



Louisville Metro Government

601 W. Jefferson Street
Louisville, KY 40202

Action Summary - Tentative Labor and Economic Development Committee

Chair Person David Yates (D-25)
Vice Chair Anthony Piagentini (R-19)
Committee Member Keisha Dorsey (D-3)
Committee Member Donna Purvis (D-5)
Committee Member Paula McCraney (D-7)
Committee Member Markus Winkler (D-17)
Committee Member Robin Engel (R-22)

Tuesday, February 25, 2020

3:00 PM

Council Chambers

Call to Order

Chair Person Yates called the meeting to order at 3:00pm

Roll Call

Chair Person Yates introduced the committee members and non-committee members present.

A quorum was established.

Committee Member Dorsey left at 3:50pm, Committee Member Winkler left at 3:50pm.

Present: 7 - Chair Person David Yates (D-25), Vice Chair Anthony Piagentini (R-19), Committee Member Keisha Dorsey (D-3), Committee Member Donna L. Purvis (D-5), Committee Member Paula McCraney (D-7), Committee Member Markus Winkler (D-17), and Committee Member Robin Engel (R-22)

Non-Committee Member(s)

Council Member Barbara Sexton Smith (D-4), Council Member Brandon Coan (D-8), Council Member Brent Ackerson (D-26)

Support Staff

Jason Fowler, Jefferson County Attorney's Office

Clerk(s)

Lisa Franklin Gray, Assistant Clerk

Pending Legislation

1. [R-025-20](#)

A RESOLUTION APPROVING THE GRANTING OF LOCAL INCENTIVES TO SENTRY STEEL, INC. AND ANY SUBSEQUENT ASSIGNEES OR APPROVED AFFILIATES THEREOF PURSUANT TO KRS CHAPTER 154, SUBCHAPTER 32.

Sponsors: Primary David Yates (D-25) and Primary Anthony Piagentini (R-19)

Attachments: [R-025-20 V.1 022020 - SENTRY STEEL, INC..pdf](#)
[Sentry Steel, Inc.- Louisville Metro Support letter.pdf](#)
[Sentry Steel, Inc.- Prelim Approval January 25, 2018.pdf](#)

A motion was made by Committee Member Dorsey, seconded by Committee Member Winkler, that this Resolution be recommended for approval.

Rebecca Fleischaker, Economic Development, stated that this item is a request for Louisville Metro's participation in the State incentive with a one percent participation. She stated that the Resolution is for Sentry Steel Inc., that is going through an expansion. She further stated that the expansion is due to a partnership with Japanese Company, Yokimuri, that wants a United States foothold that will put money into the company, which will be expanding by 62 jobs. She further stated that Yokimuri is the largest supplier of made-to-order staircases and with Sentry Steel being a steel fabricator this is a good partnership for both companies. She stated that the average wage is \$31 per hour, the partnership amounts to approximately a \$3 million investment, and Metro Economic Development supports this incentive at Louisville Metro's one percent participation.

Chair Person Yates confirmed that Louisville Metro's participation in this incentive is one percent and the State's is three percent. Rebecca Fleischaker agreed with his assessment.

The motion carried by a voice vote and the Resolution was sent to the Consent Calendar.

2. [R-030-20](#)

A RESOLUTION PURSUANT TO THE CAPITAL AND OPERATING BUDGET ORDINANCES APPROVING THE APPROPRIATION TO FUND THE FOLLOWING NONCOMPETITELY NEGOTIATED SOLE SOURCE CONTRACT FOR LOUISVILLE FORWARD CONCERNING IMPROVEMENTS TO THE SAFETY NETTING AT LOUISVILLE SLUGGER FIELD - (SPORTSFIELD SPECIALTIES, INC. \$126,869.00).

Sponsors: Primary David Yates (D-25)

Attachments: [R-030-20 V.1 022020 - Sportsfield Specialties, Inc. 126,869.00\).pdf](#)
[Sportsfield Specialties Inc Agreement FY2020_Redacted.pdf](#)
[Sportsfield Specialties Inc Resolution FY2020.pdf](#)

A motion was made by Committee Member Winkler, seconded by Committee Member McCraney, that this Resolution be recommended for approval.

