

The Franklin City Commission convened in **regular session** at 6:00 pm, Monday, **September 27, 2010**, in the Simpson County School Board meeting room, 430 S. College Street, Franklin, Kentucky. Member attendance as follows:

Mayor Herbert S. Williams	Present and in the chair presiding
Commissioner Jamie Powell	Present
Commissioner Mike Simpson	Present
Commissioner Wendell Stewart	Present
Commissioner Henry Stone	Present

Others present included Finance Director/Interim City Manager, Cendy Dodd; City Attorney, Scott Crabtree; City Clerk, Kathy Stradtner; Commission candidates Mason Barnes and Flora Gooch; Former Kentucky State Senator, Richie Sanders; Meeting Videographer, F-S graduate Adam Wilshire; and Franklin Favorite/WFKN media representative; Keith Pyles.

The **Honorable Mayor Herbert S. Williams** called the meeting to order at 6:01 pm, and Commissioner Wendell Stewart offered an opening prayer.

APPROVAL OF MINUTES

Motion was made by Commissioner Powell and seconded by Commissioner Stewart, to approve the minutes from the September 13, 2010 regular Commission meeting. Ayes: All. Motion carried.

HEAR THE PUBLIC

None

REGULAR BUSINESS

GENERAL GOVERNMENT

- **Discussion and/or Possible Action Regarding Street Closure**

Interim City Manager Dodd discussed a sewer line repair needed on College Street. Recently City crews determined a section of sewer line on College Street between Joe Joker Phillips Lane and Montague Street was collapsing. Temporary replacement was accomplished until a permanent repair could be scheduled which will require a portion of the street to be closed, Taking into account the school calendar and that October 4th through 8th is fall break for the school system when students will not be attending classes, those dates have been determined to be the best time to replace the section of the sewer. Traffic to residents will be allowed, but may be limited certain times of the day when crews are on site. City staff will notify residents and work with them to allow access to their homes, with the job expected to be completed within one week or less. Following discussion, motion was made by Commissioner Stewart and seconded by Commissioner Simpson to accept the recommendation of the City Manager and close the portion of College Street discussed from October 4th to 8th or until sewer line repair if completed. Ayes: All. Motion carried.

- **Discussion and/or Possible Action Regarding Request for Funding from Tourism**

The City received a request from Simpson County Tourism for a contribution of \$5,000 to be used toward promotion of a musical event to take place this fall in Simpson County. This agenda item was tabled at the last meeting until further information could be obtained. Former Kentucky State Senator Richie Sanders addressed the Commission of plans for music and arts festival to be conducted on the 350 acre grounds at Kentucky Downs. The free event includes sponsorship by J & M Smucker Company, Bluegrass Cellular, and I-Target marketing that plan to televise the event. I-Marketing will also assist with marketing the event by televising to their customers. Simpson County Fiscal Court has all ready agreed to fund \$5,000, and a request is being prepared to send to the State requesting a match of any local funds. It is hoped the Arts & Music festival, being billed as Mini-Roo Sounds at the Downs Arts & Music Festival, will become an annual event; any proceeds realized in the future would be put back into the program. After much discussion, **motion** was made by Commissioner Stewart and seconded by Commissioner Powell to authorize financial support to Simpson County Tourism to be used to promote the community music and arts festival as discussed at an amount not to exceed \$5,000, and this be a one-time contribution. Ayes: All. Motion carried.

- **Discussion and/or Possible Action Regarding a Resolution of the Commission of the City of Franklin, Kentucky, Giving Preliminary Approval to Revenue Bond Financing for the Location of a New Company**

City Attorney Crabtree discussed resolutions and related ordinances that several of the Commissioners had requested him to prepare. Tractor Supply Company is investigating locating an 838 square foot distribution center here and state legislation is in place to allow local tax incentives to encourage location of a new or expanding business in a community. Resolution K-2010 gives preliminary approval to a Revenue Bond for Tractor Supply Company at the appropriate time. Following further discussion, **motion** was made by Commissioner Simpson and seconded by Commissioner Powell to adopt Resolution K-2010 giving preliminary approval to a \$54,000,000 revenue bond issue for a term not to exceed 30 years and authorizing the Mayor to sign any documents necessary per this motion. Ayes: All. Motion carried.

