

**MINUTES of SPECIAL MEETING
of the BOARD of COMMISSIONERS
of the CITY of BOWLING GREEN, KENTUCKY
held APRIL 26, 2007**

The Board of Commissioners of the City of Bowling Green, Kentucky met in special session in the Commission Chamber of City Hall, Bowling Green, Kentucky at 1:00 p.m. on April 26, 2007. Mayor Elaine N. Walker called the meeting to order. Assistant City Manager/City Clerk Katie Schaller called the roll, and the following members were present: Commissioner Joe W. Denning, Commissioner Brian "Slim" Nash, Commissioner Brian K. Strow, Commissioner Bruce Wilkerson and Mayor Elaine N. Walker. Absent: none. There was a full quorum of the Board of Commissioners.

OPEN SESSION

Mayor Walker stated the purpose of this special meeting was to consider a Downtown Redevelopment Plan and Memorandum of Understanding and to include discussion of tax increment financing (TIF) directly related to this plan. She read a memorandum received from Western Kentucky University (WKU) President Gary Ransdell, dated April 25, 2007, which declared the University's support of the proposed development and its inclusion of two WKU capital projects—the renovation of Van Meter Hall and the building of North Campus parking lots—within the TIF boundary.

Chairman Rick Kelley of the Play Ball! '05 Committee indicated that the redevelopment plan was not just about a ballpark, which accounted for only 10% of the total project, but rather, a development that included hotels, retail and office space, residential properties, a performing arts center ("SKyPAC"), public buildings, related parking and public infrastructure improvements. Mr. Kelley requested a Memorandum of Understanding (MOU) between the City and the project Master Developer (Alliance Corporation) that would provide a minimum of 90% of the revenues generated from an established TIF district to help finance the project. He also requested that the MOU provide for the sale of City owned property between State and College Streets and 7th and 8th Avenues for the purchase price paid, as well as property purchased for the SKyPAC development with SKyPAC's approval. In addition, Mr. Kelley explained that a lease for the use of 601 State Street as part of the development plan would provide \$100,000 per year to the Downtown Redevelopment Authority (DRA). He encouraged acceptance of the financial proposal prepared by Ross, Sinclair & Associates. Mr. Kelley also clarified the public and private (50/50) investment partnership and reiterated that this project would not specifically be a publicly funded project.

Attorney James Parsons, legal consultant for the City regarding economic development, outlined the terms of the proposed MOU, to have an expiration date of June 30, 2007, essentially expressing the City's intent to proceed with the project while the terms of the development agreement were worked out, including such things as the share of the TIF, land sale, rental of 601 State Street property and time commitment to establish the TIF district. He stated that the development, if approved, did not include any full faith and credit commitment by the City. Instead, he explained that the funding generated from the TIF would be used to support the development. He recommended that the TIF district be as small as possible to meet the needs of the development since it required approval by the State, and further suggested the adoption of a development plan. Mr. Parsons responded to

questions concerning the issuance of bonds by an entity other than the City, the ability to begin negotiations, the decisions to be made regarding establishment of a TIF district, the absence of financial risk and potential for a credibility risk to the City, a portion of TIF funds to be retained by the City for support of its services, and the unlikelihood of creating a space that would compete with the Sloan Convention Center.

Commissioner Wilkerson reiterated that no existing tax monies would be going to the project beyond that of a new increment financing district and that there was no risk of future taxation for the project. Mayor Walker commented about the investment from various entities and the City's investment being very small comparatively, in addition to the potential to jump start redevelopment in the downtown area. Commissioner Strow confirmed that if, at some point in the future, the City was given the ability to adopt a local option sales tax, there would be no obligation to pledge those funds to the project. However, Mr. Parsons noted that any funds generated in the district from an increase in the occupational license fee would be included in the TIF and could be used to pay off any debt early.

Jim Duffer of 806 Edgewood Street spoke in opposition to the proposed redevelopment plan and suggested that there were other issues of more importance that the City should be addressing, such as traffic concerns.

Executive Director Cheryl Blaine of the Downtown Redevelopment Authority requested clarification regarding any requirement for future commitment to the project if the City approved the MOU. Mr. Parsons indicated that there would not be any future obligation by the City and that this was only the first step in the process for consideration of the proposed plan.

In response to a question by Executive Director Vicki Fitch of the Bowling Green Area Convention and Visitors Bureau, City Manager Kevin DeFebbo commented about the maximum size permissible for a conference center that would not compete with the Sloan Convention Center.

CLOSED SESSION

Mayor Walker requested a closed session for the Board of Commissioners to further deliberate specific issues related to the requested sale of City property and the specific development proposal. Pursuant to KRS 61.810 (b) and (g), Assistant City Manager/City Clerk Katie Schaller read the purpose for a closed session for discussion on the future sale of real property by the City as publicity would likely affect the value of the specific piece of property to be sold by the City, and for discussion concerning a specific proposal, if open discussion would jeopardize the siting, retention and expansion or upgrading of the businesses. Motion was made by Nash and seconded by Denning to convene in closed session. Walker called for roll call vote.

ROLL CALL: Voting Yea: Denning, Nash, Strow, Wilkerson and Walker
 Voting Nay: None

Motion to convene in closed session pursuant to KRS 61.810 (b) and (g) was approved by unanimous vote. Following a brief recess to clear the Commission Chamber, the Board of Commissioners met in closed session.

RECONVENE IN OPEN SESSION

Once all discussion concluded in closed session, the Board of Commissioners reconvened in open session to consider action. Motion was made by Nash and seconded by Denning to add Municipal Order No. 2007 – 142 to the agenda for consideration. With no discussion, a roll call vote was taken.

ROLL CALL: Voting Yea: Denning, Nash, Strow, Wilkerson and Walker
Voting Nay: None

Motion to add Municipal Order No. 2007 – 142 to the agenda was approved by unanimous vote.

MUNICIPAL ORDER NO. 2007 – 142

MUNICIPAL ORDER AUTHORIZING AND APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF BOWLING GREEN, COUNTY OF WARREN AND ALLIANCE CORPORATION REGARDING A PROPOSED REDEVELOPMENT PROJECT IN DOWNTOWN BOWLING GREEN

Summary of Municipal Order No. 2007 - 142 was read by the Assistant City Manager/City Clerk. Motion was made by Nash and seconded by Strow for consideration of said Municipal Order. Mayor Walker asked for additional discussion, and with none, a roll call vote was taken.

ROLL CALL: Voting Yea: Denning, Nash, Strow, Wilkerson and Walker
Voting Nay: None

Municipal Order No. 2007 - 142 was approved by unanimous vote.

ADJOURNMENT

This being a special meeting and with no further business to come before the Board of Commissioners, at approximately 3:10 p.m., Mayor Walker declared this meeting adjourned.

ADOPTED: _____

APPROVED: _____
Mayor, Chairman of Board of Commissioners

ATTEST: _____
City Clerk

Minutes prepared by Assistant City Manager/City Clerk Katie Schaller