

**MINUTES of REGULAR MEETING
of the BOARD of COMMISSIONERS
of the CITY of BOWLING GREEN, KENTUCKY
held OCTOBER 6, 2009**

The Board of Commissioners of the City of Bowling Green, Kentucky met in regular session in the Commission Chamber of City Hall, Bowling Green, Kentucky at 7:00 p.m. on October 6, 2009. Mayor Elaine N. Walker called the meeting to order. An invocation was given by Rev. Carlton Hatcher of Cumberland Presbyterian Church, and all present recited the Pledge of Allegiance. Assistant City Manager/City Clerk Katie Schaller called the roll, and the following members were present: Commissioner Brian “Slim” Nash, Commissioner Bruce Wilkerson, Commissioner Joe W. Denning, Commissioner Catherine Hamilton and Mayor Elaine N. Walker. Absent: none. There was a full quorum of the Board of Commissioners.

AWARDS & RECOGNITIONS

Mayor Walker announced the Police Department will receive the Golden Eagle Award for a perfect 100% scorecard from the Kentucky League of Cities Insurance Services. The scorecard follows specific criteria similar to an accreditation, but also takes into consideration the financial support by the City to equip patrol vehicles with in-car camera systems. Chief Hawkins remarked that the Bowling Green Police Department was one of only twelve agencies in Kentucky to achieve this rating.

CITY MANAGER

City Manager Kevin D. DeFebbo had no comments at this time.

APPROVAL OF MINUTES

Minutes of Regular Meeting September 15, 2009, 2009

Minutes of the above-referenced meeting were distributed to the Board of Commissioners with the Agenda for their review. Motion was made by Wilkerson and seconded by Hamilton to approve said minutes as written. Mayor Walker asked for discussion, and with none, a roll call vote was taken.

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

Motion to approve the minutes of the regular meeting of September 15, 2009, 2009 was approved by unanimous vote.

PUBLIC COMMENTS

Police Captain Melanie Watts, and member of the Junior Women’s Club, announced that BYPD and the Junior Women’s Club have partnered together to promote “Cram the Cruiser,” a campaign to collect donated *coats for kids*. Captain Watts explained a police cruiser with its flashing lights activated will be located in front of the Police Headquarters building for the next few weeks to collect gently used or new coats.

ORDINANCE NO. BG2009 – 27

(Second Reading As Amended)

ORDINANCE RELATING TO PROPERTY TAX RATES

ORDINANCE SETTING 2009 PROPERTY TAX RATES, FRANCHISE TAX RATES AND IMPROVEMENT ASSESSMENT RATES, AND SETTING FORTH GUIDELINES FOR PAYMENT, PENALTY AND INTEREST

Title and summary of Ordinance No. BG2009 - 27 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Nash for second reading of said Ordinance. Mayor Walker asked for discussion, and with none, a roll call vote was taken.

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

Ordinance No. BG2009 - 27 was adopted by unanimous vote.

ORDINANCE NO. BG2009 - 28

(Second Reading)

ORDINANCE RELATING TO BUDGET AMENDMENT

ORDINANCE APPROVING AMENDMENT NUMBER ONE TO THE CITY OF BOWLING GREEN, KENTUCKY ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2010

Title and summary of Ordinance No. BG2009 - 28 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Nash for second reading of said Ordinance. Mayor Walker asked for discussion, and with none, a roll call vote was taken.

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

Ordinance No. BG2009 - 28 was adopted by unanimous vote.

NOTE: Second reading of Ordinance No. BG2009 - 29 was placed at the end of the agenda for consideration by the Board of Commissioners.

MUNICIPAL ORDER NO. 2009 - 196

MUNICIPAL ORDER APPROVING THE APPOINTMENT OF MARILYN WHITLOCK TO THE HUMAN RIGHTS COMMISSION

Summary of Municipal Order No. 2009 - 196 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Hamilton for consideration of said Municipal Order. Mayor Walker recommended this appointment. She asked for additional discussion, and with none, a roll call vote was taken.

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

Municipal Order No. 2009 - 196 was approved by unanimous vote.