RESOLUTION NO. K-2010

A RESOLUTION OF THE COMMISSION OF THE CITY OF FRANKLIN, KENTUCKY, GIVING PRELIMINARY APPROVAL TO REVENUE BOND FINANCING FOR TRACTOR SUPPLY COMPANY, OR ANY OF ITS AFFILIATES, AUTHORIZING INITIATION OF THE ACQUISITION AND CONSTRUCTION OF A PROJECT; AGREEING TO UNDERTAKE THE ISSUANCE OF REVENUE BONDS AT THE APPROPRIATE TIMES; AND TAKING OTHER PRELIMINARY ACTION

WHEREAS, it has been determined that the City of Franklin, Kentucky (the "Issuer") may assist Tractor Supply Company (the "Company") by causing the acquisition, construction, installation and replacement on a continuing basis of a project of the Company consisting of the facilities and properties described in Exhibit A attached hereto (collectively, the "Project") and by entering into at the appropriate time a lease agreement with the Company (the "Agreement") pertaining to the Project, all pursuant to authority of Section 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes, as amended (the "Act"), and in furtherance of the purposes of the Act and ensuring public benefit to the residents of the Issuer and its environs, such Agreement to be upon such terms and conditions as the Act may require and the Issuer may deem acceptable; and

WHEREAS, the Company has represented to the Issuer that the acquisition, construction and installation of the Project, if constructed and replaced on a continuing basis,

will result in a substantial number of new and continuing job opportunities in the community; and

WHEREAS, the Issuer is authorized by the Act to issue its revenue bonds for the purpose of defraying the costs of acquiring, constructing and replacing "building" facilities, which term includes land, buildings, fixtures and equipment such as the Project; discussions have occurred between representatives of the Company and the Issuer incident to the issuance of such revenue bonds by the Issuer for the purpose of financing the Project; it is the intention of the Issuer, and the Issuer has agreed and hereby agrees with the Company, to issue such bonds upon compliance by the Company with such reasonable conditions and obligations as the Issuer may require and subject to the approval by the Issuer of the terms of all agreements, ordinances and other documents incident to such bond issue; and the Issuer has authorized the Company to proceed with the initiation of the acquisition, construction and installation of the Project, subject to reimbursement of the costs of such acquisition, construction and installation from the proceeds of the bonds, as and when issued; and

WHEREAS, based upon the Company's present estimate of the aggregate costs of the Project together with a reasonable allowance for contingencies and incidental costs, the Issuer proposes to issue its revenue bonds seriatim as and when requested by the Company in a continuing amount up to \$54,000,000, for a term not to exceed 30 years (the "Bonds") to pay the costs of acquisition, construction, initial installation and subsequent replacement on a continuing basis of the Project, including costs incident to the authorization, sale and issuance of the Bonds and other financing costs, with the understanding that such amount may be increased by subsequent official action of the Issuer, upon the Company's request; and the Bonds will be payable solely from payments to be made by the Company under the Agreement and will not be payable from any funds or assets of the Issuer whatsoever; and

WHEREAS, the Issuer proposes to enter into at the appropriate time the Agreement with the Company under which the Company will covenant and agree to pay amounts sufficient to provide for the payment of principal, premium, if any, and interest on the Bonds together with all trustee's and paying agent's fees in connection with the Bonds and any other related charges as the same come due and payable, all subject to the agreement of the Company to make payments in lieu of property taxes to the Simpson County Board of Education during the term of the Agreement.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COMMISSION OF THE CITY OF FRANKLIN, KENTUCKY, AS FOLLOWS:

