

# Lexington-Fayette Urban County Government

200 E. Main St  
Lexington, KY 40507



## Docket

Tuesday, August 19, 2025

1:00 PM

Council Chamber

## Budget and Finance and Economic Development Committee

## Committee Agenda

- 0780-25** Approval of June 24, 2025, Committee Summary  
*Attachments:* [6-24-25 Meeting Summary](#)
- 0781-25** Monthly Financial Update - July 2025
- 0782-25** Bluegrass Area Development District (BGADD)  
*Attachments:* [BGADD LFUCG Presentation FY26](#)
- 0783-25** Regional Business Park Authority Update  
*Attachments:* [CKBPA Presentation to LFUCG August 2025 v3 \(8.12.25\)](#)
- 0784-25** Industrial Revenue Bond Policies and Procedures  
*Attachments:* [BFED - IRB Policy - 20250819 Draft](#)  
[IDB Ordinance replacement .1](#)  
[IRB Policies Guidelines 8-6-25 .5](#)  
[Resolution increasing downtown area .1](#)
- 0785-25** Review of Committee Referrals  
*Attachments:* [BFED Items Referred](#)

## Adjournment



# Lexington-Fayette Urban County Government Master

200 E. Main St  
Lexington, KY 40507

**File Number: 0780-25**

**File ID:** 0780-25

**Type:** Committee Item

**Status:** Agenda Ready

**Version:** 1

**Contract #:**

**In Control:** Budget and  
Finance and  
Economic  
Development  
Committee

**File Created:** 08/15/2025

**File Name:** Approval of June 24, 2025, Committee Summary

**Final Action:**

**Title:** Approval of June 24, 2025, Committee Summary

**Notes:**

**Sponsors:**

**Enactment Date:**

**Attachments:** 6-24-25 Meeting Summary

**Enactment Number:**

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**Hearing Date:**

**Drafter:**

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## History of Legislative File

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## Text of Legislative File 0780-25

Title

Approval of June 24, 2025, Committee Summary



## **Budget, Finance & Economic Development Committee**

June 24, 2025

### **Summary and Motions**

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Chair James Brown called the meeting to order at 1:01 p.m. Vice Mayor Dan Wu and Council Members Chuck Ellinger, Shayla Lynch, Hannah LeGris, Liz Sheehan, Denise Gray, Whitney Baxter, Dave Sevigny, and Jennifer Reynolds were in attendance. Council Members Tyler Morton, Emma Curtis, Joseph Hale, Amy Beasley, and Hil Boone were also present as non-voting members.

#### **I. Approval of March 18, 2025 Committee Summary**

A motion by Ellinger to approve the March 18, 2025, Committee Summary, seconded by Baxter, the motion passed without dissent.

#### **II. Monthly Financial Update – May 2025**

Commissioner Hensley and Directors Holbrook and Lueker presented the monthly financials. Revenue collections in May were higher than expected, following a slower than anticipated April. Through May, revenue collections are 1.4% above budget. Personnel is running within 4% of budget, showing little change in variance from April reporting. Operating savings will be less than reported due to open purchase orders that will be paid out in the next fiscal year. Additionally, budget amendments passed in June for prefunding will adjust this variance. Year over year comparison shows a 2.6% increase in revenue across categories. Expenses for FY25 compared to FY24 increased by 5.7%. No action was taken on this item.

#### **III. Digital Accessibility**

Troy Black, Administrative Specialist, presented on Digital Accessibility. Congress passed the Digital Equity Act in 2021 as part of the Bipartisan Infrastructure Law which included \$2.75 billion for programs aimed at closing the digital divide and ensuring all communities have the technology and skills needed to participate in the digital economy. Digital equity is when individuals and communities have the information technology resources they need to participate fully in the economy and society. Kentucky's Digital Equity Plan was presented in early 2024 and the state was awarded federal funding to implement the plan. The plan was developed in collaboration with Kentuckians to address issues like internet affordability, digital literacy, and access to devices.

Lexington city officials held a series of internal meetings and discussions to determine the best course of action to support the Digital Equity Act and the Kentucky Digital Equity Plan. It was determined that a local Digital Accessibility Plan that incorporates community voices, identifies services and gaps, informs policy, and guides access to resources was needed for Lexington. The

Lexington Digital Accessibility Workgroup was created with the mission of a thriving Lexington where every resident regardless of age, background, or location has access to affordable broadband, reliable devices, and the skills to navigate the digital world. By leveraging technology and collaborative partnerships Lexington aims to unlock new economic opportunities, improve health outcomes, and enhance educational experiences.

The workgroup has held meetings at 4 different partner locations across Lexington that offer digital accessibility resources and has worked to promote the Kentucky Asset Inventory Survey to increase the number of businesses listed as offering digital accessibility services in Lexington. Valuable feedback was generated at these meetings which has helped refine the vision statement and expand the reach of the digital accessibility initiatives using partner networks to help spread awareness.

Next steps include deploying a local survey and hosting a Digital Accessibility Expo. The local survey will gather community feedback, help organize outreach efforts and shape the digital accessibility roadmap. “Get Connected Lex – A Digital Accessibility Expo” will provide opportunities for community members to learn about Lexington’s digital future and raise awareness about digital resources available in Lexington. The expo will be held on June 28<sup>th</sup>, from 10:00am to 2:00pm, at the Lexington Senior Center and is open to the public. No action was taken on this item.

#### **IV. Technology Ecosystem Development**

Joe Simkins, Senior Economist for TEconomy Partners, presented recommendations on tech-driven workforce and economic development opportunities for Lexington-Fayette County. TEconomy Partners approached the study by conducting situational assessments of which industries are leading tech-based business activities and how they are deploying their talent from an industry and ecosystem perspective as well as a workforce perspective. This led to the identification of opportunities to expand the tech industry, and the workforce needed to achieve that growth.

Key findings from TEconomy Partners analyses include: core tech industry clusters have emerged in Fayette County as major areas of deployment of tech talent; demand is outpacing supply across both tech- and tech-enabled roles; Fayette County’s high-demand, high-priority occupations are driven by significant demand for embedded roles; Lexington is well-positioned to pursue technology-enabled growth across five key opportunity areas, AgTech, Health Tech, Biotech, and Digital Business Services and software as a service; demand from industry persists despite talent pipeline, suggesting need for retention strategies and skills alignment; and forward looking demand indicates need for hybrid skillsets that combine domain knowledge with deep competencies in data and software tools.

TEconomy Partners outlined key roles, skills, education, and trends in each of the 5 opportunity areas for Lexington-Fayette County's workforce development to align with forward looking market trends. TEconomy recommends a strategic framework that focuses on aggregating activities across the economic and workforce development ecosystem that results in engaging with talent and research initiatives, coordinating services through single access points, and serving as a key coordinating and networking umbrella for groups focused on specific tech application verticals.

TEconomy recommends four strategies for growing Lexington-Fayette county's tech and tech-enabled workforce to support economic development: 1) create and elevate a Lexington Tech Council as the centralized convener of Lexington's tech-based ecosystem; 2) grow tech employment by prioritizing connections among educational institutions, students, workers, and employers; 3) support Lexington's innovation and entrepreneurial capacity by building on high growth opportunities 4) accelerate marketing, branding, and storytelling of Lexington's tech ecosystem by focusing on tech-enabled industries.

Each of the 4 recommended strategies is accompanied with a series of actions for growing Lexington-Fayette County's tech and tech-enabled workforce. There are a total of 16 actions to achieve the 4 recommended strategies at an estimated cost of \$630,000 in new funding to encourage tech based economic and workforce development. No action was taken on this item.

## **V. Review of Committee Referrals**

A motion by Baxter to remove item #10, Parks Referendum Policies and Procedures, seconded by Wu, the motion passed without dissent.

A motion by Reynolds to remove item #3, Facilities and Fleet Maintenance Plan, seconded by Baxter, the motion passed without dissent.

## **VI. Adjournment**

A motion by Baxter to adjourn at 2:33pm, seconded by Gray, the motion passed without dissent.



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**File Created:** 08/15/2025

**File Name:** Monthly Financial Update – July 2025

**Final Action:**

**Title:** Monthly Financial Update - July 2025

**Notes:**

**Sponsors:**

**Enactment Date:**

**Attachments:**

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Monthly Financial Update - July 2025



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**File Created:** 08/15/2025

**File Name:** Bluegrass Area Development District (BGADD)

**Final Action:**

**Title:** Bluegrass Area Development District (BGADD)

**Notes:**

**Sponsors:**

**Enactment Date:**

**Attachments:** BGADD LFUCG Presentation FY26

**Enactment Number:**

**Deed #:**

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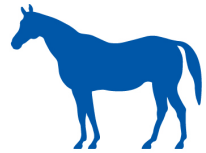
### Text of Legislative File 0782-25

Title

Bluegrass Area Development District (BGADD)



# LFUCG and BGADD



**LEXINGTON**



# Outline

- Purpose and Mission of Bluegrass Area Development District
- Regional Projects
- Overview of Comprehensive Economic Development Strategy (CEDS)
- Update on Workforce
- Update on Aging Services
- Update on Community Planning

# Purpose and Mission of BGADD

To enhance the economy of our communities through **Planning** to maximize resources, **Projects** to promote development, and **Programs** to improve the quality of life for the citizens of the region.

