



**CITY COUNCIL MEETING
Minutes of Special Meeting August 6, 2019**

After the pledge and invocation by Amy Hurst, Mayor Stinson called the Falmouth City Council Special Meeting to order at 5:00 p.m. The following Council Members answering roll call:

Amy Hurst	Present	Joyce Carson	Present
Shannon Johnson	Present	David Klaber	Present
Amy Hitch	Absent	Luke Price	Present

Also Present: Attorney Brandon Voelker

Mayor Stinson introduced Attorney Will Schroder who was present to explain and request authorization of a resolution supporting revenue bonds for his client, Texas Bluegrass Biofuels, LLC. The purpose of revenue bonds will be the financing the acquisition, construction, installation, and equipping of an industrial building project in the City of Falmouth. He explained there were no financial obligations to the City but rather a tool to cooperate with the City to develop new business.


ORDINANCES/RESOLUTIONS


Resolution 08.06.19:1: A resolution of inducement of the City of Falmouth, Kentucky indicating intent to issue industrial building revenue bonds for the purpose of financing the acquisition, construction, installation .

MOTION: David Klaber made a motion to approve **Resolution 08.06.19:1**, seconded by Amy Hurst; all aye. Motion carried 5-0-0.

ADJOURNMENT

MOTION: Joyce Carson made a motion to adjourn, second by Shannon Johnson. All aye 5-0-0.


Ron Stinson, Mayor


Attest: City Clerk

RESOLUTION NO. 08.06.19.10

A RESOLUTION OF INDUCEMENT OF THE CITY OF FALMOUTH, KENTUCKY INDICATING INTENT TO ISSUE INDUSTRIAL BUILDING REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, INSTALLATION, AND EQUIPPING OF AN INDUSTRIAL BUILDING PROJECT IN THE CITY OF FALMOUTH, KENTUCKY

WHEREAS, Texas Bluegrass Biofuels, LLC, a Texas limited liability company or any affiliate thereof (the "Borrower"), intends to acquire, construct, install, and equip facilities for the manufacturing, processing, or assembling of a commercial product, including one or more solid waste disposal processes associated therewith (collectively, the "Project") to be located within the boundaries of the City of Falmouth, Kentucky (the "City"); and

WHEREAS, the Project would consist of the acquisition, construction, installation, and equipping, of real property, real property improvements, and personal property to be utilized in a manufacturing and/or solid waste disposal process at a facility located at 175 David Pribble Drive, Falmouth, Kentucky (the "Facility"), including without limitation (i) the acquisition of the existing Facility, (ii) the potential rehabilitation of the Facility, and (iii) the acquisition, construction, installation, and equipping of new real property improvements and personal property to be utilized by the Borrower at the Facility, all of which would improve the economic welfare of the City and its people; and

WHEREAS, the City is authorized to issue its industrial building revenue bonds, notes or other obligations for facilitating the acquisition and installation of the Project pursuant to §§ 103.200 et seq., of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, the Borrower has evidenced a desire to have such acquisition and installation of the Project financed from the proceeds of the issuance and sale by the City of its Industrial Building Revenue Bonds (Texas Bluegrass Biofuels, LLC Project), in one or more series, in an aggregate principal amount of approximately \$7,000,000 (collectively, the "Bonds"); and

WHEREAS, this City Council has determined that, in order to provide the benefits for its citizens which are set forth in the Act, it desires to issue the Bonds; and

WHEREAS, this City Council has recommended approval of the Project and enactment of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, CITY OF FALMOUTH, KENTUCKY, AS FOLLOWS:

SECTION ONE

That the Agreement attached hereto as Exhibit A be approved and that the Mayor be and is hereby authorized to execute the Agreement on behalf of the City, and this City Council hereby finds and determines the recitals and facts set forth in the preambles to the Agreement.

SECTION TWO

That this City Council hereby finds that all actions relative to the adoption of this Resolution were in substantial compliance with the procedures established by the City for issuing industrial building revenue bonds, and hereby approves the Project and the issuance of such bonds.

SECTION THREE

That this Resolution is an affirmative official action of this City Council toward the issuance of the Bonds as contemplated herein in accordance with the purposes of the laws of the Commonwealth of Kentucky and United States Treasury Regulation Section 1.150-2.

SECTION FOUR

That this City Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in open meetings of this City Council, and that all deliberations of this City Council and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with all applicable legal requirements.