MUNICIPAL ORDER NO. 2009 - 197

MUNICIPAL ORDER APPROVING THE PROMOTIONS OF GARY A. RICH TO THE POSITION OF DEPUTY POLICE CHIEF, KEVIN D. WILES TO THE POSITION OF ASSISTANT POLICE CHIEF, MICHAEL J. DELANEY TO THE POSITION OF POLICE CAPTAIN AND MATTHEW A. EDWARDS TO THE POSITION OF POLICE SERGEANT IN THE POLICE DEPARTMENT

Summary of Municipal Order No. 2009 - 197 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Nash for consideration of said Municipal Order. DeFebbo reported the recent retirement of Deputy Police Chief Joseph Manning opened up a succession of promotions. Police Chief Doug Hawkins recommended each individual for promotion and reviewed their qualifications. Mayor Walker asked for additional discussion, and with none, a roll call vote was taken.

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

Municipal Order No. 2009 - 197 was approved by unanimous vote.

MUNICIPAL ORDER NO. 2009 – 198

MUNICIPAL ORDER APPROVING THE PROBATIONARY APPOINTMENT OF CHRISTY L. BISHOP TO THE POSITION OF SPECIAL POPULATIONS INSTRUCTOR IN THE PARKS AND RECREATION DEPARTMENT

Summary of Municipal Order No. 2009 - 198 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Nash for consideration of said Municipal Order. DeFebbo commented about the application process and he reviewed the qualifications of the recommended candidate for appointment. Mayor Walker asked for additional discussion, and with none, a roll call vote was taken.

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

Municipal Order No. 2009 - 198 was approved by unanimous vote.

MUNICIPAL ORDER NO. 2009 – 199

MUNICIPAL ORDER AUTHORIZING AND ACCEPTING BID #2010-06 FOR POLICE VEHICLES FROM BILL WAITS COUNTRYSIDE MOTORS OF LAWRENCEBURG, KENTUCKY AND FREEDOM DODGE OF LEXINGTON, KENTUCKY IN THE TOTAL AMOUNT OF \$128,816

Summary of Municipal Order No. 2009 - 199 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Hamilton for consideration of said Municipal Order. DeFebbo reviewed the bidding process which was based on lowest price and he recommended the purchase of six vehicles for Police (four patrol and two administrative). Comm. Nash inquired if the Board of Commissioners would consider choosing a local vendor which submitted a bid of just \$24 more than the lowest bid for the patrol vehicles. Mayor Walker commented that she had inquired in the past about the ability to select local vendors and asked the City Attorney to respond. City Attorney

Gene Harmon expressed concern that such a change would contradict state statutes since the bid specifications specifically stated that the City would award the bid based on the “lowest qualified bid.” Mayor Walker asked for additional discussion, and with none, a roll call vote was taken.

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

Municipal Order No. 2009 - 199 was approved by unanimous vote.

MUNICIPAL ORDER NO. 2009 – 200

MUNICIPAL ORDER AUTHORIZING AND ACCEPTING BID #2010-12 FOR POLICE DEPARTMENT AMMUNITION FROM CRAIG’S FIREARM SUPPLY, INC. OF KNOXVILLE, TENNESSEE, GULF STATES DISTRIBUTORS, INC. OF MONTGOMERY, ALABAMA AND KIESLER POLICE SUPPLY, INC. OF JEFFERSONVILLE, INDIANA IN AN AMOUNT NOT TO EXCEED \$69,714.31

Summary of Municipal Order No. 2009 - 200 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Denning for consideration of said Municipal Order. DeFebbo remarked there was an ammunition shortage throughout the country. He recommended the bid award based on lowest bid and indicated that additional ammunition would be purchased to increase inventory. Mayor Walker asked for additional discussion, and with none, a roll call vote was taken.

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

Municipal Order No. 2009 - 200 was approved by unanimous vote.

MUNICIPAL ORDER NO. 2009 – 201

MUNICIPAL ORDER APPROVING AND RATIFYING THE SUBMISSION OF A GRANT APPLICATION TO THE TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) DISCRETIONARY GRANT PROGRAM FOR THE OLD MORGANTOWN ROAD IMPROVEMENTS PROJECT IN THE AMOUNT OF \$3,800,000

Summary of Municipal Order No. 2009 - 201 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Nash for consideration of said Municipal Order. In regard to both this item and the next (Municipal Order No. 2009 – 202), DeFebbo indicated that the City had received stimulus funding from Community Development Block Grant (CDBG) related sources and determined it was in the City’s best interest to also apply for funding to benefit transportation needs. He stated that no matching funds were required. Mayor Walker asked for additional discussion, and with none, a roll call vote was taken.