Governed by a cooperative network of Mayors, County Judge/Executives and Citizen Members who represent a diverse range of subject matter expertise.

We believe success is accomplished by not creating the best cities in the Bluegrass but by creating the best Bluegrass for our cities.

# Regional Projects

Opioid/Substance  
Use Disorder – Board  
Directed Jan 17'

Area Water  
Management Plan

Comprehensive  
Economic  
Development  
Strategy (CEDS)

Participant Directed  
Options Medicaid  
Waiver - in-home  
services to  
elderly/disabled

Regional  
Transportation Plan  
Safe Streets for All

Digital Rate Book

Intended Use Plan

Aging Department  
Regional Programs

Workforce –  
nationally  
recognized Joint  
Board Training

# Comprehensive Economic Development Strategy (CEDS)

BGADD is the EDA-designated  
“Economic Development  
District” for central Kentucky

## What is a CEDS?

- Regionally driven plan for economic growth and resilience
- Guides public and private investments across the 17-county Bluegrass region
- Updated every 5 years, with annual progress reporting

## Community Driven Process

- Built on public input from local officials, businesses, non-profits, and residents
- Informed by data on economic trends
- Overseen by Bluegrass Economic Development Advisory Committee – representing diverse regional voice

## Outcomes and Use

- Helps prioritize projects in local and regional planning efforts
- Guides economic recovery, diversification, and innovation
- Promotes collaboration across county and city lines

Recognized by Imagine  
Lexington Comprehensive Plan  
(ILCP) Stewardship Policy #2 to  
partner with BGADD and  
Bluegrass RPC

# *Workforce* HIGHLIGHTS *Lexington-Fayette Edition*

**Program Year:  
July 1, 2024 –  
June 30, 2025  
Client Numbers  
for Fayette Co.**

WIOA Program	Putting Young Kentuckians First (PYKF)
64 Total Residents	48 Total Residents
17 Work-Based Learning	6 Work-Based Learning
37 Credentialed Training	11 Credential Training
10 Career and Supportive Services	7 Supportive Services
	24 Intensive Career Services
112 Total Clients	

**Program Year:  
July 1, 2024 –  
June 30, 2025  
Funds  
Expended in  
Fayette Co.**

WIOA Program	Putting Young Kentuckians First (PYKF)
ITA: \$89,207.08	ITA: \$19,529.75
SS: \$6,570.88	SS: \$1,055.43
WBL: \$90,878.08	WBL: \$16,966.27
WIOA and Putting Young Kentuckians First Total \$224,207.85	



# Program Year: July 1, 2024 – June 30, 2025

## Fayette Businesses Served

- Corman and Associates
- FedEx
- Goodwill Industries of KY
- Lighthouse Ministries
- American Job Center
- Primary Purpose
- Clay Ingles

- Amteck LLC
- Molly Maids of Greater Lexington
- Lean Feast
- Tracy's House
- Shepherds House
- Roaring Brook



# Program Year: July 1, 2024 – June 30, 2025 Community Engagement Events

- Arbor Youth Services
- BCTC Career Fair at the Newtown Pike Campus
- BCTC Healthcare Summer Camp
- Black & Williams Center
- Charles Young Center Expungement Job and Resource Fair
- Clean Slate Expungement Clinic & Job/Resource Fair
- Consolidated Baptist Women's Health Fair
- Goodwill Empowerment Expo
- Healthy LEX-CHIP Meetings
- Jubilee Jobs Celebration & Dignity Lunch Resource Fair
- Jubilee Jobs Back-To-Work BBQ
- Kentucky Refugees Ministry Camp
- Learning Center
- Lexington Economic Partnership Meetings
- Marksbury Family Library Summer Job Fair
- Student Family Night Career Fair at Paul Laurence Dunbar High School
- Success Academy Career and Job Fair
- Safe Kids: Longest Day of Play Resource Fair
- UK Federal Credit Union Resource Job Fair
- United Way Job Fair
- Urban League Lift Career Fair for Summer Youth Internship Participants
- Veterans Job Fair

# Program Year: July 1, 2024 – June 30, 2025

## Additional Fayette Community Partnerships

- Adult Education
- Light House Ministries
- BCTC Refugee Initiative
- Childcare Council
- Goodwill Industries
- High Schools (*Bryan Station, Dunbar, Fredrick Douglas, Henry Clay, Lafayette, Bates Creek*)
- Isaiah House, Lexington
- Jobs for Americas Graduates Jubilee Jobs
- Jubilee Jobs
- Lexington Public Libraries
- Lexington Rescue Mission
- New Vista
- Perfect Imperfections Recovery
- Primary Purpose
- Shepherd's House
- Success Academy
- Bates Creek High School
- Women's Hope Center

# Program Year: July 1, 2024 – June 30, 2025 Comprehensive Career Center

**Kentucky Career Center – Bluegrass / American Job Center is located at 2473 Fortune Drive in Lexington.**

- Received its certification as a Comprehensive Site in November of 2024.
- The only comprehensive center in Central Kentucky and houses:
  - WIOA (Workforce Services)
  - Career Development Office
  - JVSG (Assistance for Veteran's)
  - Office of Vocational Rehabilitation
  - Childcare Council of Kentucky



# Program Year: July 1, 2024 – June 30, 2025

## Assisting Mayor Gorton in her Role as CoCLEO

### Providing assistance through...

- Annual Joint Training
- Regular updates from Workforce Board Meetings
- Responsive notification of agenda requests and review of items prior to Executive Committee of the Governing Board meetings.
- Partnering with LFUCG Director of Business Engagement on several ongoing projects, including both federal and state grant initiatives.





# Aging and Independent Living

- Advocate for Seniors on a state and federal level
- We hold workshops in Lexington offering resources and education, such as: Embracing Next Best Years of Your Life, Grandparents as Parents.
- We are a community partner with I Know Expo.
- We serve on the Fayette County Diabetes Coalition and host the Bluegrass Aging Consortium meetings monthly.
- Our staff are actively involved in Age-Friendly Lexington and Dementia Friendly Lexington.
- Our staff serve on the Senior Services Commission.
- We served 196 Seniors, Caregivers and Grandparents from Fayette County in our Aging Programs.

# Aging and Independent Living

Program	People Served
Homecare	60
Title IIIB (Senior Center)	3268
Title IIIC (Meals)	349
Title IIIE (Caregivers)	86
Title IIIE (Grandparents)	43
KY Caregiver (Grandparents)	13

# Participant Directed Options

- BGADD operates the PDS program. It is a Medicaid Waiver program that allows eligible participants to self-direct their care by hiring people of their choice, who help them remain in their home rather than live in a long-term care facility.
- In FY25 we had 184 participants in Fayette county many of whom may employ more than one person to assist them.
- There was a total of \$10,966,778.55 paid to those individuals employed by the participant to provide their services in Fayette County.



# Participant Directed Options

- In FY25, BGADD became a provider for the Veterans Direct Care Program. This is a program funded through the VA Medical Center. We provide Case Management to the Veterans enrolled in the VDC program.
- We enrolled and provided Case Management to 4 Veterans in Fayette County in FY25.
- This program continues to grow with partnership between BGADD, Lexington VAMC and Pennyryle ADD.

# Community Planning

## Transportation Planning

- Participation in LFUCG/MPO KYTC Project Coordination Meetings
- Coordination with LexTran and MPO regarding transit options for elderly/disabled persons derailed by Covid
- Coordination with MPO and KYTC District 7 regarding SHIFT Prioritization and the 6 year highway plan

# Community Planning

## Regional Collaboration

- Facilitates the following committees comprised of regional stakeholders:
  - Economic Development Advisory Committee
  - Emergency Preparedness Committee
  - Area Water Management Council
  - Community Resiliency and Public Health Council
  - Natural Resources & Environmental Protection Advisory Committee
  - Regional Planning Council
  - Regional Transportation Committee
  - Tourism, Historic Preservation, & Recreation Advisory Committee

# Community Planning

## **Grant Writing and Administration**

- In FY2025, BGADD administered over \$191,500,00 in grant and loan funding across the 17-county region.
- Grant writing and administration services are available to LFUCG from BGADD.