SECTION FIVE

That this Resolution shall be effective immediately upon adoption, as provided by law.

PASSED AND APPROVED on first reading this 6 th day of Aug, 2019.

APPROVED:

By: Jon Stinson
Mayor

ATTEST:

Ramona Williams
City Clerk

CERTIFICATION

I, City Clerk of the City of Falmouth, Kentucky, do hereby certify that the above is a true copy of a Resolution, as first adopted by City Council at a regular meeting held on 8-06, 2019, whereat a quorum was present and voting, all as shown by the records of said City in my office.

SIGNED:

Ramona Williams
City Clerk

EXHIBIT A
AGREEMENT

THIS AGREEMENT is entered into as of the 6th of Aug, 2019, between the City of Falmouth, Kentucky, a City and political subdivision of the Commonwealth of Kentucky (the "City"), and Texas Bluegrass Biofuels, LLC, a Texas limited liability company or any affiliate thereof (the "Borrower"), under the following circumstances:

A. The Borrower desires to acquire, construct, install, and equip facilities for the manufacturing, processing, or assembling of a commercial product, including one or more solid waste disposal processes associated therewith, within the boundaries of the City (collectively, the "Project").

B. The Borrower has evidenced a desire to have the costs of acquiring and installing the Project financed with the proceeds of industrial building revenue bonds (the "Bonds") issued by the City in one or more series in an aggregate principal amount of approximately \$7,000,000.

C. The Project would consist of the acquisition, construction, installation, and equipping, of real property, real property improvements, and personal property to be utilized in a manufacturing and/or solid waste disposal process at a facility located at 175 David Pribble Drive, Falmouth, Kentucky (the "Facility"), including without limitation (i) the acquisition of the existing Facility, (ii) the potential rehabilitation of the Facility, and (iii) the acquisition, construction, installation, and equipping of new real property improvements and personal property to be utilized by the Borrower at the Facility, all of which would improve the economic welfare of the City and its people; and.

D. In order to obtain for the residents of the City the benefit of the economic improvements which the acquisition, construction, installation, and equipping of the Project would create and preserve, the City desires to encourage and induce the Borrower to proceed with the Project.

NOW, THEREFORE, the City and the Borrower agree as follows:

1. At the request of the Borrower, upon receipt of a duly executed notice that the Bonds will be purchased by one or more persons or entities named therein, the City will enact the necessary ordinances or resolutions to authorize the issuance of the bonds and execution on its behalf of the Loan Agreement, as hereafter defined, and other necessary documents. The Bonds, the Loan Agreement, the ordinances or resolutions and other necessary documents shall have such terms as shall be approved by Kline Alvarado Veio, PC, as Bond Counsel, and by the City, the purchaser(s) of the Bonds, the Borrower and the respective counsel to such parties, and the City will deliver the Bonds to the purchaser(s) thereof and will cooperate to the fullest extent in consummating the transaction.

2. Pending issuance of the Bonds, the Borrower will provide without expense to the City any necessary interim financing for the Project. The Borrower also agrees that upon issuance of the Bonds for the Project it will enter into an agreement (the "Loan Agreement") with the City providing for the payment by the Borrower of amounts sufficient to pay when due the principal of

and premium, if any, and interest on the Bonds. The City shall have no financial responsibility with respect to the Bonds or the Project except from the proceeds of the Bonds or revenues produced pursuant to the Loan Agreement.

3. If the Borrower abandons the Project, it shall notify the City, whereupon this Agreement shall terminate. Upon any termination of this Agreement under this paragraph, neither the City nor the Borrower shall have any further rights or obligations hereunder, except that the obligations of the Borrower under paragraph 4 hereof shall survive any such termination.

4. In order to induce the City to execute and deliver this Agreement, the Borrower hereby agrees to defend, indemnify, and hold the City and its officials harmless against any and all loss, cost, expense, claims or actions arising out of or connected with or the execution and delivery of this Agreement and the consummation of the transactions provided for herein and contemplated hereunder. The provisions of this paragraph shall be superseded by a similar agreement by the Borrower in the Loan Agreement.

IN WITNESS WHEREOF, the City, pursuant to a Resolution duly adopted by its City Council, has caused this Agreement to be executed by its Mayor, and the Borrower has duly executed this Agreement, as of the day and year first above written.

CITY OF FALMOUTH, KENTUCKY

By: Don Stinson
Mayor

TEXAS BLUEGRASS BIOFUELS, LLC

By: _____

Title: _____