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

Municipal Order No. 2009 - 201 was approved by unanimous vote.

MUNICIPAL ORDER NO. 2009 – 202

MUNICIPAL ORDER APPROVING AND RATIFYING THE SUBMISSION OF A GRANT APPLICATION TO THE TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) DISCRETIONARY GRANT PROGRAM FOR THE SMALLHOUSE ROAD REALIGNMENT PROJECT IN THE AMOUNT OF \$3,340,000

Summary of Municipal Order No. 2009 - 202 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Denning for consideration of said Municipal Order. DeFebbo noted that if the City was awarded this grant for Smallhouse / Cave Mill intersection realignment, then Warren County would not need to provide any funds for its share of the project. Mayor Walker asked for additional discussion, and with none, a roll call vote was taken.

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

Municipal Order No. 2009 - 202 was approved by unanimous vote.

MUNICIPAL ORDER NO. 2009 – 203

MUNICIPAL ORDER AUTHORIZING THE ACCEPTANCE OF A GRANT FROM THE U.S. DEPARTMENT OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE FOR 2009 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) FUNDS IN THE AMOUNT OF \$86,074

Summary of Municipal Order No. 2009 - 203 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Hamilton for consideration of said Municipal Order. DeFebbo recommended acceptance of the grant award which would be split 50/50% with Warren County. He stated the City's portion of funds would be used to purchase additional in-car cameras for Police vehicles. Mayor Walker asked for additional discussion, and with none, a roll call vote was taken.

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

Municipal Order No. 2009 - 203 was approved by unanimous vote.

MUNICIPAL ORDER NO. 2009 – 204

MUNICIPAL ORDER AUTHORIZING PAYMENT TO THE WARREN COUNTY PROPERTY VALUATION ADMINISTRATOR FOR FISCAL YEAR 2010

Summary of Municipal Order No. 2009 - 204 was read by the Assistant City Manager/City Clerk. Motion was made by Denning and seconded by Hamilton for consideration of said Municipal Order. DeFebbo reviewed and recommended the annual amount which was paid on a quarterly basis. Mayor Walker asked for additional discussion, and with none, a roll call vote was taken.

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

Municipal Order No. 2009 - 204 was approved by unanimous vote.

MUNICIPAL ORDER NO. 2009 – 205

**MUNICIPAL ORDER APPROVING A LEASE AGREEMENT WITH
FLUID NIGHTCLUB, LLC FOR LEASE OF A PORTION OF THE
PUBLIC SIDEWALK LOCATED AT 904 STATE STREET**

Summary of Municipal Order No. 2009 – 205 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Hamilton for consideration of said Municipal Order. DeFebbo indicated this was a standard lease agreement and was requested by the business. Mayor Walker asked for additional discussion, and with none, a roll call vote was taken.

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

Municipal Order No. 2009 - 205 was approved by unanimous vote.

ORDINANCE NO. BG2009 – 30

(First Reading)

ORDINANCE AMENDING CODE OF ORDINANCES

**ORDINANCE CREATING A NEW SUBCHAPTER OF CHAPTER 11
(FINANCE, TAXATION AND ECONOMIC DEVELOPMENT) OF
THE CITY OF BOWLING GREEN CODE OF ORDINANCES TO
INCORPORATE THE CREATION OF A TAX INCREMENT
FINANCING (TIF) DISTRICT RELATED TO THE WKU GATEWAY
TO DOWNTOWN BOWLING GREEN DEVELOPMENT AREA**

Title and summary of Ordinance No. BG2009 - 30 was read by the Assistant City Manager/City Clerk. Motion was made by Wilkerson and seconded by Hamilton for first reading of said Ordinance. DeFebbo recounted that staff had previously presented a draft policy at the September 15th work session that addressed how base revenues should be calculated for the WKU Gateway to Downtown Bowling Green Development Area (TIF). As with previously established tax increment districts located in the City, Mr. DeFebbo outlined the importance of incorporating the downtown TIF district in the City's Code of Ordinance, which also contained the staff's recommendation related to the calculation of base revenues for the life of the TIF (30 years). He further indicated that the City could not wait on adopting a policy based on the State's actions since the State would not act before the capital investment threshold of \$150 million was met for a Signature TIF.