## Purpose for Regional Council of Government

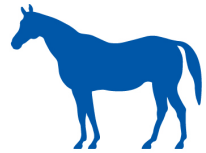
Strong need for better regional planning, cooperation, collaboration and governance

Issues such as opioid epidemic, broadband, transportation, aging services, water and sewer and workforce

Neither prosperity nor poverty recognize political boundaries

Inclusive and effective Public Policy Agenda needs to be championed

# Thank You!



**LEXINGTON**





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**File Created:** 08/15/2025

**File Name:** Regional Business Park Authority Update

**Final Action:**

**Title:** Regional Business Park Authority Update

**Notes:**

**Sponsors:**

**Enactment Date:**

**Attachments:** CKBPA Presentation to LFUCG August 2025 v3  
(8.12.25)

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## Text of Legislative File 0783-25

Title

Regional Business Park Authority Update

# CENTRAL KENTUCKY BUSINESS PARK AUTHORITY



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[WWW.MWM-LLC.COM](http://WWW.MWM-LLC.COM)



# CKBPA BOARD OF DIRECTORS



## LEXINGTON-FAYETTE URBAN COUNTY GOV'T

Kevin Atkins, Treasurer – Chief Development Officer, LFUCG  
Karen Hill – COO/CNO Emeritus at Baptist Health Lexington



## SCOTT COUNTY FISCAL COURT

Mike Hockensmith – President, The Hockensmith Agency  
Daniel (DH) Harrison – Founder, Country Boy Brewing



## MADISON COUNTY FISCAL COURT & CITY OF BEREA

Glenn Jennings, Board Chair – Former President & CEO, Delta Natural Gas (Retired)  
Jeff Fultz – Market President, Central Bank & Trust

## CONSULTANTS

MWM Consulting – Lucas Witt, Co-Founder & Partner  
McBrayer PLLC – Anne-Tyler Morgan, Attorney

# TRIPLE CROWN BUSINESS PARK

## SITE OVERVIEW

- **Ownership:** Central Kentucky Business Park Authority
- **Acres:** 200-300 acres
  - \*Engineering/due diligence will finalize developable acres
- **Zoning:** I-2 (Heavy Industrial)
- **Transportation**
  - Interstate 75 (I-75): Less than 2 miles
- **Utilities:** All utilities are on site or within close proximity.
  - Additional details will be included within the strategic plan.
- **Surrounding Businesses:** Hyster-Yale; Novelis; Hitachi Astemo America, Berea Plant No. 1; Hitachi Astemo America, Berea Plant No. 2; KI USA Corporation; Kentucky Steel; Mastronardi Produce (Former AppHarvest facility)

## CURRENT STATUS

- Engineering RFP solicited in August 2025.
- Will apply for KPDI 2024 Round 2 funds in September.
- Applied for congressional funding (Community Project Funding (CPF)) to support site development.
- Actively meeting with national site selectors to share the opportunity and property details.





# NORTHERN MADISON COUNTY SITE

## SITE OVERVIEW

- **Ownership:** Madison County Fiscal Court is under a Purchase & Sale Agreement with private owner.
- **Acres:** 810 Acres
- **Zoning:** Agriculture (will need to be rezoned)
- **Transportation:**
  - Direct access via US Highway 25
  - Interstate 75 (I-75), Exit 95 located 2 miles north
  - Interstate 75 (I-75), Exit 90A located 2.5 miles south
- **Utilities** - All utilities at or near the site. A clear path has been established to help all utilities meet the needs of industrial size users.

## CURRENT STATUS

- Due diligence is underway.
- Madison County Fiscal Court has passed a resolution to assign the PSA to the CKBPA.
- Will apply for KPDJ 2024 Round 2 funds in September.
- Actively meeting with national site selectors to share the opportunity and property details.



# KY CABINET FOR ECONOMIC DEVELOPMENT

## *Requested Project Size*

Site Requests via RFI's for  
New Location Projects

- Represents all **project requests** handled by the Kentucky Cabinet for Economic Development between January 2020 through October 2022.
- Outlier requests (e.g., 500+ acre greenfield site) have been removed
- Projects worked by Kentucky Cabinet for Economic Development that **announced and landed** were significantly smaller, averaging between 36 and 60 acres for greenfield projects.

Industry	Average Requested Square Footage	Average Requested Acreage
Aerospace	362,600	100
Agribusiness / Agritech	199,140	67
Automotive	469,258	190
Business/Financial Services	57,490	14
Chemicals	101,173	40
Distribution & Logistics	288,758	64
Food & Beverage	232,544	85
Healthcare	116,083	20
Manufacturing	246,686	146
Metals	193,957	119
Plastics & Rubber	240,096	62
<b>Average Request</b>	<b>227,980 SF</b>	<b>82.45 acres</b>

# CASE STUDY: TRIANGLE NORTH

- Largest multi-jurisdictional park in North Carolina
- Attracts secondary development from the Research Triangle Park (largest research park in the United States) located in Raleigh
- Four counties partnered to develop four sites (one in each county)
- Each site targets specific businesses, but each park complements one another and the Research Triangle Park
- Counties equally split development costs for each site and share revenues

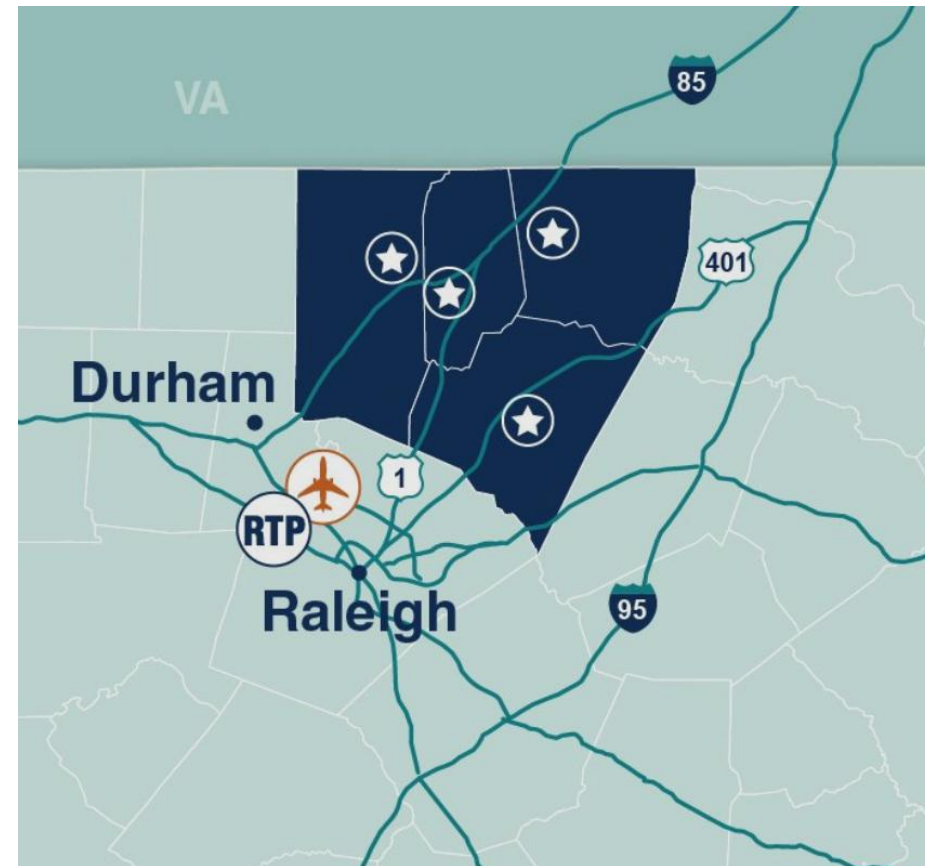
## PARKS

**Triangle North Granville:** Targets life sciences and technology due to proximity to Vance-Granville Community College.

**Triangle North Franklin:** Targets high-tech and aviation services due to proximity to Triangle North Executive Airport.

**Triangle North Warren:** Targets distribution, logistics, and manufacturing companies due to proximity to major transportation routes.

**Triangle North Vance:** Targets offices, mid-tech business and manufacturing due to proximity to Vance-Granville Community College and I-85.





# CASE STUDY: FRANKLIN-SIMPSON COUNTY

## FRANKLIN-SIMPSON INDUSTRIAL AUTHORITY

Industrial recruitment through:

- New Industry Attraction: IDA retain land and sell directly to client.
- Commercial Developer Relationship(s): IDA sell land to developer, who constructs spec industrial buildings to sell or lease to clients.

Result: Three Industrial Parks

- Sanders Interstate Industrial Park (red)
- Stone-Givens Industrial Park (orange)
- Henderson Interstate Industrial Park (green)

Benefits of this Dual-Approach Model

- Reduces the financial burden of park development.
- Land sales allows for additional income to be used at the discretion of the IDA.
- Offers diverse products for prospective clients (greenfield sites, spec buildings for sale/lease, BTS opportunities, etc).
- Ensures developer alignment with the Franklin-Simpson IDA's vision.
- Retains CCRs to maintain the IDA's intended park uses.

Recent Franklin-Simpson Announcements

- January 2023 - \$104.4 million investment, LioChem e-Materials, 141 new jobs
- Feb 2023 - \$259 million investment, Trader Joes distribution facility, 876 new jobs
- March 2025 - \$53.5 million investment, Shinsung ST USA, 100 new jobs
- July 2025 - \$20 million Headquarters relocation project, Alta Alloys, 45 new jobs
- July 2025 - \$3.6 million expansion, Sumitomo Electric Wiring Systems, 76 new jobs



# CASE STUDY: REDSTONE GATEWAY

- Redstone Arsenal is a U.S. Army installation outside of Huntsville, Alabama.
- Serves as a major hub for various government agencies and defense contractors and plays a crucial role in the region's economy.

