



**Action Summary - Tentative
Budget Committee**

*Chair Person Bill Hollander (D-9)
Vice Chair Kevin Kramer (R-11)
Committee Member Keisha Dorsey (D-3)
Committee Member Barbara Sexton Smith (D-4)
Committee Member Paula McCraney (D-7)
Committee Member Pat Mulvihill (D-10)
Committee Member Cindi Fowler (D-14)
Committee Member Scott Reed (R-16)
Committee Member Markus Winkler (D-17)
Committee Member Anthony Piagentini (R-19)
Committee Member Brent Ackerson (D-26)*

Thursday, January 30, 2020

4:30 PM

Council Chambers

THIS IS CONSIDERED A SPECIAL MEETING

Call to Order

Chair Person Hollander called the meeting to order at 4:34 p.m.

Roll Call

Chair Person Hollander introduced the committee members and non-committee members present. A quorum was established.

- Present:** 7 - Chair Person Bill Hollander (D-9), Vice Chair Kevin Kramer (R-11), Committee Member Barbara Sexton Smith (D-4), Committee Member Paula McCraney (D-7), Committee Member Cindi Fowler (D-14), Committee Member Scott Reed (R-16), and Committee Member Anthony Piagentini (R-19)
- Excused:** 4 - Committee Member Keisha Dorsey (D-3), Committee Member Pat Mulvihill (D-10), Committee Member Markus Winkler (D-17), and Committee Member Brent Ackerson (D-26)

Non-Committee Member(s)

Council Member Brandon Coan (D-8)

Support Staff

Hollie Hopkins, Jefferson County Attorney's Office
Natalie Johnson, Jefferson County Attorney's Office
LaTonya Bell, Metro Council Finance

Clerk(s)

David B. Wagner, Assistant Clerk

Special Discussion

1. [ID 20-0128](#)

A REVIEW OF METRO GOVERNMENT TAX ABATEMENTS, INCLUDING GENERAL DISCUSSION OF THE PROGRAMS UNDER WHICH TAXES ARE REDUCED AND AMOUNT OF TAXES FOREGONE UNDER THE PROGRAMS - MARY ELLEN WIEDERWOHL, LOUISVILLE FORWARD

Attachments: [013020 HANDOUT - Economic Development Incentives, TIFs in Louisville Metro, CAFR.pdf](#)

Mary Ellen Wiederwohl, Louisville Forward, distributed a handout (see attached) and referenced the Louisville Metro Government website as she discussed tax abatements and incentives in regards to job creation and real estate development.

Council Member Coan asked if the Kentucky Business Incentive Program resulted in a specific number of jobs created, if those new jobs are for new or expanding businesses in Louisville, and if the \$100,000 investment requirement is for office renovation or equipment purchases. Mary Ellen Wiederwohl stated that the number of jobs created could be determined by researching several documents, the new jobs could be for business attraction or business expansion, and that the investment amount is for capital investment.

Chair Person Hollander stated the \$6.5 million abatement amount also included the KJRA (Kentucky Jobs Retention Act).

Committee Member Sexton Smith asked about the minimum wage thresholds and what those thresholds are in dollar amounts. Mary Ellen Wiederwohl explained the full incentive would only be awarded for job creation above the median wage, which is \$18 an hour and above with benefits. Daniel Frockt, Office of Management and Budget, added that the Commonwealth matched the funds, typically accounting for 75 to 80 percent of the full incentive funding.

Committee Member Reed asked if there was a requirement to maintain a certain level of those jobs created with the incentive. Mary Ellen Wiederwohl replied there was a reporting requirement to maintain those levels and that in every case, Louisville Metro has been well above the requirement.

Council Member Coan asked clarification on how often the participating companies are compensated and how the amount is determined. Mary Ellen Wiederwohl stated the companies are compensated annually based on a calculation until the end of the incentive.