Mr. DeFebbo reported that staff met with members of the Warren County Downtown Economic Development Authority (also known as the Chapter 58 Corporation) to discuss the impact of the calculation of base revenues, particularly related to existing City businesses relocating into the TIF district. He relayed that the Authority had expressed its understanding of the City's position. However, Mr. DeFebbo pointed out that the Authority's bond counsel, Steven Berger, provided a letter in which he opined the City would be in violation of the State's TIF law if it passed its proposed policy, resulting in an unspecified risk to the \$6.3 million in bank bonds already issued, and that Mr. Berger believed the City had already agreed to give up 80% of its base revenues. Mr. DeFebbo stated the City disagreed with that interpretation based on the concept of a tax increment financing plan

which was predicated on new investment and new growth. He explained that the source of conflict was with the relocation of an existing taxpayer's business from outside the TIF to inside the TIF and how existing revenues would be considered. He outlined the City's position that it retain 100% of all existing revenues (considered base revenues) and that 80% of any incremental growth (new revenues) be turned over to the TIF. Mr. DeFebbo further stated he did not believe it was ever the City's intention to give up its base revenues. In addition, Mr. DeFebbo pointed out that the City's financial advisor, Morgan Keegan, cautioned that any impact on the City's base revenues could negatively affect the City's bond rating and future ability to finance capital improvement projects.

City Attorney Gene Harmon highlighted the main points of the proposed ordinance. He specified that by codifying the TIF district in Chapter 11, the City could compel businesses to comply with requirements for reporting payroll figures contained in Chapter 18 (Occupational Licensing Fees and Taxes). He also reviewed language contained in the ordinance requiring the Board of Commissioners to approve all developments for each block of the TIF which mirrored language in the existing agreements, such as the Master Development Agreement, related to the establishment and expansion of the TIF district.

With regard to conflicting bond counsel opinions, Mr. Harmon pointed out that the City's bond counsel, Dirk Bedarff, agreed with the City's interpretation of new and old revenues as outlined in the Amended and Restated Local Participation Agreement #2 (LPA #2). However, Mr. Harmon acknowledged that Mr. Berger may have a legitimate point regarding the \$6.3 million of previously issued bank bonds since those bonds were issued under the definitions of the original LPA. He also explained that if the interpretation was challenged, the courts would need to determine the intent of the Kentucky General Assembly when it established definitions of old and new revenues in the statutes.

There was discussion regarding some minor changes to the ordinance to provide that subdevelopers be required to disclose the names of investors and/or principal officers involved in detailed development plans. Mr. Harmon confirmed that any minor changes could be made to include such language provided there were no objections. Commissioners Wilkerson and Nash did not object, but expressed concern that any such change should be consistent with other existing requirements related to economic development incentives provided by the City. Once it was determined to proceed, Mr. Harmon said he would include the additional information prior to second reading of the ordinance.

Comm. Nash stated that it was never his intent that the City give up base revenues. He went on to say he did not want to do anything that would harm or slow down the pace of the project, but throughout all the discussions he had always thought the base was the revenue that came to the City which would continue to cover its expenses in the area. He further stated he would like to see this project through to fruition and hoped this decision would not detrimentally affect its progress. Comm. Nash again stated it was not his intention to give up the base when he supported the creation of the TIF district.

Comm. Wilkerson said he wanted to make a point of clarification with regard to some of the contacts he had with people regarding this topic. He stated the City was not raising taxes nor had the City created any new taxes or "TIF Tax" to impose on people in that area, it was simply part of the existing tax base and to be based on growth as the City Manager had described.

Mayor Walker commented about Mr. Berger's assertion that the City was violating TIF laws. As someone who actually appeared before the State Legislature to testify with regard to the TIF statutes and having met with state officials and the Kentucky Finance Cabinet, Mayor Walker affirmed that it was clearly the intent of the State that incremental revenues would be used and not base revenues. She further indicated that if the TIF moved forward as planned, the whole idea was to bring in outside investment to the City, not to move companies from outside the TIF into the TIF. Mayor Walker recounted that the City had already committed its incremental growth of the Medical Center and Graves-Gilbert Clinic, among other previously planned projects which the City would have received regardless of a TIF district, to provide an incentive for outside investors to develop in the downtown. She stated that the biggest risk she saw with moving forward on this would be to risk the \$6.3 million of bank bonds. She pointed out that if developers performed, however, enough revenues should be generated to cover the cost of that debt. Mayor Walker further asserted that if the Board did not pass this ordinance it would be going against the recommendations of the City's financial advisor and bond counsel.