Section 1. It is hereby found, determined and declared that: (i) the recitals set forth in the preambles to this Resolution, which are incorporated in this Section by reference, are true and correct; (ii) the amount of money necessary to be provided by the Issuer through the issuance of the Bonds for the acquisition, construction, installation and replacement on a continuing basis of the Project will be up to \$54,000,000 for a term of 30 years; (iii) the Company has represented it intends to have sufficient financial resources to acquire, construct and replace on a continuing basis the Project throughout the term of the Bond issue, meeting when due the obligations of the Agreement; and (iv) sufficient safeguards shall be provided by the Agreement to insure that all money provided by the Issuer from the proceeds of the sale of the Bonds will be expended, by way of direct expenditure or reimbursement, solely and only for the purposes of the Project.

Section 2. It is hereby found, determined and declared that the costs of initially acquiring and constructing the Project, and the costs of acquiring subsequent replacement machinery and equipment necessary to operate the Project on a continuing basis for a term of 30 years, will be paid out of the proceeds of the Bonds, such proceeds to be supplemented by contributions of the Company as may be necessary to complete and continue to operate the Project as the Project is described in the Agreement; that none of the Bonds will be general obligations of the Issuer; that neither the Bonds nor the interest thereon shall constitute or give rise to any pecuniary liability whatsoever of the Issuer or any charge against its general credit or taxing power; that the Bonds and the payment of interest thereof shall be secured and payable solely by a pledge of amounts to be paid by the Company or otherwise to be available under the Agreement; and that no part of said costs will be payable out of any general funds, assets, properties or other contributions of the Issuer.

Section 3. The acquisition, construction and installation of the Project may be initiated and undertaken or caused to be initiated and undertaken by the Company forthwith, and the Company is authorized to formulate and develop plans and specifications for the Project and to enter into such contracts and undertakings as may be required for the acquisition, construction and installation of the Project. Subsequent to the acquisition, construction and initial installation of the Project, the Company is further authorized to formulate plans and specifications to continue to fully equip and maintain the Project for a term of 30 years and to enter into such contracts and undertakings as may be required for the subsequent acquisition and installation of replacement equipment as determined necessary by the Company to continue to operate the Project for the 30 year term. Payments or reimbursements to or on behalf of the

Company after the receipt of the proceeds of the sale of the Bonds by the Issuer shall be made as set out in the Agreement.

Section 4. The Company is authorized and directed to take any other legal action necessary and customary in order to satisfy any prerequisites to the issuance of the Bonds. Counsel for the Issuer and its officers are authorized and requested to assist the Company in an appropriate manner.

Section 5. Funds of the Issuer derived from Bond proceeds shall be expended exclusively on the Project.

Section 6. All resolutions, municipal orders, or other official actions of the Issuer or parts thereof in conflict herewith are, to the extent of such conflict, hereby rescinded.

Section 7. This Resolution shall be in full force and effect from and after its adoption.

- **Discussion and/or Possible Action Regarding a Resolution of the Commission of the City of Franklin, Kentucky, Authorizing the Submission of an Application to the Kentucky Economic Development Finance Authority for an Economic Development Bond Grant**

City Attorney Crabtree discussed an additional resolution several of the Commissioners had requested he prepare regarding Tractor Supply Company and their interest in locating a distribution center in Franklin. Resolution L-2010 approves submission, at the appropriate time, of an application to the Kentucky Economic Development Finance Authority for an Economic Development Bond Grant not to exceed \$500,000 for the benefit of Tractor Supply Company; this document having to do with the same project as Resolution K-2010. Following further discussion, motion was made by Commissioner Powell and seconded by Commissioner Simpson to adopt Resolution No. L-2010 and authorize the Mayor to sign any documents necessary per this motion. Ayes: All. Motion carried.

