

KENTUCKY CAPITAL DEVELOPMENT CORPORATION
MINUTES
April 18, 2023

The regular meeting of the Kentucky Capital Development Corporation ("KCDC") was called to order at 12:08 p.m., April 18, 2023 at 109 Consumer Lane, Frankfort, KY by Chairperson Lynn Faulkner.

Those members of the Board of Directors (BOD) present were: Chairperson Lynn Faulkner; Vice Chairperson Kimberly Gester; Richard Rosen; Franklin County Judge Executive ("CJE") Michael Mueller; and Clay Hulette. Mayor Layne Wilkerson attended the meeting electronically. Absent from the meeting were Clay Patrick, Chairman and Danny Willis, Vice Chairman. Terri Bradshaw, President/CEO and Ben Mackin, The State Journal, were also present.

MINUTES

Mr. Hulette presented the draft minutes from the March 21, 2023 meeting. Ms. Gester moved to approve the minutes and Mr. Rosen seconded the motion. The minutes were approved.

MONTHLY BUSINESS

Invoices - Ms. Bradshaw presented the monthly invoices for April 2023. A copy of those invoices is attached to these minutes. Upon motion by Mr. Rosen and second by Mr. Hulette, the invoices were approved, as presented.

Financial reports - The financial statements, as provided with the agenda, were presented. Ms. Bradshaw again explained, as she did in the previous meeting, that the reports contained all of the transactions of the organization except for the certificates of deposit held in an investment account. Those short-term investments will be properly reflected in the financial reports after the auditor returns the electronic file, which will permit prior-period transactions dating back to the initiation of the CDs. Separate reports were presented representing the history of the investment account and the 3/30/23 balance of the investments. Upon motion by Mr. Rosen and second by Mr. Hulette, the financial reports were approved.

OLD BUSINESS

PDI Discussion – Ms. Bradshaw reported on KCDC's PDI application, which was denied. The BOD had previously been provided with feedback from the Kentucky Association of Economic Development entitled "March 2023-KPDI Feedback for 1505 Leestown Road, Franklin County, KY." Although strengths of the application included a "great location in close proximity to I-64" and its "ability to draw workforce from both Frankfurt [sic] and Lexington," as well as "the strategy of infill of vacant land within industrial corridor," the primary weakness was that "the industrial park acreage is owned by a private developer." It was acknowledged that "the right-of-way would have been owned by the County."

Workforce Grant update – Ms. Bradshaw reported that the application had been assigned a project manager and was continuing its process through appropriate channels. Funding is

anticipated during May 2023 and that no further information requests had been received at the two-week mark since submission.

Regional Development Strategy update – Ms. Bradshaw reported that the group was in its fundraising process and that both Mayor Wilkerson and Judge Mueller had attended a meeting to discuss fundraising details. Mayor Wilkerson explained that population will be the basis for contributions at \$1 per person or, in the case of Franklin County, approximately \$52,000. He recommended that any contribution would be made by KCDC, as determined by this BOD, and would come from current operations. The contributions are based on a five year commitment for the total. Ms. Bradshaw reminded the BOD that the regional strategy includes a three prong emphasis and has a goal of raising a total of \$10.0 million:

1. Marketing at a regional level;
2. Talent and workforce recruitment; and
3. Leadership training specifically targeting economic development.

Mayor Wilkerson and CJE Mueller expressed support for the effort and encouraged the BOD to likewise support it.

Administrative assistance – Mr. Rosen reported that he had been working with Ms. Bradshaw to classify the KCDC projects listing to update ongoing projects, delete inactive projects and prioritize active ones. This analysis will help Ms. Bradshaw define the assistance she needs to recruit new businesses and proper staffing.

NEW BUSINESS

Policy Updates – Ms. Faulkner suggested that the BOD create a task force to review policies and procedures of the organization and By-Laws. It was suggested that Ms. Bradshaw provide a summary of KCDC’s policies and procedures at the next BOD meeting and that a revolving schedule be adopted whereby the BOD would review each policy at least annually. That process would allow for periodic review and updates and/or changes to be made. Upon motion by Ms. Faulkner and second by Mr. Rosen, the task force concept was approved.

Land Acquisition – The BOD engaged in a general discussion about land for industrial development. Ms. Bradshaw presented various facts about Franklin County as contained in Exhibit A, attached to these minutes. It is estimated that Franklin County has approximately 136,000 acres. Mr. Rosen provided a draft (see Exhibit B) in which presented his analysis in support of land allocation for industrial development along with a recommendation that KCDC adopt his analysis and craft its own statement in support of an allocation of 1,700 to 2,000 acres of property to be recognized in the Comprehensive Land Use Map update for use as industrial land.

Board Members – CJE Mueller announced the resignations of Clay Patrick and Danny Willis. He thanked both gentlemen for their years of service. He also reported that appointments were in process and that new BOD members would likely be available to attend the next meeting.

Budget update/revision – Mr. Hulette suggested that budget line items be revisited at the next BOD meeting based on the expectation that KCDC’s books could be appropriately updated with year-to-date financial information through April 2023.

Closed session – Mr. Hulette made a motion, which was properly seconded by Mr. Rosen, for the BOD to recess to closed session in conformity with KRS 61.810(1)(b) regarding deliberations on the future acquisition or sale of real property by a public agency. The motion was approved and the BOD went into closed session.

Ms. Gester left the meeting at 1:42 p.m. and the BOD no longer had a quorum.

The BOD returned from closed session.

There being no further business to come before the BOD at the time, at 2:00 p.m. Mr. Rosen made a motion to adjourn the meeting. Ms. Faulkner seconded the motion. The motion was approved and the meeting was adjourned.

CHAIRMAN

R. Clay Hulette

SECRETARY