## REDSTONE GATEWAY

- \$1 billion office park located on 470-acres outside of Redstone Arsenal.
- Supports Redstone Arsenal initiatives and complement nearby Cummings Research Park West. Attractive location for government entities.
- Joint venture between Jim Wilson & Associates, LLC and COPT Defense Properties – a real estate investment trust (REIT) specializing in mission-critical facilities that support defense installations and contractors.
- City of Huntsville did a TIF and committed to constructing infrastructure over a 15-year period.
- Home to defense contractors, technology firms, logistic providers, etc.
  - Largest tenants are the federal government and major defense contractors (Northrop Grumman, Boeing, KBR, etc).
- The development has successfully diversified the economy while maintaining strong ties to the defense and aerospace industries.





# CKBPA NEXT STEPS

Ongoing work over the next several months includes:

1. Industry Connections - Regular meetings with real estate brokers and site selectors to increase awareness of opportunities.

2. Creating a strategic plan for the Authority, including items like:

- Mission and Vision
- Community and Industry Overview
- Site Analysis
  - Each site analysis will include an overview of utilities, transportation, topography, nearby assets, etc.
- Market Analysis
  - Industry trends, target sectors, competitive positioning
- Strategies and Initiatives
  - Marketing and outreach plans
  - Infrastructure development/improvements
  - State and federal funding opportunities
- Other Considerations
  - Planned developments
- Implementation Plan
  - Timeline and milestones
  - Roles and responsibilities within the Authority
  - Budget and resource allocation

## 90-day Priorities:

Issue RFP for engineering services for the Berea site.

Submit KPDI 2024 – Round 2 Applications for the Berea and Northern Madison Co sites.

Begin due diligence work with selected engineering firm on the Berea site.





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## Master

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### Text of Legislative File 0784-25

Title

Industrial Revenue Bond Policies and Procedures



# Lexington Industrial Revenue Bond (IRB) Program Policies & Guidelines Review

*Budget, Finance, and Economic Development Committee*

*August 19, 2025*

*Presented by: Craig Bencz*





## Industrial Revenue Bonds

- To improve economic development, to relieve unemployment, and to encourage the increase of industry, LFUCG can issue bonds to finance the development or expansion of “industrial buildings”, as defined by state law
  - Recent example: The Manchester Hotel project
- These bonds are not the general obligation of LFUCG, an indebtedness of LFUCG, or backed by a pledge of LFUCG’s credit
- LFUCG typically sees requests for Industrial Revenue Bonds in one of two forms:
  1. Requests for bonds to assist with financing a project, typically to provide a lower interest rate
  2. A leaseback arrangement in which LFUCG also takes ownership of the property to provide certain ad valorem tax benefits





## Scope of Policy Review

- Review current IRB Policies and Guidelines to allow for housing under some circumstances and conditions.
- Maintain requirement for “job creation or evidence of strong economic development resulting directly from the project”.
- Consider expanding the defined area for IRB applications to include the entire Urban Service Boundary.





## Industrial Revenue Bond Types

- LFUCG has two types of IRBs for new construction projects:
  1. Traditional IRB: Essentially a loan agreement. Approved sites remain on the property tax roll.
  2. Leaseback IRB: PVA shows property ownership as LFUCG and is not subject to property tax for the length of the IRB agreement
    - Requires Payment in Lieu of Taxes (“PILOT”) agreements with taxing districts

### Summary

Parcel Number	38092340
Location Address	941 MANCHESTER ST LEXINGTON KY 40508
Tax District	District 01
Tax Rate	1.2583
Acres	1.1276
Legal Description	M-994 JAMES M SHARP SR LOT 1
Property Class	E - EXEMPT
PVA Neighborhood	719 - LEESTOWN
Land Use Code	(400) C - COMMERCIAL VACANT LAND
USA/RSA Map	03
Map Block	048
Lot	1 PC 1&2
Subdivision	JAMES M SHARP SR CONSL
Cabinet/Slide	M-994
ND-1 Zone	
Overlay	
PDR	
Map Scale	200
Block	
LFUCG Zoning	I-1 - LIGHT INDUSTRIAL
Deeded SqFt	49,120
Frontage / Out of	121 / PARCEL 1



### Owner

[LEXINGTON FAYETTE URBAN COUNTY](#)  
[GOVT](#)  
200 E MAIN ST  
LEXINGTON KY 40507

January 1, 2025 Owner  
LEXINGTON FAYETTE URBAN COUNTY  
GOVT





## **Policy and Guidelines Review Process**

- Initial meeting with LFUCG internal working group to identify scope of review and specific issues to address
- Meetings with representatives from property taxing districts
- Input from building industry representatives and a stakeholder group to obtain additional input and perspectives
- Economic Development Investment Board (“EDIB”) review of draft policy language
- EDIB recommendation presented to Council BFED Committee and Urban County Council for consideration and approval





## IRB Policy Review Stakeholders and Participants

### LFUCG Internal Stakeholders

Kevin Atkins, Mayor's Office of Economic Development  
David Barberie, Department of Law  
Whitney Elliott Baxter, Councilmember  
Craig Bencz, Mayor's Office of Economic Development  
James Brown, Councilmember  
Erin Hensley, Department of Finance  
Wes Holbrook, Division of Revenue  
Keith Horn, Department of Planning & Preservation  
Charlie Lanter, Housing Advocacy & Community Development  
Rick McQuady, Housing Advocacy & Community Development  
Tyler Scott, Mayor's Office  
Ashley Simpson, Department of Finance  
Evan Thompson, Department of Law

### External Stakeholders and Partners

Lisa Ball, Ball Homes  
Tracy Bruno, Fayette County Public Schools  
Victoria Carling, City National Bank  
JD Chaney, Kentucky League of Cities  
Fred Combs, Lextran  
Mark Franklin, Dinsmore  
Johan Graham, AU Associates  
Todd Johnson, Building Industry Association of Central Kentucky  
Anne-Tyler Morgan, McBrayer  
Jeff O'Brien, Louisville Metro Government  
Joe Palumbo, Palumbo Lumber Company  
Rob Serrate, Lexington Public Library  
Daryl Smith, LG&E/Kentucky Utilities  
Mary-Alicha Weldon, Fifth-Third Bank







## **IRB Policy Amendments**

- Update under consideration focuses on the “Leaseback” model.
- Improvements are the result of direct input from taxing district partners.
- Summary of process improvements:
  - Requires a pre-application meeting with LFUCG staff to determine if the project meets the goals of LFUCG.
  - LFUCG staff holds a preliminary meeting with other taxing district representatives to discuss the project and obtain input.
  - Only after the satisfactory completion of the above can the applicant begin negotiating with taxing district representatives.
  - Formal application for IRB occurs after PILOT agreements in place with taxing districts





## Leaseback IRBs – Housing Requirements

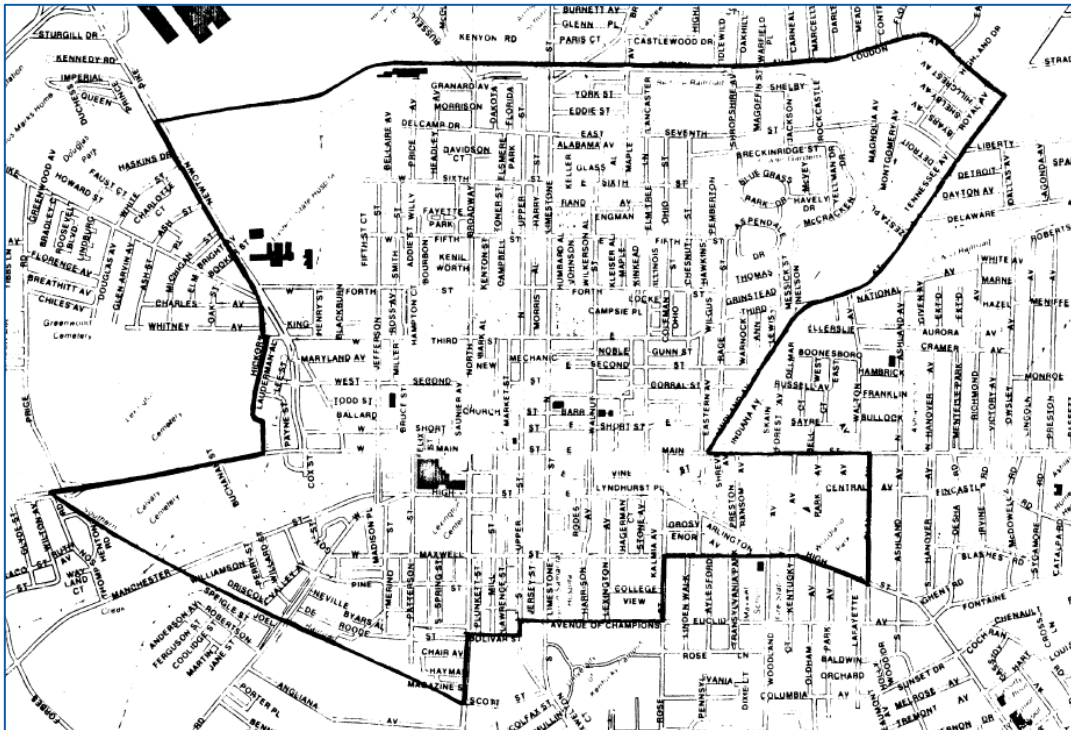
- Leaseback IRBs with a housing component have certain requirements:
  - The project must be mixed-use with creation of jobs onsite.
  - 20% of the proposed housing units must be affordable (80% of AMI) to receive a 15-year Leaseback IRB incentive
  - 20% of the proposed housing units must be workforce housing (80.1-100% of AMI) to receive a 10-year Leaseback IRB incentive





## Area Eligible for IRBs

- Area eligible for IRBs is amended to include the Urban Service Area.