RESOLUTION NO. L-2010

A RESOLUTION OF THE COMMISSION OF THE CITY OF FRANKLIN, KENTUCKY, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY FOR AN ECONOMIC DEVELOPMENT BOND GRANT FOR THE ACQUISITION AND CONSTRUCTION OF A PROJECT; AGREEING TO UNDERTAKE THE EXECUTION OF A GRANT AGREEMENT AT THE APPROPRIATE TIME; AND TAKING OTHER PRELIMINARY ACTION

WHEREAS, the City of Franklin, Kentucky (the "City") has determined that it is in the best interests of the citizens of the City to submit an application to the Kentucky Economic Development Finance Authority ("KEDFA") for an economic development bond grant to the City for the benefit of Tractor Supply Company (the "Company") to assist in the acquisition, construction and installation of a project of the Company consisting of the facilities and properties described in Exhibit A attached hereto (collectively, the "Project") and to enter into at the appropriate time a grant agreement with the Cabinet for Economic Development (the "Cabinet" and the "Agreement") pertaining to the grant to the City for the benefit of Project, all pursuant to authority of Section 154.12-100 of the Kentucky Revised Statutes (the "Authorizing Statute"), and in furtherance of the purposes of the Authorizing Statute and ensuring public benefit to the residents of the City and its environs, such Agreement to be upon such terms and conditions as the Authorizing Act may require and the City may deem acceptable; and

WHEREAS, the Company has represented to the City that the acquisition, construction and installation of the Project, if constructed, will result in a substantial number of new job opportunities in the community; and

WHEREAS, the City is authorized by the Authorizing Statute to apply for an economic development bond grant and to enter into a Grant Agreement at the appropriate time, for the benefit of the Company and the Project, to promote economic development within the City; and

WHEREAS, based upon the Company's present estimate of the aggregate costs of the Project together with a reasonable allowance for contingencies and incidental costs, the City proposes to seek grant funds not to exceed \$500,000 for the benefit of the Company and the Project; and

WHEREAS, the City proposes to enter into at the appropriate time the Agreement with the Cabinet and the Company in order to induce the Cabinet to make a grant to the City for the benefit of the Company and the Project.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COMMISSION OF THE CITY OF FRANKLIN, KENTUCKY, AS FOLLOWS:

Section 8. It is hereby found, determined and declared that: (i) the recitals set forth in the preambles to this Resolution, which are incorporated in this Section by reference, are true and correct; and (ii) sufficient safeguards shall be provided by the Agreement to insure that all money provided by the City from the economic development bond grant will be expended, by way of direct expenditure or reimbursement, solely and only for the purposes of the Project.

Section 9. The City is hereby authorized to submit an application to KEDFA for economic development bond grant funds not to exceed \$500,000.

Section 10. The Mayor is hereby authorized to sign the application for economic development bond grant funds, statement of assurances and any and all other documents necessary for said application and for the development of the Project. All prior acts of the Mayor in seeking such economic development bond grant funds consistent with this Resolution are hereby ratified and approved.

Section 11. All resolutions, municipal orders, or other official actions of the Issuer or parts thereof in conflict herewith are, to the extent of such conflict, hereby rescinded.

Section 12. This Resolution shall be in full force and effect from and after its adoption.

PUBLIC SERVICES

None

PUBLIC SAFETY

None

COMMUNITY SERVICES

None

UTILITIES

None

ORDINANCES

- **First Reading of an Ordinance of the City of Franklin, Kentucky Authorizing the Grant of an Inducement for the Acquisition and Construction of a Project Pursuant to the Kentucky Business Investment Program (KRS 154.32-010 to 154.32-100) Whereby the City Agrees to Forego the Collection of the One Percent (1%) City Occupational License Fee on Wages**

City Attorney Crabtree explained this ordinance addresses the industrial prospect with Tractor Supply and that Kentucky legislators approved local communities giving incentives to new or expanding business by allowing local income or occupational taxes collected from the entity to be returned to the business. City Clerk Kathy Stradtner gave first reading to ordinance number 221.3-10-2010. The entire text of any ordinances read at Commission meetings may be viewed at City Hall during normal working hours.

