

Date: 07.07.23

To: Judge Bryant & the Adair County Fiscal Court
Mayor Hoots & the City Council Members

From: Heather Spoon, Consultant to the EDA & EDA Board Members

Re: Economic Development Status Update

There are several exciting things happening within the Economic Development Authority and in the Green River Commerce Park! The Economic Development Authority (EDA) is now operating in a capacity that is new to not only the EDA, but both local government entities. So, I thought it may be helpful to summarize all the projects that are in the works and outline the process that will be used as we move forward with growth and development in the Commerce Park.

KPDI Round 1

The EDA applied for this grant late last fall with the help of both the City Council and Fiscal Court. ARPA funds were set aside by both entities to help with the match required to receive maximum funding, which was \$459,441. This grant was a “dollar-for-dollar” match, so the total investment by the City, County, and State is \$918,882. The signed grant agreement was received on June 28, 2023. The county will act as the “Grantee” and the EDA will be the “Beneficiary”. Bobby Morrison and I met the two people whom we will be working with regarding compliance and usage of the monies last week in Frankfort. This process is new to us all, but we are grateful to be learning. From what we understand so far, the EDA must spend money first, and then request reimbursements accompanied by invoices and proof of payment, with the Fiscal Court / Treasurer acting as the “pass-thru” agent. We are now in a position to begin spending money on the project. Core drilling will start next week at the Park as a new geotechnical survey must be completed prior to excavation.

Here's what's included in the KPDI Round 1 Project:

- Certified Build-Ready Pad - \$176,000
- Utility Extensions to the Pad and to the new road - \$676,000
 - Sewage lift station
 - Sewage force main
 - Gas extension
 - Engineering, surveys, permits, inspections
- Contingencies - \$66,000

I expect an official groundbreaking once we get the final contract from the Cabinet.

KPDI Round 2

The EDA submitted the KPDI Round 2 application on June 22, 2023. We submitted for the maximum of \$2,000,000 which will be used for the construction of a spec building on the Certified Build-Ready pad. Our partner in development, K&M Services, LLC, will assist us in this project, help locate a business to the building, or put their own affiliated business in the building, if needed. Included in the application is an entrance connecting HWY55 to the road built on the south side of the Park (near Todd Metals), as well as the cemetery move. Site visits will begin mid-August, and the award announcement is scheduled for Oct 31, 2023. The announcement for Round 1 was about 6 weeks late, so this round may be delayed as well. But, we have made our deadlines for submission and consideration, already receiving compliments on our application even last week while in Frankfort.

Zoom Prospector

This platform is a website that the State uses to list both commercial buildings and greenfield building sites so that potential businesses can search for places to locate in Kentucky. I am fielding about 2-4 RFI's (Request For Information) per quarter due to our Commerce Park being found by potential developers and businesses who are using Zoom Prospector to search for properties. We can also add existing buildings to this site. If you'd like to check this site out, go to: <https://www.zoomprospector.com/communities/ky/county/adair/21001>. There is also a great video on the EDA's website, www.columbiakyeda.com, that is referenced on Zoom Prospector.

Ground Leases

The EDA procured the services of a specialized law firm, Wyatt, Tarrant & Combs, LLP, to help navigate the uncharted waters of land sale and development in Green River Commerce Park. As other counties around us continue to incentivize land and offer tax relief to attract businesses and jobs, we realized that Adair County must do something to compete; but, we were hesitant to just give the land to a developer and simply trust them to eventually provide jobs. So, our lawyers introduced us to the concept of a "ground lease". This is basically an agreement between the EDA and a developer that the developer will pay a lease payment to the EDA for "X" number of years (usually 3); then in the "execution" year or earlier, the developer can exercise the option to purchase the land for \$1.00, IF and only IF the agreed upon developments have been made and job requirements are satisfied. If the developer does not meet these performance-based requirements, they will continue to pay lease payments to the

EDA for “X” number of years (15 years usually), therefore ensuring the EDA would eventually receive a fair market price for the land (the sum of the lease payments). The performance-based requirements will be in line with the same requirements from the State for the developer to receive financial incentives. Of course the EDA wants a developer to exercise the purchase option because at the time of execution, the developer becomes the owner of the land, and property taxes will begin helping our tax revenue in all taxing jurisdictions. Keep in mind that not only will the land be taxed, but also the millions of dollars in improvements made to the property in the form of buildings, utilities, etc. The EDA feels confident that the interest of the community is protected by using a ground lease style program - the developer doesn't get the land deeded to them unless they perform. Otherwise, it stays in the control of the EDA and we can continue to pursue other options for development.

Working with the KY Cabinet for Economic Development

I am proud to say that the EDA is finally functioning as a true Industrial Development Authority for Adair County! For so long, the Commerce Park was just growing crops, not jobs. But over the past few years, thanks to the vision and leadership of our EDA Board Members and the TVA Funds approved by the Fiscal Court, the Park now has 3 new roads built and is preparing to have the first ground breaking ceremony for a new business. The Cabinet for Economic Development (CED) looks to local Economic Development groups, such as the EDA, as a central contact point for industrial development, with its sole focus on bringing industry to Adair County. The EDA has developed some great relationships with project managers, grant overseers, and developers in the past 12 months. As in any area, good relationships are key to successful outcomes.