Mary Ellen Wiederwohl discussed the KJRA in more detail and then began to discuss the real estate development portion, including TIF's (Tax Increment Financing).

Committee Member Sexton Smith asked about the amount listed under U of L Research Park TIF. Daniel Frockt stated that a subsequent release payment was made, accounting for the different amount seen on the TIF's handout.

Committee Member Reed asked why the Appliance Park and Kentucky Kingdom TIF's are not for 20 year periods like the rest. Daniel Frockt explained they were negotiated at that time and there was some overlap with the job creation side of tax abatement.

Committee Member Piagentini asked if the Paid to Date column represented taxes rebated to these compaines. Daniel Frockt answered that was correct.

Committee Member McCraney asked if the Omni was part of a TIF. Mary Ellen Wiederwohl stated they were a Signature TIF listed as Center City.

Chair Person Hollander asked about the special aspects of the Soccer District TIF. Daniel Frockt provided more details about those special aspects.

Mary Ellen Wiederwohl and Daniel Frockt then discussed tax moratoriums in further detail and the CAFR (Comprehensive Annual Financial Report).

Chair Person Hollander asked if the Churchill Downs amount listed would be higher once the reassessment is included and why are there no amounts for the distillery incentives. Daniel Frockt stated that it would be higher after the reassessment and property tax is not being rebated for the distilleries.

Committee Member Piagentini asked why there were incentives for Churchill Downs when they do not seem to be hurting for money. Daniel Frockt stated the incentives came prior to the investment that had been made to improve the property. Committee Member Piagentini then made a statement about the incentives to Churchill Downs.

Committee Member Sexton Smith asked if there was documentation on the anticipated amount of investment by Churchill Downs, if the speakers could confirm the company would be amking a \$300 million investment on Louisville Metro property, and whether current agreements could be revisited. Daniel Frockt and Mary Ellen Wiederwohl stated the investment was more than \$200 million, the upcoming investment was on Louisville Metro property, the agreements could be revisited but there would be no obligation on Churchill Downs' part to do so.

Committee Member Piagentini asked if Louisville Metro could review the intent of the contracts agreed to and Daniel Frockt stated they would need to confer with the County Attorney's Office and those familiar with the economic development process.

Chair Person Hollander asked how these programs can be evaluated to determine if they should be utilized in the future. Mary Ellen Wiederwohl discussed several evaluation tools including reporting requirements, analysis of each project, and researching how other communities implement incentive programs.

Pending Legislation

2. [O-406-19](#)

AN ORDINANCE OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE "METRO GOVERNMENT" OR THE "ISSUER"), PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF CERTAIN GENERAL OBLIGATION BONDS AND NOTES OF THE METRO GOVERNMENT IN ONE OR MORE SERIES TO FINANCE THE COSTS OF THE PUBLIC PROJECTS AS DESCRIBED IN METRO GOVERNMENT'S FISCAL YEAR 2019-20 CAPITAL PROJECT BUDGET; SETTING FORTH THE TERMS AND CONDITIONS ON WHICH THE BONDS AND NOTES ARE TO BE ISSUED AND PROVIDING FOR A COMPETITIVE, ADVERTISED SALE THEREOF; DEFINING AND PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS AND NOTES AND PROVIDING FOR THE APPLICATION OF THE PROCEEDS THEREOF; AND TAKING OTHER RELATED ACTION RELATING TO THE ISSUANCE AND SALE OF THE BONDS AND NOTES.

Sponsors: Primary Bill Hollander (D-9)

Attachments: [O-406-19 V.1 121219 Bonds for FY 2019-20 Capital Project Budget.pdf](#)

A motion was made by Vice Chair Kramer, seconded by Committee Member Sexton Smith, that this Ordinance be recommended for approval.

Daniel Frockt, Office of Management and Budget, explained the purpose of the Ordinance was to pay for capital projects approved in the capital project budget and discussed a related line of credit. Committee Member Piagentini stated he supported the Ordinance and asked if the line of credit would be an ongoing strategy to save money. Daniel Frockt thought it would and discussed the risks and rewards of the strategy.

