

INTERIM JOINT COMMITTEE ON APPROPRIATIONS & REVENUE

Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection

Minutes of the 4th Meeting of the 2021 Interim

September 24, 2021

Call to Order and Roll Call

The fourth meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection of the Interim Joint Committee on Appropriations and Revenue was held on Friday, September 24, 2021, at 8:30 AM, in Room 154 of the Capitol Annex. Representative Lynn Bechler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Lynn Bechler, Co-Chair; Senators, Morgan McGarvey, and Wil Schroder; Representatives Nima Kulkarni, Jason Petrie, Bart Rowland, and Russell Webber.

Guests: Mike Hayden, Executive Director, Kentucky Communications Network Authority; Mitch Powers, Chief Operating Officer, Kentucky Communications Network Authority; David Flessas, Chief Executive Office, OpenFiber/Accelercom; John Hicks, State Budget Director, Office of State Budget Director; Sandy Williams, Deputy Executive Director, Kentucky Infrastructure Authority; Kasey Maier, President and Chief Executive Officer, Waterfront Botanical Gardens.

LRC Staff: Sara Rome, Kevin Newton, Joseph Holt, Liz Columbia, and Amie Elam
Broadband Deployment Status

Representatives from Kentucky Communications Network Authority (KCNA) and OpenFiber/Accelercom provided the subcommittee with an update on the status of broadband deployment.

In response to a question from Representative Petrie, Mr. Powers said that construction started on ring one in 2017. He stated that construction on ring four is scheduled to be completed by the end of calendar year 2021.

In response to questions from Chair Bechler, Mr. Powers said that there are 877 agency locations slated to migrate to the network. He said that 670 of the locations are

executive branch agencies. Mr. Murphy said that \$407 million has been spent to date on the project. Mr. Powers said that KCNA will provide a summary of the KCNA Advisory Group meeting to the subcommittee members.

In response to a question from Representative Petrie, Mr. Hayden said that KCNA would provide the members with a copy of the final settlement. He answered that KCNA's anticipated budget would be relatively flat for the next two years.

OpenFiber/Accelercom

In response to questions from Chair Bechler, Mr. Flessas said that the wholesale agreement with the state gives OpenFiber access to the capacity that the state is not using. He added that OpenFiber does enable some last-mile service providers. Mr. Flessas said that healthcare is a great application for the network. He said that Accelercom can build the last-mile connection or lease through a local carrier depending on the location.

In response to a question from Representative Petrie, Mr. Flessas answered that OpenFiber Kentucky is owned by Macquarie Capital and is doing business as Accelercom. He said that they have a wholesale agreement with KCNA. Mr. Flessas said Accelercom does not actively target small or medium businesses. Mr. Hayden agreed to provide the contract between OpenFiber and KCNA to subcommittee members.

Kentucky Infrastructure Authority

John Hicks, State Budget Director, and Sandy Williams, Deputy Executive Director, Kentucky Infrastructure Authority, gave the subcommittee an update on the Broadband Deployment Fund. The presentation included federal guidance, the request for proposal (RFP) timeline, and information on how projects will be selected.

In response to a question from Chair Bechler, Mr. Hicks said that unserved and underserved areas will be identified through the RFP process. Mr. Hicks added that Rural Digital Opportunity Funds (RDOF) would not negatively affect the RFP process for Kentucky's Broadband Deployment funds.

In response to a question from Representative Petrie, Mr. Hicks said that the Office of the State Budget Director has been in contact with the Economic Development Cabinet regarding prospective opportunities for new or expanding businesses. Mr. Hicks agreed to provide the RFP to subcommittee members.

Louisville Botanical Gardens Update

Kasey Maier, President and Chief Executive Officer, gave an update on the Louisville Botanical Gardens. Her presentation included information about the garden's

adult education courses, events and programs, and renderings of the Japanese Garden, designed by landscape artist Shiro Nakane.

In response to a question by Chair Bechler, Ms. Maier said that partners from the Department of Agriculture have helped develop Kentucky-centric aspects, such as native plants, at the botanical gardens. Ms. Maier said that admission is currently free. However, there would likely be a ticket price set sometime in the coming years.

In response to a question by Representative Webber, Ms. Maier said Louisville Botanical Gardens just closed on a 4.6 acre lot purchased from the Waterfront Development Corporation. She stated the lot would hold 300 cars, and there are ongoing discussions regarding building a multi-level parking structure on the site.

There being no further business to come before the subcommittee, the meeting adjourned at 10:29 a.m.