

REGULAR SESSION
of the Daviess County Fiscal Court
held at the Courthouse in the City of Owensboro,
County of Daviess, Commonwealth of Kentucky
on this 18th day of September 2014
Present were Judge/Executive Al Mattingly and
County Commissioners Jim Lambert,
George Wathen and Charlie Castlen

DOCUMENTS RELATED TO TODAY'S DISCUSSION
ARE FILED IN SEPTEMBER 18, 2014 FISCAL COURT FILE

Commissioner Lambert opened the meeting in prayer and led the court in the Pledge of Allegiance to the flag.

Kim Logsdon, Executive Director of Bluegrass Crossings Business Centre presented information regarding the creation of a debt service pool of funds for the centre.

Mr. Logsdon stated, "As you all are aware, we are a 1,265 acre industrial park in Ohio County that got the majority of its funds to create and develop from the coal severance program – multi-county account, which no longer exists. We have had an application in Frankfort over the past 3-4 years trying to get some monies for a couple of projects. One of them being a road extension and the other being a speculative building at the park and they have been unsuccessful. Now that the multi-county account has gone away, it has removed our major source of acquiring funds. I have been talking with some of the judges about figuring out a different way in which to position ourselves so that we can continue improving the park and to continue to be competitive. What we are coming to you all for, and the other four fiscal courts, is to join with you in distributing some of the revenue stream that comes from the park. This year, the park collected \$305,000 from property taxes, occupational tax, net-profits tax, insurance tax – any local taxes that are paid on property within the park goes into a separate fund and then we separate those funds out according to a formula to each one of the participating counties. Ohio County gets 40% and each boarder county gets 15% of that. Your revenue check this year was like \$38,000. So, what we are asking is to take 25% of that check or those funds next year and put it into an account to pay for any capital improvements that we make to the park."

Commissioner Wathen asked, "The Green River Regional Industrial Authority (GRRIDA) gets \$50,000. What is that used for?"

Mr. Logsdon stated, "Initially, when we started the park, Hugh Hayden was overseeing the pool of funds in Frankfort under the Cabinet for Economic Development. They allowed us to use monies that we garnered off the park like farm rent, interest on the money that we had put aside, the sell of any fixed assets – we sold houses off the property and things of that nature. They allowed us to use that locally. Sometime in 2006, a decision was made that the state paid for that property so any income made off that property had to go into what we call a recaptured account, which we (GRRIDA) control. However, we are only able to spend it for certain aspects of developing the park. We cannot spend it for administration, marketing, or maintenance of the park. What we did was approach the fiscal courts in 2006, and ask that we take \$50,000 of that pool of money and set it aside to pay for administration, legal fees and to basically pay for any costs that we cannot get reimbursed for from the state."

Commissioner Wathen asked, "Where else do you get your income?"

Mr. Logsdon stated, "That is it. We also receive \$16,667 per fiscal year from the pool of coal severance funds through the budgetary process. Basically we operate the park on about \$66,000 per year."

Commissioner Wathen asked, "Would this money also go to operate the park?"

Mr. Logsdon stated, "No, it would not. It would be strictly for projects."

Judge Mattingly asked, "Why are we looking to build the spec. building?"

Mr. Logsdon stated, "The park lays within the TVA service area, so TVA has a very proactive economic development arm. We see a lot of activity from TVA as well as from the state. We have two entities we look at for direction on how we do and market the park. What we have seen is that about 70% of the prospects are looking for an existing building. They are looking to be in production and operating in about 180 – 270 days. We feel like a building would give us another piece of the pie as far as attracting people to come look at us."

Judge Mattingly stated, "In trying to develop economic activity, we are kind of playing with our hands tied behind our back compared to other people who have a building that was move in ready."

Mr. Logsdon stated, "For instance, you take Leitchfield, they do not have a spec. building but they have a lot of vacant industrial buildings. TVA was flying people in and they pretty much have filled up everything in Grayson County. People are getting looks that we are not getting because we do not have that asset."

Commissioner Castlen stated, "If we were to do this, you said it would not give us the money to do the entire building. We would have to go another route to come up with the balance."

Mr. Logsdon stated, "There are programs that we would try to enlist some help from. TVA has some programs – both grants and loans. A loan program is pretty simple to get into, but if we were able to buy down the – we could go with a KIA loan and reduce our interest rate to below 2%. That would help to stretch our dollar a little further. There are interest free programs through TVA that they will loan money on a finished product. We would have to find bridge financing and things like that. We are going to have to be creative on how we do it, but the basic fact is that we could ask for a larger percentage and a bigger pool, but I think we would be hard pressed to get some of the other counties to approve that much more money. Not everybody is as cash flush as what Daviess County has managed to maintain. What we are wanting to do is promote the park to increase that revenue sharing stream back to the counties."

Judge Mattingly stated, "With the loss of the multi-county pool, those counties that do not have a diverse revenue stream that is the difference between a project for their citizens and not."

Commissioner Lambert asked, "How many employees are located in the park and what companies are currently in the park?"

Mr. Logsdon said, "We have about 760-770 employees in the park. Three of the four companies in the park are Daicel companies and the other is Ritatsu."

Commissioner Lambert asked, "Wasn't there a potential client that we lost because they did not have access to the parkway? Are we making any progress in that area?"

Mr. Logsdon stated, "We had a distribution company that looked at the park real hard. They needed to move about 200 semi-trucks in and out of the park per day. Our access now is through a county road that partially goes through a residential neighborhood, and when the site selection guy that they sent in saw that, he immediately wanted an interchange on the parkway to get direct access to the park. There really is no way to do that off of the Western Kentucky Parkway because of the service center that is across the road from the park. The only way to do

that is off the Natcher. Then on top of that, you are looking at the potential to make that an interstate spur – future Interstate 67. The distance between the interchanges creates a real issue for us. It is going to take a really large industry with a lot of employees to promote the Transportation Cabinet to put in an interchange to directly access the park. What we have done, through the help of Representative Thompson and Senator Jerry Rhodes, the legislature approved 4.4 million dollars for a new dedicated restricted access road off of Highway 231 into the park.”