Mayor Walker asked if anyone from the public wished to address the Board about this item, and with no one, a roll call vote was taken.

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

First reading of Ordinance No. BG2009 - 30 was approved by unanimous vote.

BRIEF RECESS

At approximately 8:15 p.m., the Board of Commissioners took a five minute recess before proceeding to the last item on the agenda.

RESUME REGULAR AGENDA

ORDINANCE NO. BG2009 - 29

(Second Reading)

ORDINANCE AUTHORIZING THE EXECUTION OF AMENDMENT #1 TO INTERIM FINANCING AGREEMENT

ORDINANCE AUTHORIZING THE EXECUTION BY THE CITY OF AMENDMENT #1 TO INTERIM FINANCING AGREEMENT AMONG THE CITY, THE COUNTY OF WARREN, KENTUCKY, BOWLING GREEN SPE, INC., THE WARREN COUNTY DOWNTOWN ECONOMIC DEVELOPMENT AUTHORITY, INC. AND WESTERN KENTUCKY UNIVERSITY, PREVIOUSLY APPROVED BY ORDINANCE NO. BG2009-5 TO PROVIDE FOR CERTAIN TEMPORARY MODIFICATIONS TO THE FINANCING PLAN ESTABLISHED BETWEEN SUCH ENTITIES FOR PROJECTS TO BE CONSTRUCTED IN THE WKU GATEWAY TO DOWNTOWN BOWLING GREEN DEVELOPMENT AREA

Title and summary of Ordinance No. BG2009 - 29 was read by the Assistant City Manager/City Clerk. Motion was made by Nash and seconded by Wilkerson for second reading of said Ordinance. Comm. Denning outlined his understanding of the goal of the Chapter 58

Corporation (also known as the Authority) which was to create new jobs and create additional revenues with the redevelopment of a specified area in the downtown. He asserted it was important for the citizens to understand that over 67% of the revenue coming to the City was from occupational taxes which paid for all the services of the City, such as Police and street maintenance. In his opinion, the occupational tax was the backbone of the City, and in particular since the Board had declined to increase property taxes this year in light of financial woes of taxpayers. Comm. Denning reviewed the activities in downtown to date, including the number of new jobs created with the installation of a ballpark, the movement of displaced businesses and existing jobs in the TIF district, and the loss of income producing properties in anticipation of a parking garage in Block 6 and with construction of SKyPAC. He further expressed concerns that he was not seeing any new revenue in the occupational tax and property tax with those changes. Now with the movement of the parking garage to Block 12, Comm. Denning voiced concerns that the City was being asked to assist WKU. He contended that WKU had access to its own revenue sources and the hotel would have access to enough parking spaces without the aid of a parking structure. He surmised that the parking structure would be utilized by WKU instead of by downtown patrons and visitors.

Warren County Magistrate Richard Morgan of 1319 College Street, and member of the Chapter 58 Corporation, said he was speaking as a taxpayer and resident of the area. He stated he was concerned about the development since it was visible from his back door, but supported it. Mr. Morgan commended the City for providing \$25 million of general obligation bonds for the ballpark to jump start development in the district. He stated that no city money would be involved in the construction of the garage and that the City was not being asked for any more money. He asserted that the move of the garage was for the betterment of the community, and not WKU, in order to reach the goal of \$150 million in investment to recuperate state revenues.

Michael Minter of 1262 Chestnut Street and President of the College Hill Neighborhood Association presented the Board of Commissioners with a petition, including 135 signatures, opposing the move of the TIF district's only planned parking garage out of the downtown. Mr. Minter voiced concerns that the City would be providing parking for WKU and that the garage needed to remain in the heart of downtown to support future redevelopment. He highlighted a few of the individual comments stated in the petition that urged the Board to not approve the relocation of the garage.

George Peterson of 2138 Smallhouse Road expressed concern with moving the garage out of downtown next to WKU's campus. He surmised the garage would become another arm of WKU and that WKU should get its own funding together to build a garage if it really needed one.

Chuck Gary of 3350 Lakeshore Drive and owner of several rental properties on Kentucky Street stated he supported the development 100%. Based on changes made in the area with the demolition of older houses, he said he has already seen benefits to the neighborhood and that the neighborhood would benefit a lot more from further improvements. Mr. Gary also stated that a garage could always be built downtown later if it was needed.

