

Memorandum

Date: September 5, 2024

To: Economic Development Investment Board

From: Craig Bencz, Administrative Officer Senior

Re: Public Infrastructure Program (PIP) Application – The Commons

Summary

Project Address: 125 Turner Commons Way, 40508 (“The Commons”)

Applicant: Turner Property 4 LLC

Contact/Agent: Lucas Witt – MWM Consulting, LLC

Request: Turner Property 4, LLC (“Applicant”) is requesting \$366,680 in the form of a forgivable loan to construct a parking lot (\$209,880) and a sidewalk (\$156,800) within The Commons development. Both improvements are intended for public use. The Commons is a 40-acre mixed-use redevelopment project that will incorporate entertainment, office, dining, and retail uses. The total cost of buildout of The Commons is expected to be \$80 million, and the project is approximately 20% complete.

Parking and Sidewalk Infrastructure Cost Summary:

Parking lot: 3” base asphalt	\$124,200
Parking lot: 2” surface asphalt	\$85,680
Sidewalk: 4.5” thick, 19,600 sq. ft. sidewalk (3,500’ x 5.6’)	\$156,800
Total:	\$366,680
Request for PIP Funding:	\$366,680
Total Project Cost (inclusive of above improvements):	\$80 million
Request as a Percentage of Total Project Cost:	Less than 1%



Project Context Map (provided by applicant):



Summary Staff Report

Background Information

From the Public Infrastructure Program application:

The Commons is a transformative 40-acre mixed-use development revitalizing a former rundown tobacco warehouse district into a vibrant community hub. Located minutes from downtown Lexington, this infill development will bring retail, dining, hospitality, and recreation together to create one of the most unique and collaborative environments in the city.

This project has an approved development plan and components of the project are complete or under construction. The development plan shows a total of 263,900 square feet of development. The master plan for the site is attached for reference.



Public Infrastructure Fund Request

The applicant is requesting \$366,680 in Public Infrastructure Program forgivable funding to construct a primary parking lot adjacent to West Main Street near the entrance to the site, and for the construction of a sidewalk that will be located east of Turner Commons Way from West Main Street to the terminus of Turner Commons Way.

Both the sidewalk and parking lot will be for public use. The applicant states the following in their request:

While each individual component of the proposed infrastructure construction is crucial to the overall success of The Commons, they will also have benefits for the surrounding area's infrastructure system. The parking lot improvements will additionally serve as much needed parking for people visiting the bourbon trail and attending UK basketball games, thereby enhancing the overall visitor experience and reducing congestion on nearby streets and the adjacent neighborhood, Meadowthorpe.

The new sidewalk along Turner Commons Way will improve pedestrian safety and connectivity, encouraging more foot traffic within the development and to surrounding areas. It will provide a safer route for residents of Meadowthorpe and other nearby neighborhoods and will reduce the vehicular traffic of the development.

The total cost of these improvements is \$366,680, which represents less than 1% of the expected total project cost (\$80 million) for The Commons.

Compliance with Program Requirements

The application as proposed meets the following policy criteria established for Public Infrastructure Program fund applications:

- The maximum amount of individual project funding will not exceed the lesser of \$500,000 or 10% of total project costs.
 - The request represents less than 1% of the expected total project cost, and the applicant has requested \$366,680.
- Program funds must assist applicants with public infrastructure improvements and should provide a public benefit.
 - Public parking and public sidewalks are an approved use of funds under this program.
- Program funds must be used only for actual construction costs.
 - The applicant has not proposed reimbursement for any soft costs in this application.
- The Project must comply with the Comprehensive Plan.



- The Division of Planning has confirmed that the project complies with the Comprehensive Plan, and the project has an approved Development Plan.
- The Project must comply with Engineering manuals and related requirements.
 - The Division of Engineering has confirmed compliance with this requirement.
- The Project must start construction within one year.
 - The parking lot and sidewalk are expected to start construction later this month (September 2024), and will be completed in November 2024 and December 2025, respectively.
- The Project must result in long-term job creation.
 - The application states that the project has created 400 jobs with hundreds more anticipated at buildout. The applicant asserts that the jobs created will have an average wage of \$70,000 across all tenant sectors.
- The applicant must provide evidence of their ability to leverage private or other external (non-LFUCG) funds.
 - The applicant has submitted evidence of project funding commitments.

Staff Recommendation

Staff recommends approval of a forgivable project loan through allocation of Public Infrastructure Program funds in the amount of \$366,680 with the following conditions and considerations:

- Subject to EDIB review and recommendation to Council regarding the loan amount and forgivability of the loan.
- Loan forgiveness is conditioned on the satisfactory completion of the project and compliance with program requirements.
- Disbursement of funds will occur subsequent to proof of expenditure on approved infrastructure.
- Loan funds will be revoked if construction does not commence within 12 months of approval of funding by the Council.
- Loans are to be provided at a rate of 0% interest for a term not to exceed ten years. Failure to comply with funding requirements will also include penalties and interest related to the loan.



