



LEXINGTON-FAYETTE URBAN COUNTY COUNCIL

ECONOMIC DEVELOPMENT COMMITTEE OF THE WHOLE

SUMMARY

OCTOBER 2ND, 2012

1. Kentucky Horse Park

John Nicholson came to the podium to present the Council Members an update on the Kentucky Horse Park. He said that the economic impact of the Kentucky Horse Park for FY10 was calculated to be \$180MM, including \$17.1MM in generated state tax revenue.

The Alltech FEI World Equestrian Games had a total economic impact of \$201.5MM. Revenues continue to increase. In 2011, state, regional, and national associations headquartered at the National Horse Center sponsored 63 events with 236 event days at the Horse Park. They hope to increase event competition days in the future.

Nicholson said that although they have been steadily increasing their revenues each year, the management team is evaluating the following areas to increase cash flow:

- Reduce expenses
- Seek local financial support
- Develop a site for private-sector hotel operator
- Expand the campground
- Create an annual festival

To protect the park's national and international reputation and enhance its future financial benefits to Kentucky's taxpayers, five key business strategies are essential:

- Make sure a reliable, long term source of revenue is available
- Invest in marketing and public relations to attract more events, competitions, and visitors

- Develop a private-sector hotel in partnership with the park to accommodate tourists, association meetings, and attendees at events and competitions
- Recruit more equine related associations to the National Horse Center and add more competitions to the park's event calendar
- Create an annual arts, cultural and culinary festival to celebrate and promote Kentucky's heritage

Nicholson said that FY07 was a difficult year and then the recession hit in FY08. They then had to build the infrastructure for the Equestrian Games. Last year, the Horse Park requested \$3.5MM. At the very end of the legislative session, they did get the requested funding. The General Assembly then requested a business plan from the Horse Park. They wanted to know how the Kentucky Horse Park would function without any state support.

Ellinger asked Nicholson about the timeline for the hotel. Nicholson said that they are waiting for litigation in the Court of Appeals from the 2008 hotel issue. He said that the concept will be a private sector hotel on a land lease agreement.

2. Commerce Lexington Quarterly Report

Bob Quick presented the Quarterly Commerce Lexington report. He reported that there are 66 new businesses, 18 existing and local entrepreneurial clients, 75 existing business visits and 28 site visits.

Kay requested that reports on employment for businesses receiving incentives include median salary as well as average salary.

Quick spoke about the Q4 FY12 new and expanding business list included in the packet. Amazon.com is planning 550 new jobs, Big Ass Fans is planning 150 new jobs, Toyota Motor Manufacturing Kentucky is planning 86 new jobs and finally, Xact Communications is planning 20 new jobs.

Quick mentioned the A & W Restaurants grand opening as well as the grand opening of Frog Dice. Quick also mentioned the expansions of Bingham McCutchen LLP, Birtley, PremierTox, and Nitto Denko into Fayette County.

Quick spoke briefly about minority business development and said that the Access Loan Program exceeded the \$10MM mark. He also told Council Members about their Entrepreneur Leadership Institute and the Best in the Bluegrass program that placed ten students in internships with the Mayor's Office, UK, Central Baptist Hospital and CustomKYnetics.

Gorton asked Quick about the Bluegrass Station and any efforts that Commerce Lexington makes to recruit Department of Defense industries. Quick said that they work with the Commanders and General to recruit, attract and expand these industries.

Gorton went on to ask Quick about any efforts with Agriculture. Gorton mentioned the UK College of Agriculture. Quick said that we have one of the best research facilities in the world for equine and plant science. He said that Commerce Lexington is always trying to grow that industry.

Martin asked Quick how many acres are available in Fayette County to build a manufacturing facility. Quick said that there are 80 acres. Martin expressed concern that we are not ready to bring in a defense sector jobs or a car manufacturer. Martin said that he does strongly support keeping Lexington is Horse Capital of the World, but encouraged the Council to think about where this type of industry or business would go if there was an opportunity to recruit a new industry or business.

Various Council Members spoke briefly about manufacturing and Quick mentioned the Bluegrass Alliance in response to a question from Lane regarding partnerships with other Kentucky counties.

3. Itinerant Merchant Task Force

Henson began her presentation on the Itinerant Merchant Task Force. She said that there are no regulations for itinerant merchants under the current ordinance. Henson said that early on, neighborhoods had voiced concerns about their entrances. In the draft, an itinerant merchant cannot operate within 100 feet of a residential dwelling. Their hours of operation would be limited to the hours of 7:00am to 11:00pm. If the itinerant merchant is on the property of a business that operates 24 hour a day, they must still close at 4:00am.

Sean Tibbits, the Director of the Food Truck Organization spoke. He placed a flowchart on the overhead illustrating the process to obtain permits for operation. Lane expressed concern about the complexities of the process.

Henson clarified to Council Members that the ordinance does not apply to the LFUCG public parks. She said that they have their own vendors and Barberie added that the vending decisions for the parks are made by the Division of Parks and Recreation.

Chris King said that the average zoning compliance permit takes 15 minutes to obtain. There are no fees associated with that permit. King said that the information on the flowchart is not all accurate. King said that he is committed to make the process simple and also wants to protect neighborhoods. King said that the ordinance may not need to be changed. He could simply make administrative changes within his department.

Farmer said that he was uncomfortable with the restrictive nature of the ordinance as well as the fees that are complicating the issue for the vendors.

Kay said that he would like to keep the issue in committee.

Barberie said that he would like to bring a flowchart to the next meeting illustrating the process. He also told Council Members that the more controversial issue is the pilot food truck program. Barberie said that other cities allow designated public areas for food trucks to operate.

Gorton asked about public parking spaces. Barberie said that the draft does not open up any public land any differently than how the ordinance is written now.

Motion by Gorton to adjourn. Seconded by Crosbie. Motion passed without dissent.

Submitted by Jenifer Benningfield, Council Administrative Specialist