KY CED Process for the Pursuit of Economic Development

- EDA pursues or is contacted by a potential business entity or developer
- The potential business entity or developer presents a business plan to the EDA
- If the EDA believes this business would be a good fit for our community...
 - EDA contacts the CED about the potential opportunity
 - EDA is assigned a project manager at the KY CED to help with next steps
 - KY CED Project Manager has a meeting (in person or virtual) with the potential business and local EDA representative(s) to discuss KY business incentive possibilities. (The state wants to incentivize a business to come to KY instead of another state. If EDA makes a deal with the developer to come to Adair County prior to this meeting, there is no need for the State to give incentives because the developer has already decided to locate in KY. This is why everything must remain confidential and private until the State awards an incentive package at the official KEDFA meeting.)
 - The developer receives & completes applications for incentive programs
 - The Project Manager makes the incentive recommendations to the Kentucky Economic Development Finance Authority (KEDFA). These review meetings are held on the last Thursday of each month, only. In addition to the applications,

both the County Judge-Executive and the Mayor must provide letters to KEDFA simply letting them know that the top two elected officials are aware of the possibility that a business may locate in Adair County, and that the community would benefit from “X” number of jobs and “X” millions of capital investment.

- After KEDFA approval, then the business can officially talk publicly about locating in Adair County, KY, without fear of losing incentive dollars. Up until this point, all opportunities must remain confidential to the EDA board members, including ex-officio members.
- KYCED Communications department will work with the EDA and developer to put together a press release for all media outlets.

The EDA has seen the importance of communities working together in the eyes of KY CED. We all need to be rowing in the same direction and understand the process outlined by the State for incentivized economic development. We are so blessed to be in this situation, and even though this process may seem new and awkward right now, it will soon be second nature for us all as long as we continue pushing for growth and help each other along the way! Sometimes the price of development is giving away property, and sometimes it is grace with one another as we ALL seek more jobs, better jobs, and a positive economic impact for Columbia and greater Adair County!

Respectfully,

Heather Spoon
Consultant, EDA

SCREENSHOT FROM PROMOTIONAL VIDEO

Green River Commerce Park

County: Adair
City: Columbia

Zoning: I-2 (Heavy Industrial)

Total Acreage Available: ~272 acres

Largest Possible Tract: ~150 acres

Interstate/Parkway: 4.6 Miles

4.6 Miles to Louie B. Nunn Cumberland Pkwy via KY 65; 50 miles west to I-65; 75 miles east to I-75; 65 miles north to Bluegrass Parkway

Airports:

Louisville International Standiford Field (SDF)
Approx. 90 Miles northwest of site

Nashville International Airport (BNA)
Approx. 140 Miles southwest of site

Blue Grass Airport (LEX)
Approx. 95 Miles northeast of site

Rail Access: ~45 Miles

Somerset Rail Park

Riverport: ~110 Miles

Louisville-Jefferson County Riverport

Contact Information
Columbia/Adair County Economic Development Authority, Inc.
201 Burkesville Street
Columbia, Kentucky 42728
(844) 232-4726
Email: info@columbiakyaeda.com
Website: www.columbiakyaeda.com

LOT 1*	16.5 AC
LOT 2	11.3 AC
LOT 3	15.6 AC
LOT 4	19.9 AC
LOT 5	20.4 AC
LOT 6	24.2 AC
LOT 7	15.7 AC
LOT 8	16.6 AC

*LOT CURRENTLY IN USE

Electricity:
Taylor County RECC
Nearest Distribution Line: Multiple services through site

Nearest Transmission Line: 69 KV (along center of site)

Natural Gas:
Columbia Gas of Kentucky, Inc.
Line Size: 8" (along northern and eastern property boundary)
Line Size: 4" (runs through property)

Sewer:
Columbia/Adair Utilities District
Line Size: 8" future gravity line (on-site)
Dual 4" Force Mains From Existing Pump Station Treatment Plant:
Columbia/Adair Utilities District WWTP
Excess Plant Capacity: 0.4 MGD

Water:
Columbia/Adair Utilities District
Line Size: 18" (from water tower - serves site)
12" (feed to existing water tower)
12" (additional stub from water tower)
Future Additional Water Tower is a Possibility

Communication:
DUO Broadband Fiber Optic Service

Parcel Information:
Approx. 272 acres Total

Distance to Nearest Lakes:
Green River Lake: 10 miles north
Cumberland Lake: 30 miles southeast
Dale Hollow Lake: 50 miles south

Taylor County RECC
A Touchstone Energy Cooperative

Green River Commerce Park
Columbia, Adair County, Kentucky

PROPOSED BUILD-READY PAD LOCATION

