

RESOLUTION NO. ____-2020

A RESOLUTION APPROVING THE GRANTING OF A LOCAL OCCUPATIONAL LICENSE FEE PAYROLL TAX REBATE TO BAPTIST HEALTHCARE SYSTEMS, INC., AND/OR ITS APPROVED SUBSIDIARIES OR AFFILIATES, WHEREBY THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AGREES TO REBATE 1.25% OF COLLECTED DEFINED WAGES RELATED TO CERTAIN JOBS CREATED AS PART OF BAPTIST HEALTHCARE'S HAMBURG PROJECT IN FAYETTE COUNTY FOR A PERIOD OF FIVE YEARS FROM THE ACTIVATION DATE, AND 1.125% FOR AN ADDITIONAL PERIOD OF FIFTEEN YEARS, ALONG WITH OTHER CONSIDERATION GRANTED TO EACH PARTY, AND AUTHORIZING AND DIRECTING THE MAYOR, ON BEHALF OF THE URBAN COUNTY GOVERNMENT, TO EXECUTE AN AGREEMENT AND ANY OTHER NECESSARY DOCUMENTS WITH BAPTIST HEALTHCARE SYSTEMS, INC., RELATED TO THE PROJECT.

WHEREAS, Baptist Healthcare Systems, Inc., has acquired an approximate 129-acre tract located on Polo Club Boulevard, in Lexington, Kentucky (the "Project Site") and plans to locate and construct thereon healthcare and medical office facilities related to its operations (the "Hamburg Project"); and

WHEREAS, the Hamburg Project will involve the construction of office and related healthcare facilities and related improvements with significant site improvements and other amenities with estimated total capital investment at full build out exceeding One Billion Dollars, create approximately 600 new permanent jobs at the Project Site in the initial phase of development with an annual payroll of \$55,000,000 and an average annual salary of \$89,000, and create a significant construction impact to the local and regional economy; and

WHEREAS, the Hamburg Project represents a major legacy project for Lexington-Fayette County and will have a long-term positive catalytic impact that will encourage future capital investment and employment growth in an area which has not developed at the same pace of other areas of Fayette County; and

WHEREAS, Baptist Healthcare has been a significant and valuable contributor to Lexington-Fayette County and its citizens; and

WHEREAS, the scope of the Hamburg Project and the number of professional, high salaried employees that will work there are a significant and valuable benefit to Lexington-Fayette County; and

WHEREAS, the Hamburg Project will generate substantial new occupational license taxes and other taxes and income to LFUCG; and

WHEREAS, LFUCG is agreeable to providing certain incentives to the Baptist Healthcare as an inducement to Baptist Healthcare locating the Hamburg Project at the Project Site for the reasons stated above; and

WHEREAS, the incentives granted to Baptist Healthcare, as set forth in this Agreement are in-lieu of other incentives, LFUCG may have granted related to the Hamburg Project; and

WHEREAS, the expenditure of public tax dollars to encourage economic development and to attract new jobs, even to pay for private costs of development, has been determined by the Kentucky Courts to be a valid public purpose for the use of public tax dollars; and

WHEREAS, in order to induce Baptist Healthcare to undertake the Hamburg Project and in consideration of the public interest, the Council of the Lexington-Fayette Urban County Government is willing to approve the granting of an inducement to Baptist Healthcare, as provided in the attached agreement.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – That the Urban County Council, be and hereby approves the granting of an inducement of a local Occupational License Fee payroll tax rebate to Baptist Healthcare Systems, Inc., and/or its approved subsidiaries or affiliates, whereby the Lexington-Fayette Urban County Government agrees to rebate 1.25% of collected defined wages related to certain jobs created as part of Baptist Healthcare's Hamburg Project in Fayette County for a period of five years from the activation date, and 1.125% for an additional period of fifteen years, along with other consideration granted to each party.

Section 2 – That the Mayor be and hereby is authorized and directed, on behalf of the Lexington-Fayette Urban County Government, to sign the agreement with Baptist Healthcare Systems, Inc., which is attached hereto and incorporated herein by reference, and any other necessary documents related to the project.

Section 3 – That the Mayor, the Clerk of the Urban County Council, and any other appropriate officers and employees of the Lexington-Fayette Urban County

Government are hereby authorized to execute, acknowledge and deliver any agreements, documents and such other instruments and papers and to take such other actions as may be necessary or desirable, on behalf of the Lexington-Fayette Urban County Government, to effect the transactions authorized above.

Section 4 – That the preamble to this Resolution is incorporated herein as if set out in full.

Section 5 – That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

MAYOR

ATTEST:

CLERK OF URBAN COUNTY COUNCIL
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