After the voting was complete, Daniel Frockt added the issuer of the line of credit supported adding this bond to the previous bond issued.

The motion carried by the following vote and the Ordinance was sent to the Consent Calendar:

Yes: 7 - Hollander, Kramer, Sexton Smith, McCraney, Fowler, Reed, and Piagentini

Excused: 4 - Dorsey, Mulvihill, Winkler, and Ackerson

3. [O-382-19](#)

AN ORDINANCE AMENDING ORDINANCE NO. 081, SERIES 2019 AS PERTAINING TO THE 2019-2020 OPERATING BUDGET BY ADDING OPERATIONAL LANGUAGE TO PART 1.D.1. TO BE ADMINISTERED BY THE LOUISVILLE FREE PUBLIC LIBRARY.

Sponsors: Primary Kevin Kramer (R-11), Additional Stuart Benson (R-20), Additional Anthony Piagentini (R-19), Additional Paula McCraney (D-7), Additional Jessica Green (D-1), Additional Cindi Fowler (D-14), Additional David James (D-6), Additional James Peden (R-23), Additional Mark H. Fox (D-13), Additional Donna L. Purvis (D-5), Additional Keisha Dorsey (D-3), Additional Robin Engel (R-22), Additional Scott Reed (R-16) and

Additional Marilyn Parker (R-18)

Attachments: [O-382-19 V.1 112119 Amend FY20 Operating by Adding Operational Language for LFPL.pdf](#)
[ORD FY20 LFPL ops language add L. Bell request NOV2019.pdf](#)

A motion was made by Vice Chair Kramer, seconded by Committee Member Sexton Smith, that this Ordinance be recommended for approval.

Vice Chair Kramer stated the purpose of this Ordinance was to fund the Middletown Library as approved by the Metro Council and if there were any remaining funds, those funds would be used to purchase books for the library. Chair Person Hollander stated he would vote in favor of the Ordinance since this was a rare circumstance but hoped this process would be used sparingly.

The motion carried by the following vote and the Ordinance was sent to the Consent Calendar:

Yes: 7 - Hollander, Kramer, Sexton Smith, McCraney, Fowler, Reed, and Piagentini

Excused: 4 - Dorsey, Mulvihill, Winkler, and Ackerson

4. [O-339-19](#)

AN ORDINANCE AMENDING CHAPTER XX OF THE LOUISVILLE METRO CODE OF ORDINANCES BY CREATING A NEW SECTION REGARDING THE MOTOR VEHICLE RENTAL LICENSE FEE.

Sponsors: Primary Bill Hollander (D-9), Primary Brent Ackerson (D-26), Primary Markus Winkler (D-17) and Primary David James (D-6)

Attachments: [O-339-19 V.1 101019 Creating LMCO Section for Motor Vehicle Rental License Fee.pdf](#)
[O-106-19 V.2 082919 Amending LMCO XX for New Section for Motor Vehicle Rental License Fee.pdf](#)

This item was held in committee.

Special Discussion

[ID 20-0216](#)

Review of Calendar for Budget Hearings from April to June 2020

Attachments: [013020 HANDOUT - Calendar of Proposed Budget Hearings.pdf](#)

Chair Person Hollander distributed a handout (see attached) and discussed the proposed dates for the 2020 Budget Hearings.

***NOTE: David B. Wagner, Metro Council Clerk's Office, stated that due to a technical issue, Chair Person Hollander's votes mistakenly showed on the screen as Committee Member Winkler and that those votes would be corrected to reflect the votes were made by Chair Person Hollander.**

Adjournment

Without objection, Chair Person Hollander adjourned the meeting at 5:40 p.m.

***NOTE: Items sent to the Consent Calendar or Old Business will be heard before the full Council at the Metro Council Meeting on February 6, 2020.**