Dennis Arthur, Facilities Management, stated that the reason for the request of a Sole Source contract on this netting is because it is part of an existing safety netting system at Slugger Field. He stated that Facilities Management needs to extend the netting down the first, second, and third base lines to be consistent with Major League Baseball safety standards. He stated that this item is a Sole Source contract because Sportsfield Specialties was the original vendor on this project and it is a complete engineered system. He further stated that having another vendor or a competitive bid on the project would upset that structural nature of the old system.

Chair Person Yates asked if there were any contracts and agreements involved as well.

Dennis Arthur answered Chair Person Yates' question stating that there is some liability concerns with having different netting in conjunction with the present netting.

The motion carried by a voice vote and the Resolution was sent to the Consent Calendar.

3. [O-003-20](#)

AN ORDINANCE AMENDING THE LOUISVILLE METRO CODE OF ORDINANCES ("LMCO") SECTIONS 154.02, 154.03, AND 154.04(B) RELATING TO PROPERTY ASSESSMENT AND REASSESSMENT MORATORIUM PROGRAMS.

Sponsors: Primary David James (D-6), Primary Barbara Sexton Smith (D-4), Primary Keisha Dorsey (D-3), Primary Donna L. Purvis (D-5), Primary Jessica Green (D-1) and Primary Pat Mulvihill (D-10)

Attachments: [O-003-20 V.1 010920 Amending LMCO 154 Regarding Property Assessment and Reassessment Moratorium Programs.pdf](#)
[O-003-20 V.1 010920 ATTACH Exhibit A.pdf](#)
[Tax Moratorium - Revised Ordinance Summary - January 2020.pdf](#)

This item remained held in Committee.

4. [O-396-19](#)

AN ORDINANCE CREATING A NEW SECTION OF CHAPTER 113 OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES TO ESTABLISH AN ENTERTAINMENT DESTINATION CENTER WITHIN THE WHISKEY ALLEY AREA.

Sponsors: Primary David James (D-6) and Primary Barbara Sexton Smith (D-4)

Attachments: [O-396-19 V.1 112119 LMCO Chapter 113.pdf](#)

[EntertainmentDestinationCenter.WhiskeyAllex.Ordinance.11.15.19.do](#)

[CX](#)

[Whiskey Alley - LED Concept Presentation 02.25.20.pdf](#)

[Whiskey Alley Draft Agreement 2.25.20.pdf](#)

Chair Person Yates stated that due to his partial ownership in a building adjacent to this project, he would recuse himself from the discussion and relinquish the Chair to Vice Chair Piagentini out of an abundance of caution to avoid any potential conflict of interest.

A motion was made by Committee Member Engel, seconded by Committee Member Winkler, that this Ordinance be untabled.

Greg Erhard, Whiskey Alley, Inc., spoke to the item stating that he is an attorney for the nonprofit organization that was formed with some of the owners on the Washington Street Corridor. He stated that owners are requesting the Metro Council to designate Washington Street between First and Second Streets as an Entertainment Destination Center. He further stated that by receiving the Entertainment Destination Center designation by Metro Council, the organization will then be able to request a Entertainment Destination Center liquor license from the State. He also stated that by receiving this designation and license from the State, the owners and licensed businesses on Washington Street would then be able to open the street and provide security to ensure vehicles would not enter when activities are taking place. He stated additionally that the license and designation would allow individuals to take alcoholic beverages from one licensed premises to another, thereby, allowing other businesses that adjoin the Washington Street corridor to have a supplemental license to sell alcoholic beverages in the Right-of-Way when it is closed for these permitted activities. He stated that he had presented previously before the Committee, but ran out of time and was open for questions. He also stated that Bill Weyland, Whiskey Alley, Inc., would give a brief presentation on the project vision.

Vice Chair Piagentini asked Greg Erhard to detail the current agreement. He stated his previous concerns had been mitigated by ongoing negotiations with Louisville Metro when Churchill Downs had closed a public street in order to execute some of their expansion activities. He further stated that he has concerns about when Louisville Metro transitions public structures or partners with private entities. He asked how does the public/tax payers that pay for maintenance of the area, but do not utilize the area benefit. He also asked Greg Erhard to explain the fee structures and their benefit to Louisville Metro.