Eric Reed of 1405 State Street and Chairman of the Bowling Green/Warren County Historic Preservation Board (HPB) read a statement on behalf of the HPB advising that the City protect historic and architecturally significant structures in the community, and further urging the City to work with HPB to find a way to make redevelopment plans compliment and preserve the community's historic structures and neighborhoods.

Michael Barron, business owner at 408 E. Main, commented about the original plan of an integrated development in Block 6 and since the original subdeveloper backed out, now looking at a garage without any development around it. He suggested that the area in Block 6, being prime real estate, could be paved to provide surface parking in the interim once the new underground cistern (drainage improvements) was complete. He also commented that he thought a parking garage was to be included in the Butch Hutcherson development considered for part of Block 4 which could serve the downtown as well.

Dick Webber of 1737 Memosa Court expressed concern with displacing businesses and destroying historic buildings in Block 6 only for it not to be developed. He was also concerned with anything that threatened the City's income. He indicated that he did not think it was a good idea to move the garage just because there was a place to move it to next to WKU and urged the Board to vote "no."

Comm. Hamilton thanked everyone for attending the meeting and those who expressed their comments and concerns. She read a prepared statement in which she expressed her views about the importance of the efforts to redevelop downtown and to reach the goal of a Signature TIF. She declared that a good plan had been developed and approved by Warren County, the Warren County Downtown Economic Development Authority and the Commonwealth of Kentucky with specific goals and objectives to revitalize the center of the community by providing new commercial and residential properties and to promote urbanized living. She pointed out that the Authority was created to help issue bonds and to amortize the debt, and that guidelines were created to meet minimum thresholds of investment within five years from the date of approval in order to receive any State revenues generated in the area. She further indicated that goals of the plan included the integration of the daily lives of WKU students and faculty into the downtown community and the creation of an arts and entertainment area as a focal point in the center of the district. Comm. Hamilton stated the development plan must remain flexible enough to bend and reshape with all the challenges of a global economic downturn and real life external changes in order for actions to remain consistent with the goals and objectives of the plan. She remarked that she was elected to make informed decisions for the citizens of Bowling Green. After studying this issue, listening to others and looking at the real world situation that faces the TIF development, Comm. Hamilton stated it was clear to her that the City must allow the Authority to do its job and to make its investment of the parking structure where it was most affective to stimulate assured timely private investment. She further stated that if it later made sense to build a parking structure in Block 6 and the financing was available, then the Authority should have the right and responsibility to build it there at a later date. In conclusion, Comm. Hamilton asserted that simply moving the parking structure from Block 6 to Block 12 was consistent with achieving the overall objectives with reaching the \$150 million minimum threshold which assured state tax incentives to pay for the City funded ballpark and other projects.

Comm. Wilkerson inquired about the College Hill Neighborhood Association's comments regarding the parking garage in its neighborhood. In response, Mr. Minter reiterated that petitioners 1) did not see a need for a parking garage in the area to support the proposed development, 2) there had been no consideration of the neighborhood in that particular proposed development and the impact it might have, and 3) the plan as proposed went against the sentiment of the TIF. With regard to a question to further clarify the concerns of the neighborhood about surface parking versus structure parking, Mr. Minter responded there was a perception that the garage would only benefit WKU with its expansion efforts which was contrary to the desire of the neighborhood to limit the amount of traffic.

Attorney Kevin Brooks, representing the Authority, responded to questions from Comm. Wilkerson regarding the proposed development in Block 12. Mr. Brooks reiterated that this was not a “city” project, nor was the City being asked to finance the project or raise taxes to help pay for this project. Comm. Wilkerson verified that the TIF project was something that the City, County and State had agreed to participate in to help redevelop an area of downtown which would bring in new investments. City Attorney Gene Harmon clarified that the City has pledged “city money,” in the form of incremental growth from the Medical Center and Graves-Gilbert Clinic and other occupational tax growth from the expanded area of the TIF district, to pay the loans off as part of the new market tax credits being used to purchase property in Block 6 and for the parking structure. However, City Manager Kevin DeFebbo confirmed that based on the Board’s initial decision regarding how base revenues would be calculated (Ordinance No. BG2009 – 30), that “city money” was not coming out of the City’s existing operating budget. Mr. Brooks also stated Bowling Green SPE, Inc., which was the entity created to handle the new market tax credits, would be solely responsible for repaying any debt associated with that financing.

