to you that staff is not here to present this information to you and being questioned now as experts at what they do, so yes, staff has been involved in this process from day one. From what I understand the plant board is as much as 50% of the buying customer... so the plant board can have a huge impact on the organizational board but staff is a resource and I would encourage each of you to reach out to staff. Many of you may be aware that they were told not to come to this meeting after being invited and that should be troubling to you as well, it really should and I hope that you take it upon yourself to find out additional information."

The board took no action upon discussion but agreed to be represented at the November 13 City Commission meeting.

Ms. Bradshaw then informed the board that there was a proposal from the FPB to do telecom infrastructure improvements that identified three possible ways to proceed. She warned them that the FPB would, in the near future, be determining which option they would choose, which would directly affect user rates. She asked that they be aware of upcoming decisions and assured them that she would keep them posted.

City Manager, Cindy Steinhauser informed the board that the City of Frankfort has applied for a TIGER grant and plans to apply for a number of other state and federal grants during the downtown revitalization. To better nurture relationships with the agencies and staff that administer those grants and our elected officials, who will provide us support for the grants, a small group will visit their offices in Washington DC in late November. The group will consist of Ms. Steinhauser, Mayor May, Ms. Bradshaw, Judge Wells, Mike Feldman and Commissioner Roach. This group, and others, will continue to implement this DC Strategy throughout the coming years, to enforce these relationships and assure our community is strongly considered for any available funding.

OLD BUSINESS

Ms. Steinhauser then told the group that the Capital Plaza project was moving forward and that the consultants had been narrowed to two companies: City Visions and Teska. She noted that both were excellent companies and that we will be very lucky, whomever is chosen. A recommendation is to be made by the committee later in November and then voted on by the City and County elected bodies.

Ms. Bradshaw and Ms. Steinhauser reported that a final set of documents has been received by the community from City Visions, who has been working on a redevelopment strategy for some downtown buildings identified in the brownfield grant. Ms. Bradshaw will have a full report on those documents next month, after they have been presented to the city commission.

Ms. Bradshaw noted that, after much inquiry, the KY Housing Corporation has refused to correct the data markers used to determine recipients of the grant that was to be used on the old Simon Warehouse building, thus the Marian Group could not apply by the October deadline again this year. She stated that they have agreed to make the corrections to the application next year.

PRESIDENT/CEO REPORT

A detailed description of the President/CEO's activities was included in the board packets.

With no further business, at 1:42 p.m., a motion was made by Rex Fowler and a second from Dave Weller, with all in approval, to adjourn.