Greg Erhard stated that the property owners would have the ability to close the

streets for certain events on various week nights or weekend nights during a stated time period or in conjunction with nearby events. He further stated that for these events the owners are responsible for providing adequate security. He stated the owners are making a commitment to spend \$100,000 to make improvements in the Right-of-Ways, which will be shown via renderings in Bill Weyland's slide presentation.

Vice Chair Piagentini restated Greg Erhard's comment on the capital improvements. He then asked if there were any other fees or tax structures that will benefit Louisville Metro through this program.

Greg Erhard answered Vice Chair Piagentini's question stating that the owners would also pay the usual license fee for obtaining the license to have items in the Right-of-Way on an annual basis.

Vice Chair Piagentini asked how much the annual fee is and Greg Erhard stated \$250 annually, which is the standard fee.

Greg Erhard then stated that beyond the \$250 fee, there would be the private investment by the owners for infrastructure improvements, ongoing maintenance, and ensuring that the Right-of-Ways are maintained properly and that cleanup occurs after special events.

Vice Chair Piagentini commented on similar types of ventures and entities that may benefit, however, the taxes and revenue generated are not received by Louisville Metro. He further stated that peer cities may have several like structures, however, that peer cities also receive a portion of the taxes. He stated those cities have tax structures directly related to such activities that benefit that city, where Louisville Metro does not. He stated he believes that is part of the issue with this and like ventures.

Committee Member Ackerson joined the commentary on economic development previously stated by Vice Chair Piagentini. He asked if closing the road and having the ability to walk around is similar to Fourth Street Live with increased liquor sales and food sales in which Louisville Metro would see the economic benefit. He further stated that he was disappointed that after he, Committee Member Winkler, and Council Member Coan expressed concerns that this deal had no real contract detailing the terms. He further stated that initially the Committee was presented a concept of the venture with no real contractual obligations. He additionally stated that since the concerns were expressed there had been no further contact, however, when entering today's Committee he received a draft contract that he has not yet had an opportunity to review but the Committee was expected to vote on. He stated that he would urge the Committee to table the item until all Committee Members had an opportunity to thoroughly review the contract.

Council Member Coan stated that he had previously supported the project concept, but had asked to review the accompanying agreement. He stated that he had received a draft agreement several weeks prior, however, he stated at that time he was unhappy with the agreement. He further stated that he had met with Bill Weyland and that the current draft agreement had changes from the original draft agreement. He stated that he believes the current draft reflects changes that are improvements. He stated that his

previous concerns were that the draft was very conceptual and did not detail hard obligations on the applicants behalf other than paying the \$250 license fee. He further stated that while the concept is promising, Louisville Metro Right-of-Ways are extremely valuable and as in other instances, he wants to ensure that Louisville Metro received fair value for use of the public Right-of-Ways. He detailed several changes from the original draft such as the obligation for the applicants to make at least \$100,000 in improvements, as well as the applicants' commitment to secure the area and clean up. He stated that one of his main concerns surrounds security and how much it costs. He stated that this aspect is important as the space could attract thousands of people. He further stated that his concern is whether this would put added stress on police resources downtown or otherwise. He stated that within his district, which is in close proximity to the project space, he has personally had challenges increasing police presence and thus he is concerned a new project will strain the police resources that are presently available in his area. He stated he would like to know what type of security would be used, such as private security or off-duty police and what impact that will have on Louisville Metro Police Department's Downtown area patrol and regular operations. He stated this question may be better addressed by the Administration. He also stated that he has seen that the present agreement attempts to answer some of the previous concerns that were expressed. He stated that the current agreement shows that his concerns were taken into consideration as a good faith attempt. He stated that he is hopeful that any further questions may be resolved and the project moves forward as an example for future projects, but first the Council must be able to understand what the cumulative impacts are for these designated projects.

Committee Member Winkler stated that while he supports the project, he does share Committee Member Ackerson's concerns. He stated that any need to expedite the proceedings under a sense of urgency falls to the applicant for failure to provide outreach prior to this point. He reiterated Council Member Coan's concerns on security and asked Greg Erhard to speak to the security component of the agreement.

Greg Erhard responded stating that the agreement details security closer to the end of the agreement. He stated that the applicants will provide adequate security depending on the type of event. He also stated various scenarios in which security would be provided. He stated it would be difficult to give a specific scenario as security will fluctuate given the particular event. Committee Member Winkler asked if the applicant would exclusively fund any additional security or increased police presence and that the cost would not fall to Louisville Metro. Greg Erhard responded that Committee Member Winkler's assessment was correct. Committee Member Winkler asked if there were any considerations by either the applicant or Louisville Forward on setting a precedent in this project and perhaps whether there may be other closings to be considered.