Comm. Wilkerson said he had some sympathetic view points for the neighborhood because he did not know how it would be impacted with or without a parking garage. He indicated that he was trying to weigh the benefits versus the risks with making a determination. Comm. Wilkerson related this request to that of a manufacturing company coming to town and whether it was an appropriate venture for the City to provide financial incentives. He further indicated that he did not see a reason to turn down the request of the Chapter 58 Corporation with regard to the relocation of the parking structure since it was in an effort to bring investment closer to achieving the \$150 million threshold for a Signature TIF.

There was additional discussion regarding the City’s base revenues versus incremental revenue growth. Mr. DeFebbo stated that the City was not giving up its base revenues, but giving up growth in the TIF district for 30 years. There was also discussion to clarify that the vote immediately before the Board (Ordinance No. BG2009 – 29) was specific to an amendment to the Interim Financing Agreement and not for the development plan of Block 12, which would come later.

Comm. Denning also reiterated his concerns that he thought this was a bad project for the City and that it appeared to him to benefit WKU more so than downtown redevelopment. He argued that WKU had its own sources of money and that if it needed a parking structure it should use its own money to build one. He further commented that he did not believe it was appropriate for this Board of Commissioners to place a burden on future Commissions to prevent them from paying the City’s bills down the road because of the decision made tonight.

Mayor Walker remarked that she was one of the first supporters of the TIF and she believed that there was still the possibility to make it work with an experienced master developer. She explained that since February her position on this issue had changed based on the way the project in Bowling Green has been handled. She voiced her frustration with always having to be rushed to make decisions with very little information, not being provided detailed development plans or financial analysis when asked for it, and the loss of generating revenues from Block 6 with no plans for its development. Mayor Walker also disclosed that Graves-Gilbert Clinic was no longer supportive of pledging its portion of incremental revenues under the Interim Financing Agreement to assist a development for WKU. She requested that the Board of Commissioners hold off on making a

decision until it received answers to how these recent changes would impact the financing structure of the TIF development. However, she acquiesced that this item would pass anyway by majority vote.

City Attorney Gene Harmon stated he wanted to make sure everyone was aware that under the proposed amendment to the Interim Financing Agreement the rate structure for the parking garage had changed. He reminded the Board that previously approved agreements, associated with the parking structure to be located in Block 6, included that the first two hours of parking were free with a tiered rate system thereafter, which revenues generated were pledged to pay the debt service on the City's General Obligation Bond issue. However, under this proposed amendment related to moving the parking structure to Block 12, it provided that the first two hours of parking would not be free between the hours WKU was in session, but that the hotel, alumnae center and any retail merchants had the ability to validate customer tickets for free parking at anytime. He was not aware of any agreements to provide a leasing rate for such validation, so he interpreted that to mean it would be provided free for however long an individual was parked.

There was also discussion about the potential future closing of 14th Street and the current debt of the City from realignment of that street a couple years earlier. Mr. Brooks admitted that the discussion of making the City whole from the closing of 14th Street had been brought up before and that any actual street closing would have to be brought separately to the Board of Commissioners for its approval at a later date, and it was not necessary to address it now with this amendment. Mr. Brooks also agreed to sit down with staff to discuss the validation issue and to define what validation would mean. Once all discussion ended, a roll call vote was taken.

ROLL CALL: Voting Yea: Nash, Wilkerson and Hamilton
 Voting Nay: Denning and Walker

Ordinance No. BG2009 - 29 was adopted by majority vote.

ADJOURNMENT

There being no further business to come before the Board of Commissioners, at approximately 9:50 p.m., Mayor Walker declared this meeting adjourned.

WORK SESSION

Prior to the regular meeting and with no action taken, the Board of Commissioners convened at 4:00 p.m. in the Commission Chamber of City Hall for a regular work session to discuss the following subjects: 1) a report from the Process Action Team (PAT) regarding part-time hiring policies and practices; 2) a management report of the Housing Choice Voucher Program internal audit; and 3) review of the Employee Medical Benefits Health Plan presented by Broker/Agent Sherrill D. Morgan & Associates. Additionally, Commissioner Wilkerson thanked the City Manager for taking on the role of Acting Housing and Community Development Director in order to review the department's format and to consider possible reorganization.

ADOPTED: _____

APPROVED: _____

(Minutes-Board of Commissioners-October 6, 2009)

Mayor, Chairman of Board of Commissioners

ATTEST:

City Clerk

Minutes prepared by Assistant City Manager/City Clerk Katie Schaller