



**TO: MAYOR LINDA GORTON
URBAN COUNTY COUNCIL**

**FROM: KEVIN ATKINS
CHIEF DEVELOPMENT OFFICER**

DATE: OCTOBER 17, 2023

SUBJECT: ECONOMIC INCENTIVE AGREEMENT WITH LSC STADIUM COMPANY, LLC

REQUEST:

Authorization to execute an Economic Incentive Agreement with LSC STADIUM COMPANY, LLC (“Company”) to provide the following incentives:

1. A 1% payroll tax refund for a period of ten (10) years;
2. A commitment to the future issuance of an Industrial Revenue Bond (“IRB”) Incentive, subject to the Company obtaining PILOT Agreements with other relevant taxing districts in Fayette County. The Bond(s) shall not exceed fifteen (15) years in duration and a total amount of \$50 million; and
3. A Public Infrastructure Forgivable Loan Incentive in the amount of \$1,000,000 for the development and construction of a professional soccer stadium with a minimum of 5,250 seats, a related training facility, and the creation and retention of between 50 and 150 new full-time or full-time equivalent jobs that must be retained for at least ten (10) years.

The total project investment on the project site is estimated to total at least \$30 million. The IRB bond issuance will require additional future action by the Council.

REASON FOR REQUEST:

LSC STADIUM COMPANY, LLC and LSC FACILITIES COMPANY, LLC owns approximately 25 acres of property located at 5354 Athens Boonesboro Road. Lexington-Fayette Urban County Government (“LFUCG”) incentives will be utilized for the development of a professional soccer stadium with at least 5,250 seats and a related training facility.

The Economic Development Investment Board reviewed the requests for IRB and Public Infrastructure Forgivable Loan Incentive for this project, and have recommended Council approval of both incentives. As part of the approval process the Council will waive the requirement in the ordinance related to the public infrastructure funds that the funding be provided in the form of an interest free loan.



The Company or its affiliates has been awarded state sales tax incentives under Kentucky’s Tourism Development Incentive Program as a designated Kentucky Tourism Development Act Project for the already-constructed youth soccer fields, and the Kentucky Enterprise Initiative Act as a qualifying economic development project with the support of LFUCG.

LFUCG previously entered into an agreement in June 2023 providing the Company or its affiliates with \$1 million in incentives to assist with the construction of youth soccer fields for the benefit of the Lexington community.

WHAT IS THE COST IN THIS BUDGET YEAR AND FUTURE BUDGET YEARS?

The cost for this FY is: \$1,000,000

The cost for future FY is: N/A

ARE THE FUNDS BUDGETED? **The funds are budgeted**

Account Number: 1144-133004-0001-78103

DIRECTOR/COMMISSIONER: Kevin Atkins

