

* Good evening,

My name is Knox van Nagell and I am here on behalf of Fayette Alliance.

As articulated in a letter we submitted to you last week, we support the \$6 million Section 108 HUD loan for the 21c development.

Without this loan, 21c will not go forward...and dedicating Section 108 funds to this project satisfies the requirements of the HUD program, by providing employment opportunities to low income applicants, many of whom live on the fringes of downtown, don't own cars, and who have historically been forced to look outside of the urban core for jobs. HUD has approved using the Section 108 funds for this use.

And, make no mistake...governments are in the "business" of growing business...by responsibly using public monies to incentivize ventures in the private market—whether it's through investing in infrastructure and services that support economic development throughout the city, or direct subsidies to specific projects...supporting 21c is not a question of precedent, but of shifting focus and paradigms.

While some argue we cannot afford to apply the Section 108 funds to 21c, Fayette Alliance believes we can't afford NOT to. Losing the

21c development will significantly impact Lexington, from a quality of life and economic development standpoint.

Today, 80% of educated workers pick city first and jobs second. Building a marketable city, rich in amenities such as the arts, green space, a unique brand, and a vibrant downtown are key to recruiting knowledge-based professionals...and where they go, the companies follow.

This reality is especially true in Fayette County, where over 80% of local government revenues come from payroll tax. We live and die by the caliber of professionals, and in turn jobs, we attract to Lexington.

Given Lexington's economic pillars of healthcare, high tech, and agriculture...our competitive strengths and economic development potential lies in the urban-rural tension that defines us. It is what separates us from our neighbors in the region, the nation, and the world.

We cannot compete with Anderson County, or for that matter Atlanta, in terms of cheap land prices to attract factories...but, we do have a mid-southern, landmark city located in the most beautiful and productive countryside in the world...and with it, a quality of life that is incomparably unique, and very attractive to an educated, and talented workforce. We must embrace this identity, and leverage it.

And no doubt, 21c, its reputation, and business model that seamlessly marries the arts, commerce, and hospitality, will strengthen Lexington's competitive advantage in this arena.

After assessing the short-term gains and long-term impacts of 21c, we respectfully ask you to honor your 2012 commitment, and support the project. With it, we can welcome new investment in Lexington, raise the bar, and increase our cultural and economic currency—as we build a vibrant city that is balanced with, and connected to our iconic Bluegrass farmland.

Thank you.