

**MINUTES of SPECIAL MEETING  
of the BOARD of COMMISSIONERS  
of the CITY of BOWLING GREEN, KENTUCKY  
held JANUARY 28, 2009**

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 8:30 a.m. on January 28, 2009. 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 Bruce Wilkerson, Commissioner Joe W. Denning, Commissioner Catherine Hamilton, Commissioner Brian "Slim" Nash and Mayor Elaine N. Walker. Absent: none. There was a full quorum of the Board of Commissioners.

**DISCUSSION OF WKU GATEWAY TO DOWNTOWN BOWLING GREEN DEVELOPMENT  
AREA AND TAX INCREMENT FINANCING (TIF) DISTRICT**

City Manager Kevin D. DeFebbo said that representatives of the Warren County Downtown Economic Development Authority, also referred to as the Chapter 58 Corporation, were on hand to review changes proposed to the Financing Plan. He explained that these changes were requested to provide interim financing to complete the purchase of property for the stadium development and parking garage, in addition to constructing the parking garage.

Authority Chairperson Mary Cohron explained that alternate financing was needed to continue with the downtown development plans. She reported that there was a time limit to take advantage of available financing alternatives that were proposed in the Interim Financing Plan which had already been approved by the Authority and Warren County Fiscal Court. Kevin Brooks, attorney for the Authority, summarized the Interim Financing Plan and the need to pursue alternate financing while the bond markets remained unfavorable. He also responded to several questions regarding the proposed changes to the original financing plan, including ownership of the stadium, issuance of assessment bonds, source of funding from the TIF expansion area to go toward interim financing, and incentive to achieve Signature TIF.

Chief Financial Officer Jeff Meisel reminded the Board that the time clock on the TIF district started January 1, 2008 so any future bond issues would have to have a repayment schedule of less than 30 years. Mr. Brooks confirmed that they were aware of the compressed time period regarding future financing structures.

There was discussion about the structure of the original TIF district compared to that of the expansion area and which base year applied to both. Mr. Brooks informed the Board that when the State approved the expansion area, they indicated the base year should be the same as the original district which was 2006 versus 2007. Mr. Brooks requested the City agree to changing the base year for the expansion area to 2006 and calculate the occupational license fees at 1.85% instead of 2% under the Interim Financing Agreement proposal. Mr. Meisel confirmed that the occupational license fee was set at 2% for 2006 and reduced to 1.85% beginning in 2007. He further provided that a change in the calculation to 1.85% for 2006 would reduce the City's revenue share by \$250,000. Mr. DeFebbo expressed concern for the potential loss and impact to the City's operating revenues beyond what was originally agreed to in October 2008.

Comm. Wilkerson indicated that he wanted to hear from representatives of the Medical Center, Graves-Gilbert and WKU regarding the use of incremental tax revenues set aside for their expansion projects in the TIF district which were now proposed to be designated to cover the interim financing plan for the next 30 years. Deborah Wilkins, WKU General Counsel, stated that the University understood and agreed to the redirection of funding at this time. She declared that the WKU expansion plans would not move forward if the TIF did not move forward.

Comm. Nash expressed frustration with the City and Authority for not sharing information more readily. He remarked that we were all partners in this process and that full disclosure was necessary to make informed decisions.

With regard to whether a decision on the issue was needed at this meeting, Mr. DeFebbo admitted the Board could choose to move forward today. However, he requested time for bond counsel to complete a review of all documents prior to the Board making that decision. City Attorney Gene Harmon also requested additional time to finalize the language in the proposed interim financing agreement and mortgage documents.

Mayor Walker clarified that it was her understanding that Commonwealth Health Corporation (Medical Center) was also okay with the use of incremental funds toward the interim financing plan up to the point at which they would need them for their expansion project.

Comm. Hamilton reiterated the need for clarification of the mortgage documents and loss of base revenues to the City's operating budget. She also requested to hear from the representatives from the Medical Center and Graves-Gilbert, who were not present at this meeting, before making a decision.

There was additional discussion regarding the reality that the incremental tax revenues from the TIF expansion area could be dedicated for the next 30 years for repayment of the interim financing plan versus its original purpose. Mr. DeFebbo concurred that the alternate financing was based on good intentions to keep the project moving forward. He voiced concern that the City could not afford to give more operational revenues away and that this alternate financing could lessen the ability to reach Signature TIF status by 2014. He also noted that the ratio of public to private investment was heavier on the public sector. Mr. Brooks disagreed regarding the inability to reach Signature TIF status and suggested that this proposal for interim financing kept the project moving in the right direction.

Mayor Walker expressed her support for downtown redevelopment and commented about its benefits for the community. However, she indicated she was troubled by the different iterations of the proposal and the time constraint to make a decision. She voiced concern that the City was bearing the biggest financial burden and getting the smallest amount of input at the table. She also expressed concerns with development designs not going through the proper channels for review and approval. She stated she could not support this proposal in its current structure.

There was consensus from the Board of Commissioners that it would hold any action on this issue until its next regular meeting which was scheduled for February 3, 2009. Mr. DeFebbo confirmed he would place the topic on the work session agenda for further discussion and place an item on the agenda for action as well.

ADJOURNMENT

Once all discussion concluded and this being a special meeting with no further business to come before the Board of Commissioners, at approximately 10:30 a.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*