

INTERIM JOINT COMMITTEE ON APPROPRIATIONS & REVENUE

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

Minutes of the 3rd Meeting of the 2022 Interim

September 21, 2022

Call to Order and Roll Call

The 3rd meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection of the Interim Joint Committee on Appropriations & Revenue was held on Wednesday, September 21, 2022, at 9:00 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; Senator Wil Schroder; Representatives Al Gentry, and Nima Kulkarni.

Guests: Jeff Noel, Secretary, Cabinet for Economic Development; Katie Smith, Deputy Secretary and Commissioner, Cabinet for Economic Development; Haley McCoy, President/CEO, Kentucky Association for Economic Development

LRC Staff: Kevin Newton, Joseph Holt, and Amie Elam

Kentucky Product Development Initiative

Representatives from the Cabinet for Economic Development and the Kentucky Association for Economic Development (KAED) provided the subcommittee with an update on the Kentucky Product Development Initiative (KPDI). The presentation included information regarding the application process for KPDI funding and data from the pilot program.

In response to a question from Chair Bechler, Ms. McCoy said that KAED is paying a national site consultant in \$60,000 installments with private funding. Ms. Smith said the site promotions are for all industries, including aerospace. Ms. Smith said the cabinet would provide the list of the top five industries to the committee.

In response to a question from Representative Gentry, Ms. Smith said that any work with Amtrak would be handled through the Transportation Cabinet.

In response to a question from Representative Webber, Ms. Smith said that consultants provide the cabinet with requirements and criteria, including proximity to the interstate, access to railways, water and sewer access, etc. Project managers then match available sites with those that fit the requirements of the particular company. Ms. Smith said that Firestone has an electrical vehicle (EV) expansion program in Williamsburg. She said there are several other projects in Eastern Kentucky that she cannot disclose at this time. Ms. Smith said the cabinet would provide a list from project managers of what requirements have prevented companies from locating in certain parts of the state. Ms. McCoy added that one component that companies were looking for was diversity.

In response to a question from Chair Bechler, Ms. Smith said that the need for a Class I railway varies between projects. Ms. Smith said that Kentucky can market low electric costs, which is very attractive to companies. Ms. McCoy said that once KAED is cleared to do so, it will provide the committee with a list of the 86 letter-of-intent properties.

There being no further business before the subcommittee, the meeting adjourned at 10:05 a.m.