# Questions?



**LEXINGTON**



ORDINANCE NO. \_\_\_\_\_ - 2025

AN ORDINANCE AMENDING AND REPLACING ORDINANCE NO. 203-80, AS AMENDED BY ORDINANCE NO. 59-81; ORDINANCE NO. 103-86; ORDINANCE NO. 237-93; ORDINANCE NO. 52-94; ORDINANCE NO. 18-96; ORDINANCE NO. 180-2009; ORDINANCE NO. 152-2013; ORDINANCE NO. 160-2014, WHICH AMENDED ORDINANCE NO. 152-2013; ORDINANCE NO. 57-2017, WHICH AMENDED ORDINANCE NO. 160-2014; ORDINANCE NO. 26-2020; AND ORDINANCE NO. 142-2022, RELATING TO INDUSTRIAL REVENUE BONDS AND THE ECONOMIC DEVELOPMENT INVESTMENT BOARD. \_\_\_\_\_

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BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - Chapter 103 of the Kentucky Revised Statutes authorizes the Urban County Government to issue Industrial Building Revenue Bonds in order to promote local economic development through the introduction, retention and expansion of business and industry. The Urban County Government will issue Industrial Revenue Bonds only for projects located in Fayette County and encourages the use of local and Kentucky bond counsel, architects, engineers, contractors and the like in the development of the project.

Section 2 - The Urban County Government will issue said bonds only through the loan agreement format authorized in KRS Chapter 103, rather than by the lease or installment sale format, also authorized therein, unless the Urban County Government determines that special and compelling circumstances exist to justify the different format, including, without limitation, significant job creation or evidence of strong economic development resulting directly from the project.

Section 3 - The Urban County Government, as consideration for the issuance of such bonds and the use of the proceeds to finance a qualified project, will enter into a loan agreement with a successful applicant. The applicant will acknowledge its obligations under the agreement by a note which will require payments of principal and interest corresponding in time and amount to the principal and interest payments becoming due on bonds issued to finance such project. Lease arrangements may also be considered if the applicant provides evidence, sufficient

to the Urban County Government, that special and compelling circumstances exist as described in Section 2, above.

Section 4 - Although, pursuant to KRS Chapter 103, Industrial Revenue Bonds do not constitute an indebtedness of the Urban County Government, the merits of each application will be closely scrutinized as to whether any proposed project will benefit the entire community and whether other forms of financing are feasible or desirable.

Section 5 - The Urban County Government may require that applicants for the issuance of Industrial Revenue Bonds arrange for the private placement of the bonds with reputable financial institutions.

Section 6 - A board for review of applications and oversight over the issuance of certain funding related to economic development and related matters is hereby created which shall be known as the Economic Development Investment Board,~~or in some instances related to this Ordinance, the Industrial Revenue/Housing Bond Committee~~ ("the Board"). The ~~board~~ Board shall review matters and applications related to the following, with the recommendation of the ~~board~~ Board for any expenditure of funding subject to the final approval of the Urban County Council: (1) Industrial Revenue and Housing Bonds (pursuant to this Ordinance); (2) Lexington Job Fund Program funds (pursuant to Ordinance No. 153-2013); (3) funding from the administrative program currently known as the Lexington Economic Development Partner Agencies program, or its successor; (4) funding from the administrative program currently known as the Lexington Workforce Development Grant program, or its successor; and (5) Lexington Public Infrastructure Program funds (pursuant to Ordinance No. 141-2022).

Section 7 - The Economic Development Investment Board shall consist of thirteen (13) members. The government's Chief Development Officer or his or her designee shall serve as the chairperson of the ~~board~~ Board. The Councilmember, who serves as the chairperson of the Urban County Council's Budget, Finance, and Economic Development Committee, or his or her designee from that committee, shall automatically serve as member of the Board. The remaining eleven (11) members shall be appointed by the Mayor, subject to confirmation by a majority of

the Urban County Councilmembers, and shall consist of one additional member of the Urban County Council; one member from either the Lexington Chamber of Commerce or the Lexington-Fayette Urban County Industrial Authority; one from the housing industry; two from the financial investment or banking industry; one from the private equity/venture capital industry; and five shall be at-large members selected by the Mayor.

Section 8 — Applicants shall follow the pre-application and application procedures described in the Policies and Guidelines, including, without limitation, the provision of a letter of inducement, any pre-application meetings required by the Urban County Government, and the completion of an application. Applicants seeking approval of a project for financing through the issuance of Industrial Revenue or Housing Bonds should initiate negotiations by correspondence with the Mayor or his designee. The applicant should submit a detailed proposal in the form of a letter of inducement addressed to the Mayor specifying the characteristics of the project, including an estimate of the benefits to the community, an itemized cost/benefit analysis and a description of the public service impact of the project.

Section 9 - Applicants must complete an Industrial Revenue or Housing Bond Application Form, the contents of which shall be determined by the Mayor's Office of Economic Development, —and submit same to the Urban County Government. An application deposit of \$2,500.00 must accompany the application. The Economic Development Investment Board may review and increase this application deposit at any time if it determines that the amount provided above is not sufficient to compensate the Urban County Government for necessary expenses incurred during review of the application. —Any amount of said application deposit not required to compensate the Urban County Govern-ment for necessary expenses incurred during review of the application will be refunded.—

Section 10 - Following preliminary discussions-staff review based on the letter of inducement and application, including consideration of the economic benefits to be derived from the project, the credit worthiness of the applicant, the financial feasibility of the project and security for the bondsthose factors described in the Policies and Guidelines, the Mayor's Office of Economic Development shall may



refer the application to the ~~Industrial Revenue/Housing Bond Committee~~Economic Development Investment Board, if it determines the application and project meets the requirements of the Policies and Guidelines.

Section 11 - Upon its referral from the ~~Mayor~~Mayor's Office of Economic Development, the Economic Development Investment Board~~Industrial Revenue/Housing Bond Committee~~ is responsible for reviewing the proposed terms of the bond issuance ~~and requires the applicant to submit the following:~~

- ~~a. — A completed Industrial Building Revenue Bond Application Form.~~
- ~~b. — A copy of the letter of inducement addressed to the Mayor.~~
- ~~c. — An independent audit and certified financial statement of the applicant or applicants for the most current completed year, prepared and certified by an independent certified public accounting firm. Audit statements prepared by an independent certified public accounting firm for the last three complete years are preferred, and may be requested by the Industrial Revenue/Housing Bond Committee or the Urban County Council.~~
- ~~d. — A letter from the proposed purchaser of bonds confirming its intent and evidencing its ability to purchase the bonds.~~
- ~~e. — Letters from at least two (2) institutional lenders stating whether or not conventional financing is available, and if available, upon what terms, including interest rates and other relevant data. The letters should also state the terms and conditions under which the lender evaluated the proposed project. —.~~

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An official representative of the applicant, assisted by counsel, is required to be present at ~~Industrial Revenue/Housing Bond Committee~~Board meetings where the applicant's application is considered.

The Economic Development Investment Board ~~Committee~~ may request additional information if necessary in order to adequately review any project. -

Following its review of a project, the ~~Industrial Revenue/Housing Bond~~

~~Committee~~Board shall vote either to recommend or not to recommend the issuance of Industrial Revenue or Housing Bonds to finance the project and may propose qualifications or reservations to the terms of the bond issuance.

Section 12 - Following receipt of the Economic Development Investment Board's Industrial Revenue/Housing Bond Committee's recommendation~~approval~~, the Mayor's Office of Economic Development shall respond to the applicant and may propose additional qualifications or reservations to the terms of the bond issuance.

Section 13 ~~— Following completion of the review process described in Sections 8 through 12 above,~~Following receipt of the Economic Development Investment Board's approval and any proposed qualifications or reservations provided by the Board or the Mayor's Office of Economic Development, an inducement resolution and memorandum of agreement, setting forth the general terms and conditions of the loan arrangement and other matters pertaining to the project shall be forwarded to the Urban County Council for consideration. The Council may request any additional information it deems necessary to adequately review the project.

Section 14 - If the inducement resolution is passed, such passage would constitute an expression of the intent of the Urban County Government to issue Industrial Building Revenue or Housing Bonds to finance the applicant's project. Passage of the inducement resolution must precede any expenditures by the applicant for the project in order for such expenditures to be eligible for reimbursement from the proceeds of the bonds issued to finance said project.

