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LFUCG Planning Commission
200 E. Main Street
Lexington, KY 40507

Re: Zone Ordinance Text Amendment – Short Term Rentals in PUD-3

Planning Commission:

My firm is pleased to represent Turner Property 4, LLC (the “*Applicant*”) in its pursuit of this zone text amendment to include the PUD-3 zone in the short-term rentals (“*STR*”) zoning ordinance (Article 3-13) and clarify that STR is a permitted principal use in the PUD-3 zone (Article 22C-4(a)).

HISTORY

The Applicant successfully created the Industrial Redevelopment Planned Unit Development (PUD-3) zone in 2022, and then successfully rezoned the properties located at 125 Turner Commons Way and 1409 N. Forbes Road to PUD-3. During the zone ordinance text amendment process to create PUD-3, the Applicant discussed extensively with staff the vision for the new zone to create a type of mixed-use opportunity to revitalize underutilized former industrial properties that are no longer suited to industrial uses due to their proximity to non-industrial uses.

The original ordinance proposed by the Applicant specified instead “Dwelling units, including without limitation apartments, townhomes, condominiums, and Short-Term Rentals” and provided a definition for “Short-Term Rental” based on then-existing Kentucky law as interpreted by the Supreme Court. At that time, however, LFUCG had not yet adopted a standard definition for STRs, nor had it enacted the STR ordinance (Article 3-13). At the suggestion of Planning Staff, the Applicant revised the language to instead address only “dwelling units” generally, since that is broader and included (at that time) an STR. The final approved ordinance included among the permitted uses “Dwelling units of any kind except as prohibited.”

The Applicant was clear from the beginning about its stated goal for permitting STRs in PUD-3 and specifically on the Applicant’s properties. There are dwelling units shown on all development plans reflecting this use. However, when the STR ordinance was adopted in July 2023, the PUD-3 zone was inadvertently omitted from Section 3-13(b) even though similar

zones—such as B-4, I-1, MU-1, MU-2, and MU-3—were included. All indications to the Applicant are that PUD-3 was omitted in error and not intentionally excluded, especially in light of the fact that PUD-3 is equally suited to STRs as those similar business, industrial, and mixed-use zones.

The Applicant is in the process of constructing the dwellings which relate to the potential STR use. This zone text amendment is proposed for the purpose of “cleaning up” the STR ordinance to include the PUD-3 as originally envisioned, and to clarify that “dwelling units” as permitted uses in the PUD-3 ordinance includes Short Term Rentals.

GOALS AND OBJECTIVES

The proposed text amendment furthers the Goals and Objectives of the Comprehensive Plan:

- Theme A: Growing Successful Neighborhoods
 - Goal 1: Expand housing choices.
 - Objective b: Accommodate the demand for housing in Lexington responsibly, prioritizing higher-density and mixture of housing types.
 - Goal 3: Provide well-designed neighborhoods and communities.
 - Objective a: Enable existing and new neighborhoods to flourish through improved regulation, expanded opportunities for neighborhood character preservation, and public commitment to expand options for mixed-use and mixed-type housing throughout Lexington-Fayette County.
- Theme C: Creating Jobs & Prosperity
 - Goal 2: Attract a wide array of employment opportunities that encourage an entrepreneurial spirit, and enhance our ability to recruit and retain a talented, creative workforce by establishing opportunities that embrace diversity, equity, and inclusion in our community.
 - Objective d: Provide entertainment and other quality of life opportunities that attract and retain young, and culturally diverse professionals, and a work force of all ages and talents to Lexington.
- Theme E: Maintaining a Balance Between Planning for Urban Uses and Safeguarding Rural Land

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- Goal 1: Uphold the Urban Service Area concept.
 - Objective d: Emphasize redevelopment of underutilized corridors.
 - Objective e: Maximize development on vacant land within the Urban Service Area and promote redevelopment of underutilized land in a manner that enhances existing urban form and/or historic features.

The intent of PUD-3 from its inception was to facilitate redevelopment of underutilized former industrial parcels within the Urban Service Area for a variety of uses, allowing these projects to adapt to community needs over time. That blend of uses encourages potential for live-where-you-work opportunities and adds entertainment, dining, and shopping opportunities for those already living nearby. STRs in PUD-3 enable flexibility to provide the type of dwellings and tenancies which are attractive and desirable. These are all goals which align well with the Comprehensive Plan.

CONCLUSION

These text amendments will enable the PUD-3 zone to include STRs as originally intended and approved by the Council. The dwelling units currently under construction by the Applicant will have flexibility to serve as traditional dwelling units or STRs, which improves the mix of housing types and fulfills the intent of PUD-3 as a type of mixed-use zone that can respond to the needs of Lexington.

The Applicant respectfully requests that the Commission recommend approval of the proposed zone text amendment, as it agrees with the Goals and Objectives of the Comprehensive Plan. Thank you for your time and consideration.

Sincerely,


ZACHARY G. CATO

ENCL.