- **First Reading of an Ordinance of the City of Franklin, Kentucky Authorizing the Grant of an Inducement for the Acquisition and Construction of a Project Pursuant to the Kentucky Business Investment Program (KRS 154.21-010 to 154.32-100) Whereby the City Agrees to Forego the Collection of the One Percent (1%) City Occupational License Fee on Wages**

Charles Deweese Construction is planning to expand and provide fifty new jobs, and the Commission directed the City Attorney to prepare an ordinance allowing the City Occupational License be returned to the company. City Clerk Kathy Stradtner gave first reading to ordinance 221.13-10A-2010.

- **First Reading of an Ordinance to Close a Portion or All of Raines Drive and Declaring an Emergency to Exist**

City Clerk Kathy Stradtner gave emergency and only reading to Ordinance No. 620.15-09-2010 closing a portion of Raines Drive. The approximately 1.88 +- acres is owned by the F-S Industrial Authority. **Motion** was made by Commissioner Simpson and seconded by Commissioner Powell to declare an emergency to exist and adopt on first and only reading Ordinance # 620.15-09-2010 closing a portion of Raines Drive. Roll Call Vote: Commissioner Jamie Powell, Yes; Commissioner Wendell Stewart, Yes; Mayor Herbert S. Williams, Yes; Commissioner Mike Simpson, Yes; Commissioner Henry Stone, Yes. Motion carried.

- **Second Reading of an Ordinance Setting Forth the Property Tax Rate for the City of Franklin, Kentucky for the Tax Year 2010**

City Clerk Kathy Stradtner gave second reading to an ordinance adopting the 2010 City Real Estate and Tangible/Personal Property Rate as 11.8 cents per \$100 assessed value. **Motion** was made by Commissioner Simpson and seconded by Commissioner Powell to adopt Ordinance 220.17-2010 adopting the 2010 City Property Tax Rates. Roll Call Vote: Commissioner Jamie Powell, Yes; Commissioner Wendell Stewart, Yes; Mayor Herbert S. Williams, Yes; Commissioner Mike Simpson, Yes; Commissioner Henry Stone, Yes. Motion carried.

EXECUTIVE SESSION

Motion was made by Commissioner Stewart and seconded by Commissioner Powell to enter in to executive session for the purpose of deliberations on acquisition, or sale, of real property where publicity would be likely to affect the value {KRS 61.810(b)}; and discussions, or hearings, which might lead to the appointment, discipline, or dismissal of an individual {KRS 61.810(f)}. Ayes: All. Motion carried at 6:54 pm. Entering executive session were Mayor Williams and the four Commissioners, City Attorney Crabtree, and Interim City Manager Dodd.

At 7:45 pm those in executive session returned to open meeting, and **motion** was made by Commissioner Powell and seconded by Commissioner Simpson to close the executive session and return to open session. Ayes: All. Motion carried.

CITY ATTORNEY REPORTS

None

CITY MANAGER REPORTS

Interim City Manager Dodd reported that forty-one applications for the position of City Manager have been received and the Commission is in the process of appraising the submittals, and announced a special called meeting will be held on Thursday, September 30 to enter executive session to review the applications. Exact meeting time to be announced.

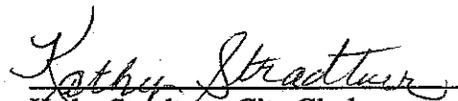
OTHER COMMISSION BUSINESS

City Hall has received several inquiries about dates to observe the Halloween holiday. The annual Truck -n Treat festival has been scheduled for Saturday, October 30th, and following discussion, **motion** was made by Commissioner Powell and seconded by Commissioner Stone to observe the Halloween trick or treat activities in the City on Saturday, October 30, 2010. Ayes: All. Motion carried. The Mayor announced to the public that the Commission would meet at least twice more in open session before the event, and asks for any public input regarding Halloween schedule to be made before then.

ADJOURNMENT

Motion was made by Commissioner Simpson and seconded by Commissioner Stewart to adjourn the City Commission meeting. Ayes: All. Motion carried at 7:46 pm.


Herbert S. Williams, Mayor


Kathy Stradtner, City Clerk