Section 15 - The final ~~legal~~ step prior to issuance of Industrial Building Revenue or Housing Bonds is the passage of a Bond Ordinance by the Urban County Council, the contents of which, if passed, shall include all requirements of relevant law, which ordinance, if passed, shall include:

a. ~~The loan agreement between the Urban County Government and the applicant.~~

b. ~~The Mortgage Deed of Trust between the Urban County Government and the Trustee for the Bondholders.~~

Section 16 - ~~If bonds are issued, the Urban County Government requires an issuing fee of one fourth of one percent of the principal amount of the bond issue in consideration for the issuance of the bonds and to satisfy all costs, including attorney's fees, incurred by the Urban County Government in issuing the bonds. The Urban County Government shall not be responsible for any costs, fees, or expenses associated with the review or issuance of these bonds. All issuance fees, in the amounts provided in the Policies and Guidelines, as well as all costs and fees for Issuer's counsel, shall be the responsibility of the applicant/borrower.~~

Section 17 - ~~The Commissioner of Housing and Community Development shall promulgate written policies and guidelines for the review of applications for the issuance of Industrial Building Revenue and Housing Bonds not inconsistent with the provisions of the Ordinance. That the revised "Industrial Revenue Bonds Policies and Guidelines of the Lexington-Fayette Urban County Government" (referred to throughout as "Policies and Guidelines"), which are attached hereto and incorporated herein by reference as if fully stated, be and hereby are approved and adopted, and shall replace those Policies and Guidelines previously adopted.~~

Section 18 – ~~That this Ordinance shall amend and replace Ordinance No. 203-80, as amended by Ordinance No. 59-81; Ordinance No. 103-86; Ordinance No. 237-93; Ordinance No. 52-94; Ordinance No. 18-96; Ordinance No. 180-2009; Ordinance No. 152-2013; Ordinance No. 160-2014, which amended Ordinance No. 152-2013; Ordinance No. 57-2017, which amended Ordinance No. 160-2014; Ordinance No. 26-2020; and Ordinance No. 142-2022, in its entirety.~~

Section 19 – ~~That this Ordinance shall become effective on the date of its passage.~~

PASSED URBAN COUNTY COUNCIL:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk of the Urban County Government  
Published:

|

| 4899-5905-9033, v. 1~~4923-6581-6582, v. 1~~

218/6/2025

**INDUSTRIAL REVENUE BONDS  
POLICIES AND GUIDELINES OF  
THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
(ADOPTED BY ORDINANCE NO. ~~-20251~~)**

**Introduction**

The Lexington-Fayette Urban County Government ("LFUCG") is authorized by provisions of Kentucky law (KRS Chapter 103.200, *et seq.*) to issue industrial building revenue bonds ("IRB") to finance the development or expansion of industrial facilities projects. An applicant should thoroughly review this statute in order to understand the types of projects that may qualify. A complete list of the types of projects that may qualify for this type of financing is found in KRS 103.200(1). The purpose of this law is to enable political subdivisions like LFUCG to promote local economic development through the introduction, retention, and expansion of new business and industry. In addition, state law allows LFUCG to issue bonds for facilitating the construction of new or existing housing, although federal regulations limit ~~certain such~~ housing projects to those ~~benefitting~~ benefiting low-moderate income families/individuals. It is the policy of LFUCG to use these bonds to assist projects which will benefit the entire community, and for which other forms of financing are not feasible or desirable.<sup>1</sup> Absent special and compelling circumstances, including, without limitation, significant job creation or evidence of strong economic development resulting directly from the project, LFUCG will not issue an IRB ~~Bond~~ exceeding thirty fifteen (~~3015~~) years.

LFUCG requires that each project be located within Fayette County, and encourages the use of small, local and /or Kentucky bond counsel, architects, engineers, contractors, etc., ~~and minority and women-owned businesses~~ in the development of the project. LFUCG has created additional requirements pertaining the issuance of these bonds, and a commission, known as the Economic Development Investment Board ("IRB Committee" or "Committee"), to review applications for these bonds and make recommendations to the Urban County Council as to whether bonds should be issued for the project. ~~The IRB Committee consists of thirteen (13) members, with eleven (11) appointed by the Mayor and confirmed by the Urban County Council. Some of the members are required to be members of the Chamber of Commerce or the Industrial Authority, the housing industry, the financial investment or banking industry, and the private equity/venture capital industry.<sup>2</sup>~~

**IT SHALL BE THE POLICY OF THE URBAN COUNTY COUNCIL TO RESERVE THE RIGHT TO IMPOSE ADDITIONAL REQUIREMENTS TO THE TERMS OF THE BOND ISSUE, WHENEVER DEEMED NECESSARY FOR COMMUNITY BENEFIT OR TO FURTHER THE IMPLEMENTATION OF COMMUNITY GOALS AND POLICIES.**

## **STRUCTURE OF BOND FINANCING**

Industrial revenue bonds (“IRB’s”) and housing bonds (“HB’s”) do not constitute an indebtedness of the Urban County Government, as these bonds are payable solely from the revenues derived from the project.<sup>2</sup> IRB’s may qualify as tax-exempt municipal securities issued for the purpose of financing the building and equipping of industrial facilities and HB’s may qualify as tax-exempt municipal securities issued for the purpose of facilitating new and existing housing. Proceeds from these bonds are loaned to responsible parties.<sup>3</sup> LFUCG, as consideration for issuance of the bonds and the use of the proceeds to finance the project, will enter into a loan agreement with the successful applicant, which will acknowledge its obligations under the agreement by a note. The note would generally require payments of principal and interest corresponding in time and amount to the principal and interest payments becoming due on the bonds.<sup>4</sup> The applicant shall be solely responsible for all fees and costs related to the bond.

Although KRS Chapter 103 also authorizes the use of a lease or installment sale arrangement in the issuance of industrial revenue bonds, LFUCG will only use the loan agreement format authorized in that Chapter, in order to ensure that the property will remain subject to ad valorem property taxation, unless special and compelling circumstances exist.

~~Although KRS Chapter 103 also authorizes the use of a lease or installment sale arrangement in the issuance of industrial revenue bonds, LFUCG will only use the loan agreement format authorized in that Chapter, in order to ensure that the property will remain subject to ad valorem property taxation, unless special and compelling circumstances exist. The applicant should note that any such determination will ultimately be made by LFUCG’s Council and that the applicant would be responsible prior to Council approval for reaching payment in lieu of taxes or other agreements with the other ad valorem taxing entities in Fayette County such as the School Board, Lextran, the Health Department, the Public Library and others.~~

### **Special Considerations if Seeking Leaseback Arrangements**

As stated previously, LFUCG will only use the loan agreement format authorized in KRS Chapter 103, to ensure that the property will remain subject to ad valorem property taxation, unless special and compelling circumstances exist, including, without limitation, significant job creation or evidence of strong economic development resulting directly from the project.

If the applicant seeks a leaseback arrangement, the applicant must provide evidence that special and compelling circumstances exist to justify the deviation. Additionally, the applicant must execute Payment in Lieu of Taxes Agreements with LFUCG, prior to Urban County Council consideration of the application as well as, with all other taxing districts (such as, without limitation, the School Board, Lextran, and the Health Department) and the Lexington Public Library, prior to Economic Development Investment Board consideration of the application. Ad valorem taxes paid into the urban services district



fund (for refuse collection, streetlights, and street cleaning) and the parks fund will not be reduced.

For proposals seeking a leaseback arrangement that includes, at least in part, a residential use, the following must be included in the project:

(a) The project must be a mixed-use development generally compliant with the Intent (Sec. 28-1) language for mixed-use zoning categories contained in the Zoning Ordinance; and

(1) At least twenty percent (20%) of residential units must be dedicated in perpetuity to affordable housing. "Affordable housing" is defined as residential units with monthly rents no greater than thirty percent (30%) of the monthly income of a household earning eighty percent (80%) of the area median income. The maximum term of an IRB that complies with this subsection shall be fifteen (15) years; or

(2) At least twenty percent (20%) of residential units must be dedicated in perpetuity to workforce housing "Workforce housing" is defined as residential units with monthly rents no greater than thirty percent (30%) of the monthly income of a household earning between 80.01% and 100% of the area median income. The maximum term of an IRB that complies with this subsection shall be ten (10) years.

The applicant should note that any final determination will ultimately be made by LFUCG's Council and that the applicant would be responsible for completing all requirements contained in either these policies and guidelines or the inducement resolution prior to Council approval.