Mary Ellen Wiederwohl, Louisville Forward, stated that she believed the Entertainment Designation Center license was created based on 4th Street Live. She stated that she believes 4th Street Live was the first project, which opened the door for future projects. She further stated that this is the first instance this license request has been used in some time largely due to Louisville Metro having the opportunity to regulate alcohol delegated from the

State. She stated that more recently there have been several other licenses approved such as in Paristown Pointe and Logan Street Market. She further stated that the applicant has been negotiating with Louisville Forward for some time. She stated that the ultimate issue is whether the Metro Council would like to see the Entertainment Designation Center agreement approved first, concurrently, or vice versa. She stated that per State regulations, if an applicant meets the State regulatory and statutory definitions, an applicant could come before the Metro Council.

Committee Member Winkler asked what are the impacts of waiting two weeks and allowing Council Members to thoroughly review the present agreement. Greg Erhard responded stating that he was unaware of any impacts to the project. He stated that the applicants would like to receive the designation so they may apply for the liquor license and begin having events. He stated that the applicants believe the project will have a positive impact on economic growth and tourism. He also apologized for the lack of follow up with Council Members. He stated that applicants have been working with Louisville Metro Departments such as Public Works, Louisville Forward and Louisville Metro Police Department to comply with regulations and standards to have temporary control of the Right-of-Ways. He stated that the applicants would try to correct any concerns that the Metro Council would have with the present agreement.

Committee Member Winkler asked if the Metro Council would also approve the final agreement.

Jeff Mosley, Mayor's General Counsel, stated that the Metro Council does not approve the agreement per se, however, there are portions of the agreement that require Metro Council approval, for example a bond issuance.

Vice Chair Piagentini stated that the Committee would need to proceed quickly as there are several other items on the agenda. Committee Member Winkler stated he would like to ascertain whether the item should be tabled or whether it could be voted on with an amendment for final approval on the agreement.

Council Member Sexton Smith stated that while she is a co-sponsor on the legislation, she does not have a vote in the Committee. She stated that she had just received the current draft agreement as well and apologized to her colleagues for receiving the document last minute. She stated that she has asked for additional information and was uncomfortable moving forward with the item without signatures on the agreement, and thus, could not ask her colleagues to do so either. She stated that she is comfortable to wait on moving the agreement based on today's testimony. She also stated that an individual representing the Presbyterian Church USA was present in the gallery that would like to address the Committee. She stated that Presbyterian Church USA is an organization that is on the other side of the proposed project's public Right-of-Way. She stated that she has received concerns from the organization and asked if the representative would be able to make a statement before the Committee.

Vice Chair Piagentini stated that the representative could speak briefly.

Kathy Lueckert, Presbyterian Church USA, stated that the organization wants to be good neighbors to the project, but is concerned about trash cleanup and security surrounding the proposed project. She stated that she has met with the applicants and many of her concerns have been alleviated. She further stated that at this time she also has not received a copy of the final agreement. She stated that she would like to review a final agreement before giving her full endorsement of the project.

A motion was made by Vice Chair Piagentini, seconded by Committee Member Winkler, that this Ordinance be tabled.

The motion to table carried by a voice vote and the Ordinance was tabled in Committee.

Special Discussion

5. [ID 20-0137](#)

Special Discussion: Mary Ellen Wiederwohl, Develop Louisville

Attachments: [Louisville Forward 4Q2019 METRO COUNCIL QUARTERLY REPORT - Labor 02.25.20.pdf](#)

Vice Chair Piagentini relinquished the Chair and Chair Person Yates returned to the meeting.

Vice Chair Piagentini asked Mary Ellen Wiederwohl, Louisville Forward, and Rebecca Fleischaker, Economic Development, to give an update on the Urban Government Center, as well as, any recommendations on how the Metro Council may assist in making Louisville Metro a more business friendly environment.

Chair Person Yates recognized Mary Ellen Wiederwohl to update the Committee on the first quarterly Economic Development Report.

