



Budget, Finance & Economic Development Committee

August 19, 2025

Summary and Motions

Chair James Brown called the meeting to order at 1:01 p.m. Vice Mayor Dan Wu and Council Members Chuck Ellinger, Shayla Lynch, Hannah LeGris, Liz Sheehan, Whitney Baxter, Dave Sevigny, and Jennifer Reynolds were in attendance. Council Members Tyler Morton, Emma Curtis, and Amy Beasley were also present as non-voting members.

I. Approval of June 24, 2025 Committee Summary

A motion by Wu to approve the June 24, 2025, Committee Summary, seconded by LeGris, the motion passed without dissent.

II. Monthly Financial Update – July 2025

Commissioner Hensley and Directors Holbrook and Lueker presented on the monthly financials. Revenue collections are on budget throughout period 1. Some sources have not yet been reported due to manual journal entries, which are typical early in the fiscal year and will be resolved as the yet due to manual journal entries, which are typical early in the fiscal year and will resolve as FY25 closing processes are completed. Personnel variances continue to fluctuate due to end-of-year adjustments, especially with annual accruals and benefit entries. Any salary savings will be used to meet seasonal overtime demands, generally experienced during the fall, as well as Council-approved budget actions and priorities. The operating variance is typically experienced during the fall, as well as supporting Council-approved artificially inflated amounts due to delayed invoicing of the \$1.1 million medical contract in Community Corrections. No action was taken on this item.

III. Bluegrass Area Development District (BGADD)

Michael Buschmann, Chief Financial Officer of Bluegrass Area Development District (BGADD), presented an annual update to the Committee. The purpose and mission of BGADD is to enhance the economy of communities through planning to maximize resources, projects to promote development, and programs to improve the quality of life for the citizens of the region. Success is accomplished by not creating the best cities in the Bluegrass but by creating the best Bluegrass for our cities.

BGADD is the U.S. Economic Development Administration-designated economic development district for central Kentucky, which is a regionally driven plan for economic growth and resilience guided by public and private investments across the 17-county Bluegrass region. This designation helps prioritize projects in local and regional planning efforts, guides recovery, diversification, and innovation.

In addition to economic development, BGADD provides workforce and community planning services and houses the Area Agency on Aging and Independent Living. In the last program year from July 1, 2024, to June 30, 2025, BGADD had 112 workforce related clients with a total investment of \$224,207.85. The Kentucky Career Center - Bluegrass/ American Job Center is located at 2473 Fortune Drive and received its certification as a comprehensive site in November 2024. It is the only comprehensive center in Central Kentucky and houses: workforce services, career development office, assistance for veterans, office of vocational rehabilitation, and the childcare Council of Kentucky.

BGADD advocates for seniors on a state and federal level and served 196 seniors and caregivers from Fayette County in aging programs last year. In addition, they served 60 people for homecare services, 3,268 at the senior center, 349 for meals, 86 for caregivers, 43 for grandparents, and 13 for caregiver grandparents. BGADD community planning consists of working with partners on transportation planning and regional collaboration. In FY2025, BGADD administered over \$191,500,000 in grant and loan funding across the 17-county region. No action was taken on this item.

IV. Regional Business Park Authority Update

Lucas Witt, Co-Founder and Partner of MWM Consulting, presented an update on the regional business park authority. The Central Kentucky Business Park Authority (CKBPA) Board of Directors consists of members from Lexington-Fayette County, Scott County Fiscal Court, Madison County Fiscal Court, the City of Berea, and consultants.

The CKBPA has been working on establishing the Triple Crown Business Park in Berea, KY. The site has 200 to 300 developable acres, is a zone for heavy industrial business, is less than 2 miles from Interstate 75, and all utilities are on site or within proximity. Current actions of the Triple Crown Business Park include initiating an engineering RFP for engineering services in August 2025 and applying for Kentucky Product Development Initiative (KPDI) 2024 round 2 funds in September. The CKBPA has already applied for congressional funding to support site development and is actively meeting with national site selectors to share the opportunity and property details.

Another real estate project has been assigned to the CKBPA by the Madison County Fiscal Court and is under a purchase and sale agreement with a private owner. The northern Madison County Site is 810 acres, is in an agricultural business zone, and has direct access to US Highway 25 to Interstate 75. All utilities are at or near the site with a clear path established to help all utilities meet the needs of industrial-sized users. The CKBPA will apply for KPDI 2024 round 2 funds in September and is actively meeting with national site selectors to share the opportunity and property details.

Next steps for the CKBPA are to hold regular meetings with real estate brokers and site selectors to increase awareness of opportunities and create a strategic plan for the authority, including items like mission and vision, community and industry overview, site analysis, market analysis, strategies and initiatives, and implementation planning. No action was taken on this item.

V. Industrial Revenue Bond Policies and Procedures

Craig Bencz, Senior Administrative Officer, presented an update on Industrial Revenue Bond (IRB) Policies and Procedures. Industrial Revenue bonds are to be used to improve economic development, to relieve unemployment, and to encourage the increase of industry. LFUCG can issue bonds to finance the development or expansion of "industrial buildings" as defined by state law. These bonds are not the general obligation of LFUCG, an indebtedness of LFUCG, or backed by a pledge of LFUCG's credit. LFUCG typically sees requests for IRB in one of two forms: requests for bonds to assist with financing a project, typically at a lower interest rate, and a leaseback arrangement in which LFUCG also takes ownership of the property to provide certain ad valorem tax benefits.

The IRB policy review is to review policies to allow for housing under some circumstances, maintain requirements for job creation or evidence of strong economic development resulting directly from the project, and consider expanding the defined area of IRB applications to include the entire Urban Service Boundary. LFUCG has two types of bond types: traditional IRB, which is essentially a loan agreement, and a leaseback IRB, which shows property ownership of LFUCG and is not subject to property tax for the length of the IRB agreement.

Policy amendments for IRB are to update focuses on the leaseback model, and improvements are to require pre-application meetings, obtain input from LFUCG staff and taxing district representatives, negotiate with taxing district representatives, and a formal IRB application begins after payment in lieu of taxes (PILOT) agreements are in place with taxing districts. Leaseback IRBs with a housing component are required to be mixed-use with the creation of jobs onsite, 20% of proposed housing units must be affordable (80% of AMI) to receive a 15-year leaseback IRB incentive, and 20% of proposed housing units must be workforce housing (80.1 - 100% of AMI) to receive a 10-year leaseback IRB incentive. The area eligible for IRBs is amended to include the urban service area.

A motion by Baxter to approve the amended Industrial Revenue Bond Policies and Procedures ordinance, policy and resolution, seconded by Sevigny, the motion passed without dissent.

VI. Adjournment

A motion by Brown to adjourn at 2:45pm, seconded by Ellinger, the motion passed without dissent.