### **~~Sale of Bonds~~**

~~If the bonds are to be sold through private placements, a copy of the placement letter and financial commitment letter must be submitted with the application. The commitment letter must indicate the firm(s) with which the transaction will be placed. The commitment letter will serve as evidence that the lender has performed adequate due diligence and considers the bonds a sound investment. In case of a public offering, a copy of the purchase contract must be provided. This serves as evidence that the underwriter has performed adequate due diligence.~~

### **Issuing Fees<sup>5</sup>**

<b>Issuance Fee:</b>	<b>Amount</b>
Issuance Fee to be paid by the by the conduit borrower to the Lexington-Fayette Urban County Government for the issuance of revenue bonds issued pursuant to KRS 103.200 to 103.285 (the "Act"), payable to the Lexington-Fayette Urban County Government upon issuance of the bonds or as soon thereafter as practicable.	<p>Issuance fee .10 basis points with a minimum of \$10,000.00 and a maximum issuance cost of \$50,000.00.</p> <p>By way of example For a \$5,000,000 bond issuance the fee minimum is \$10,000.00.</p> <p>For a \$10,000,000 bond issuance the fee is \$10,000.00.</p> <p>For a \$25,000,000 bond issuance the fee is \$25,000.00</p> <p>For a \$50,000,000 bond issuance fee is \$50,000.00.</p> <p>For a \$100,000,000 bond issuance the fee is capped at \$50,000.00.</p>

<b>Issuer's Bond Counsel Fees</b>	<b>Amount</b>
<u>Issuer's Bond Counsel costs and fees associated with its work on behalf of the Lexington-Fayette Urban County Government to be paid by the conduit borrower/applicant and payable to Issuer's Bond Counsel within thirty (30) days of receiving a bill.</u>	<u>Actual fee or rate billed by Issuer Counsel.</u>

The Urban County Government shall not be responsible for any costs, fees, or expenses associated with the review or issuance of these bonds.

All required deposits and fees shall be waived for projects undertaken by the Urban County Government as applicant.

### **Bond Counsel**

Because the issuance of these bonds is a legal process, and includes questions of local, state and federal law, the involvement of legal bond counsel for the applicant is required in all phases of discussion and approval. Due to the level of professional expertise required in the preparation of IRB/HB documentation, this process requires the use of experienced bond counsel. Selection of applicant's Bond Counsel shall be at the discretion and expense of the applicant. LFUCG's bond counsel shall be selected by LFUCG and shall be paid by applicant as provided above.

### **APPLICATION PROCEDURE AND ISSUANCE PROCESS**

Anyone interested in exploring the feasibility of this type of bond financing for a project in Fayette County should first contact the Mayor's Office of Economic Development as further provided on LFUCG's website. Information on policies and procedures, with a standard application form, will be provided upon request.

Prospective applicants should submit a detailed proposal in the form of a letter of inducement addressed to the Mayor's Office of Economic Development specifying the characteristics of the project, including an estimate of the benefits to the community, an itemized cost/benefit analysis and a description of the public service impact of the project.

It is recommended that this initial contact be established. A pre-application meeting between the Mayor's Office of Economic Development and the applicant must occur at least ~~forty-five~~sixty (60/45) calendar days in advance of the formal submission of the application, so that proper procedure and scheduling may be assured. No applications may be submitted prior to both this pre-application meeting as well as any internal meeting with taxing districts described below. -In particular, adequate time for staff review of all application material is required prior to sending the complete application through the formal review process.

For proposed leaseback arrangements, Mayor's Office of Economic Development shall also meet with other taxing districts (such as, without limitation, the School Board, Lextran, and the Health Department) and the Lexington Public Library to discuss the proposed project. This meeting must occur before the prospective applicant may meet with the other taxing districts/Lexington Public Library to begin negotiating Payment in Lieu of Taxes Agreements.

Applications shall not be considered for requests in an existing TIF zone.

### **Application Documents**

Applicants ~~for financing~~ must complete and submit the number of paper and electronic copies specified by the Mayor's Office of Economic Development, with ~~the all~~ materials required in the application form.

An application deposit of \$2,500.00 must accompany the application.<sup>6</sup> This is in addition to the bond issuance fee provided below; however, any amount of said application deposit not required to compensate LFUCG for necessary expenses incurred during review of the application will be credited or refunded to the applicant.

Along with the application, the Applicant shall provide the following:

- a. An independent audit and certified financial statement of the applicant or applicants for the most current completed year, prepared and certified by an independent certified public accounting firm. Audit statements prepared by an independent certified public accounting firm for the last three complete years are preferred.
- b. A letter from the proposed purchaser of bonds confirming its intent and evidencing its ability to purchase the bonds.
- c. Letters from at least two (2) institutional lenders stating whether conventional financing is available, and if available, upon what terms, including interest rates and other relevant data. The letters should also state the terms and conditions under which the lender evaluated the proposed project.
- d. Negotiated Payment in Lieu of Taxes ("PILOT") Agreements with LFUCG, as well as with all other taxing districts (such as, without limitation, the School Board, Lextran, and the Health Department) and the Lexington Public Library, if applicable. Failure to successfully negotiate a PILOT agreement with LFUCG, the other taxing districts, or the Lexington Public Library shall require the applicant to agree to pay the entity the entire ad valorem rate of the property which would be due if the property was not owned by the LFUCG (as determined utilizing the then existing ad valorem tax rate and the fair market value determined annually by the Fayette County Property Value Administrator), if issuance of the bonds is ultimately approved by the Board and the Urban County Council.

#### Sale of Bonds

- e. If the bonds are to be sold through private placements, a copy of the placement letter and financial commitment letter must be submitted with the application. The commitment letter must indicate the firm(s) with which the transaction will be placed. The commitment letter will serve as evidence that the lender has performed adequate due diligence and considers the bonds a sound investment. In case of a public offering, a copy of the purchase contract must be provided. This serves as evidence that the underwriter has performed adequate due diligence.

~~a.~~

#### **Preliminary Staff Review**

Staff review of the application includes, but is not limited to, completeness of the application, consideration of the associated economic benefits from the project, the credit worthiness of the applicant, the financial feasibility of the project, including but not limited to review of developer funding, the financing gap of the project, the project's feasibility, the developer's equity investment, the developer's management fee, the entire project capital stack, and the security for the bond.<sup>7</sup> Upon completion of this review and staff's preliminary recommendation for approval, the application, and staff's comments and recommendations, shall be referred to the ~~IRB Committee~~ Economic Development Investment Board, ~~along with comments and a preliminary recommendation from staff.~~

## **IRB-Committee Economic Development Investment Board Review**

Once the application is complete and has been reviewed by the staff, the Economic Development Investment Board (“Committee” or “EDIB”)~~a Committee meeting will be scheduled meet~~ to consider the application. At least one week prior to each such meeting, public notice will be provided by LFUCG with additional notice sent to anyone that LFUCG staff believes also has a direct interest in the project. An official representative of the applicant, assisted by bond counsel, is required to be present at any Committee meeting where the applicant’s application is considered.

The Committee shall establish its own procedures for reviewing the applications and for its meetings. In the evaluation of each project, the Committee will examine any factors relevant to the project, including, but not limited to, those same factors considered by LFUCG staff during its preliminary review as well as any state policies or guidelines related to such bond issuances.

The Committee will ultimately determine (by vote) whether to give the project a favorable or unfavorable recommendation. If the recommendation is favorable, the matter will be forwarded to the Urban County Council for review with the original application materials.

## **Inducement Resolution**

If the ~~IRB-Committee~~EDIB recommends approval, LFUCG normally requires that an inducement resolution be prepared for consideration by the Urban County Council prior to its consideration of a bond ordinance related to the project. The applicant’s bond counsel must timely prepare and submit the number of paper and electronic copies specified by LFUCG staff of the draft inducement resolution and memorandum of agreement. The inducement resolution and memorandum of agreement are an expression of intent by the Urban County Government to issue industrial revenue or housing bonds to finance the project in order to induce the company to develop its project within Fayette County. The inducement resolution and memorandum of agreement also set forth general terms and conditions of the loan arrangement and other matters pertaining to the project. An inducement resolution and memorandum of agreement may also be required before any expenditures are made for the project which may be reimbursed from the proceeds of the sale of the bonds.

LFUCG staff will place the resolution on the Council’s agenda for discussion and, if approved, the resolution must normally receive readings at two separate formal meetings of the Urban County Council, with a reasonable opportunity for the public to comment on the project.

## **Bond Ordinance<sup>8</sup>**

The final ~~legal~~ step prior to issuance of bonds is the passage of a Bond Ordinance by the Urban County Council, which ordinance, if passed, shall include: the loan agreement between LFUCG, the applicant, and any other necessary party(s), ~~and~~ a Mortgage Deed of Trust between LFUCG and the Trustee for the Bondholders (or similar equivalent security), and all legal requirements.<sup>8</sup>

The process for Bond Ordinance approval repeats the steps for the Inducement Resolution. The applicant must timely prepare and submit the number of paper and electronic copies of each document specified by LFUCG staff. LFUCG staff will place the ordinance on the Council's agenda for discussion and, if approved, the ordinance must normally receive readings at two separate formal meetings of the Urban County Council. The occasion of the second reading of the bond ordinance may also serve as the public hearing on revenue bond projects, if required by Federal law.

### **Approval by the Commonwealth of Kentucky**

Certain specific projects are also required to be reviewed and approved by the Commonwealth of Kentucky through the Kentucky Private Activity Bond Allocation Committee pursuant to KRS 103.2101. An applicant is responsible for determining whether such review is required and for obtaining the necessary approval.