Mary Ellen Wiederwohl stated that the report was turned in per the recent reporting Ordinance passage at the end of January 2020 reflecting the fourth quarter of 2019. She stated that Louisville Forward had reported nine located projects, those projects represented a potential of 528 full-time permanent jobs and a total of \$58 million of investment. She further stated that the full calendar year review was included in the quarterly report that totaled 45 located projects representing 4,273 potential full-time permanent jobs and totaling over \$1.5 billion in investment for the year. She stated that the report included fiscal year to date numbers including 23 represented projects with a potential 3,260 full-time permanent jobs totaling \$1.4 billion in investments. She stated that Louisville Forward will continue to report in the stated manner with the previous quarter, calendar year, and fiscal year numbers going forward. She then stated that report also details any Louisville Metro acquired or disposed property. She stated that the only property to come before the Committee during the last quarter was the Hampton House at 2422 and 2424 West Chestnut Street, which was heard by Committee in August 2019. She further stated that the transaction has been completed with the Theta Omega Chapter of Omega Psi Phi Fraternity, Inc. She also stated that the organization is proceeding on that development. She stated that per the reporting Ordinance the report includes market trend updates to the Committee. She displayed and detailed the Louisville Forward web site dashboard that gives monthly Federal data updates which is also available to the public. She further stated that the report includes a list of recently hired consultants, however, there were no consultants hired in the last quarter. She stated that the current consultants under contract are the Commonwealth Economics Group which is a contract that the Committee annually approves. She additionally stated that the Commonwealth Economics Group assists with negotiation on Tax Increment Funding (TIFs) and various economic analyses. She stated that the consultant is a really important help to Louisville Forward's work and they appreciate their assistance. She stated that in regard to Vice Chair Piagentini's request for an update, the Urban Government Center developer that was selected through a competitive bid had withdrawn at the end of 2019. She additionally stated that Louisville Metro will begin a new competitive bidding process to select a new developer for this solicitation. She stated that Louisville Forward held a community meeting on January 28, 2020, near the property with Paristown Pointe, Original Highlands, and

Germantown residents to seek input and answer questions. She also stated that there is a web site for this project including all documentation to date on the project, as well as a summary of the public meeting. She then stated that Louisville Forward's intent is to proceed with a new solicitation mid-March, which will again be a public process with community engagement. She also stated that the goal is to have a new development team for the project by this summer. She responded to Vice Chair Piagentini's question on how the Committee could assist Louisville Forward stating that the biggest help is to continue the partnership between the Committee and Louisville Forward. She then stated that other cities do not have the great working relationship that Louisville Forward has with the Committee. She commented on the great working relationship between Louisville Forward and the Committee.

Chair Person Yates also commented on the great partnership with Louisville Forward and thanked Mary Ellen Wiederwohl and the staff of Louisville Forward for all they do. He stated that he hopes that the partnership will be extended to include Frankfort in the partnership as well.

Committee Member Winkler asked if Mary Ellen Wiederwohl would summarize strategies to combat regulatory developer challenges that may be considered for the legislative agenda in the coming year.

Mary Ellen Wiederwohl stated that Louisville Forward works with many developers and real estate brokers, that being said, most companies are looking for properties that are already entitled in regard to zoning and use. She stated that as Louisville Metro's land use patterns are old in nature in some cases it works well, but does not work well in others. She further stated that in many cases this aspect may be problematic. She also stated that due to this aspect changes in land use may take some time to complete. She stated that the key is finding the balance of implementing the process with consideration to community engagement, public meetings, etc. She further stated that recent updates to the land use code and updates of laws in Frankfort have been made to aid in shortening and making the process more seamless. She stated that Louisville Forward is happy with their current process that does not impede job creation projects. She stated that Louisville Forward will continue to work to jointly iterate the expectations expressed by the Committee to update the land development code on dealing with more traditional real estate projects.

Chair Person Yates stated that another aspect to consider is to ensure the quality of life is high in the area to attract businesses.

Mary Ellen Wiederwohl stated that she would be happy to share with the Committee at a later date on how tax policy and State regulation impacts Louisville Forward's efforts.

Adjournment

Without objection, Chair Person Yates adjourned the meeting at 3:51 p.m.

***NOTE:** Items sent to the Consent Calendar will be heard before the full Council at the Metro Council Meeting on March 5, 2020.