Commissioner Wathen asked, “How will this court approve this initiative? Will it be by ordinance?”

Mr. Logsdon said yes.

County Attorney Claud Porter stated, “It would be easier if it were a joint ordinance rather than each court approve a separate ordinance.”

Commissioner Wathen asked, “Does the proposed ordinance state that it is 25% of the income no matter what the income does?”

Mr. Logsdon agreed.

Commissioner Wathen asked, “How long are we committing to this?”

Mr. Logsdon stated, “I feel like we can stop once the building is paid for. Our thought process is that once we have a building and we sell it, we can then roll that over into another building and continue to use that pot of money to develop the park as we need. I would say that we are probably looking at 30-40 years of that income stream, if everything works.”

Judge Mattingly stated, “Commissioner, I would say that that probably would be one of those points where a lot of discussion need to take place. We could limit that ordinance to a certain amount of years and reauthorize it as needed.”

Commissioner Wathen stated, “That is the way I would want to go.”

Commissioner Castlen stated, “My initial concern was that it would be open ended and I was hoping that this would be a pay as you go type thing. Obviously, as short as we are on the funding for the two projects you mentioned, it cannot be a pay as you go, right?”

Mr. Logsdon agreed and stated, “The way the park was developed and created was that this thing was suppose to have a deadline, a sunset clause, that after the park is full and completed then 20 years past that GRRIDA would go away. There is an end point at some point in time.”

Commissioner Lambert stated, “You know we have 600-700 jobs there. We have a jewel that needs to be developed. We do not need to starve it to death. We need to polish it and make it where we have 1,500 jobs.”

Judge Mattingly stated, “And certainly an investment of \$10,000 from Daviess County is not going to impact us one way or the other as far as our budget is concerned.”

County Treasurer Jim Hendrix presented the Treasurer’s Report for August 2014.

Minutes of the September 4, 2014 meeting were submitted to fiscal court members for review prior to today’s meeting and on a motion of Commissioner Lambert, seconded by Commissioner Castlen with all the Court concurring said Minutes were approved and signed.

By a motion of Commissioner Wathen, seconded by Commissioner Lambert, the court considered approval of all Claims for all Departments.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Lambert, seconded by Commissioner Castlen, the court considered for approval an Engineering Service Contract with American Engineers, Inc. for Potts Road.

County Engineer Mark Brasher stated, "Several months ago, we were instructed to close down Potts Road due to the bridge. Fiscal court entered into a contract with American Engineers, Inc. to review this structure to see if we could replace it with a pipe or culverts. They came back and said that the county needs to replace it with a bridge. This contract today builds on the other contract. This one is the actual design of the bridge. The sum is for \$6,500. The intent is to get the bridge designed this year and construct it next fiscal year."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Castlen, seconded by Commissioner Wathen, the court considered for approval **Resolution No. 12-2014** - A Joint Resolution between Daviess County and the City of Owensboro Consenting to Transfer Control of Cable Franchise.

County Attorney Porter stated, "Currently, our agreement is with Time Warner Cable. Time Warner Cable and Comcast Charter have entered into an agreement where the survivor, at least in this part, will be Comcast Charter. This is an agreement for the new company, the subsidiary, who will become the franchisee of the local cable provider. This just says that we have consented to that, that they will comply with the terms of the agreement that we have now, and they will continue. We are just recognizing them as the new franchisee."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Castlen, seconded by Commissioner Wathen, the court considered for approval the Community Rating System (CRS) program public information document for the National Flood Insurance Program.

EMA Planner Vicky Connor stated, "Since October 2003, Daviess County residents have been getting a 10% reduction in their flood insurance premiums due to this voluntary community rating system, which is part of the National Flood Insurance Program (NFIP). This program rewards communities with flood insurance discounts when the community goes extra steps above what is required by the NFIP. Credit points are awarded for activities that include public information, which is the document that is before you today, mapping and regulations, flood damage reduction, which includes drainage system maintenance, and warning and response. In Kentucky there are only 15 jurisdictions receiving flood insurance reductions from this program. Nationally there are only 5% participating in this program. There are strict guidelines for meeting each criteria. The document that has been submitted details outreach activities such as recourses and safety fairs in which flood preparedness materials are submitted. Requirements for credit points require the fiscal court to adopt this document."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Lambert, seconded by Commissioner Wathen, the court considered for approval the retirement resignation of Terry Ranburger as a Mechanic in the Department of Public Works, effective September 30, 2014 - (20 years of service).

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Wathen, seconded by Commissioner Castlen, the court considered for approval to appoint Barry Frey (31-2014) to the **Owensboro-Daviess County Regional Airport Board** (Filling the unexpired term of Ray Assmar who was serving his 4th term) - TERM: 9/18/2014 – 3/08/2017.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

Other business to be brought before the Daviess County Fiscal Court:

By a motion of Commissioner Castlen, seconded by Commissioner Lambert, the court considered for approval to Advertise for a Mechanic in the Department of Public Works, if not filled internally.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

Comments:

Commissioner Wathen stated, "We are now the proud owners of Little Hurricane Boat Ramp. The deed has been recorded."

Without objection, Judge/Executive Mattingly adjourned the meeting.
SO ORDERED THAT COURT STAND ADJOURNED.

Al Mattingly
Daviess County Judge/Executive