### **Alternate Issuer of Bonds**

LFUCG has the authority to issue industrial revenue and housing bonds for all eligible projects located within Fayette County. Current state law provides that the Kentucky Economic Development Finance Authority may also issue such bonds at the request of the Urban County Government. No such request will be made without approval ~~of an Inducement Resolution~~ by the Urban County Council. ~~Therefore, all applicants for industrial revenue or housing bonds for projects in Fayette County must adhere to the procedures outlined herein.~~

## ANNOTATIONS

4918-2759-2998, v. 5

<sup>1</sup> Ordinance No. ~~XX-2025, 203-80, as amended by Ordinance No.'s 59-81, 103-86, 237-93, 52-94, and 18-96; 180-2009; 152-2013; 160-2014, which amended Ordinance No. 152-2013; Ordinance No. 57-2017, which amended Ordinance No. 16-2014; and 26-2020.~~

<sup>2</sup> ~~Id.~~

~~-~~

<sup>2</sup> The bonds are issued using the alternative procedures in KRS 103.215 which provide: "In the event of use of such alternative financing procedure, such bonds shall not constitute an indebtedness of such city or county within the meaning of the Constitution of Kentucky, but shall be payable as to principal and interest solely from the revenues derived from the revenues derived from payments, repayments, or sublease payments made by such person to such city or county in respect of such loan, sale or sublease." KRS 103.230(2) provides that "it shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 103.200 to 103.280 and that it does not constitute an indebtedness of the city or county within the meaning of the Constitution."

<sup>3</sup> KRS 103.215 authorizes alternative procedures for the purpose of financing the acquisition of an "industrial building." The government may issue bonds using a loan, lease, or installment sale in addition to obtaining fee simple ownership. KRS 103.215(2)(a) specifically authorizes a loan of the proceeds from the sale of the bonds to any person for the acquisition of an industrial building.

<sup>4</sup> KRS 103.215(2)(b) provides that the loan and "any agreement or contract with respect thereto may include such provisions as such city or county shall deem appropriate to effect the securing of the financing undertaken in respect of such industrial building."

<sup>5</sup> Ordinance No. 21-2021.

<sup>6</sup> Id.

<sup>7</sup> KRS 103.210 specifies certain items which must be included in the ordinance, including "the proposed undertaking, the maximum amount of bonds to be outstanding at any one (1) time, and the maximum rate of interest the bonds are to bear." The ordinance must also provide that the industrial building is to be acquired pursuant to the provisions of KRS 103.200 to 103.285. The bond ordinance is effective only after publication of information about the transaction in an authorized newspaper.

<sup>8</sup> ~~Ordinance No. XX-2025, Ordinance No. 203-80, as amended by Ordinance No.'s 59-81, 103-86, 237-93, 52-94, and 18-96; 180-2009; 152-2013; 160-2014, which amended Ordinance No. 152-2013; Ordinance No. 57-2017, which amended Ordinance No. 16-2014; and 26-2020.~~

<sup>8</sup>

<sup>8</sup> ~~KRS 103.210 specifies certain items which must be included in the ordinance: "the proposed undertaking, the maximum amount of bonds to be outstanding at any one (1) time, and the maximum rate of interest the bonds are to bear." The ordinance must also provide that the industrial building is to be acquired pursuant to the provisions of KRS 103.200 to 103.285. The bond ordinance is effective only after publication of information about the transaction in an authorized newspaper.~~



RESOLUTION NO. \_\_\_\_\_ - 2025

A RESOLUTION AMENDING RESOLUTION NO. 100-83 TO DESIGNATE THE ENTIRETY OF LEXINGTON-FAYETTE COUNTY'S URBAN SERVICE BOUNDARY, AS IT MAY BE AMENDED FROM TIME TO TIME, AS A "DOWNTOWN BUSINESS DISTRICT" PURSUANT TO KRS 103.200 ET SEQ. RELATING TO INDUSTRIAL REVENUE BONDS, SOLELY FOR THE PURPOSE OF PROVIDING FOR THE ISSUANCE OF SUCH BONDS WHERE PROJECTS WOULD AID IN THE AREA'S REVITALIZATION OR DEVELOPMENT.

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WHEREAS, the Lexington-Fayette Urban County Government is authorized, pursuant to KRS 103.200 et seq. to issue industrial revenue bonds for projects which meet the criteria contained therein; and

WHEREAS, one category of activities for which KRS 103.200 et seq. provides for issuance of such bonds is any activity, including new construction, designed for revitalization or redevelopment of downtown business districts as designated by the issuer; and

WHEREAS, it is the intent of the Lexington-Fayette Urban County Government to provide for issuance of industrial revenue bonds where a proposed project would aid in the revitalization or redevelopment within Lexington-Fayette County's Urban Service Boundary.

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

Section 1 – That the area of Lexington-Fayette County inside Lexington-Fayette County's Urban Service Boundary, as it may be amended from time to time, the current Urban Service Boundary being shown on the attached map, which map is incorporated herein by reference, shall be and hereby is designated pursuant to KRS 103.200 et seq.

as a “Downtown Business District” for Lexington-Fayette Urban County Government solely relative to the issuance of industrial revenue bonds.

Section 2 – That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

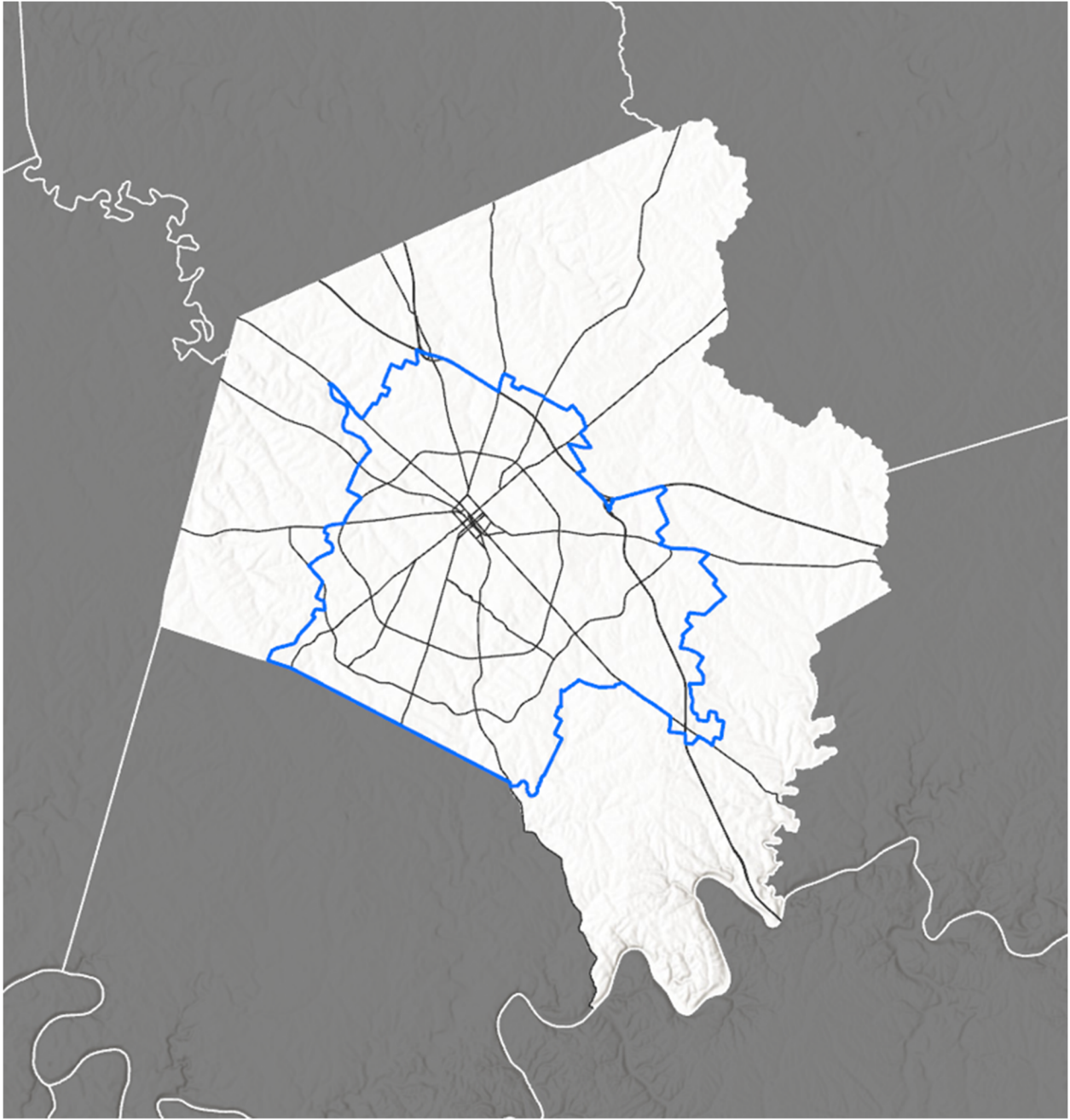
ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk of the Urban County Council

4914-6271-0361, v. 1

EXHIBIT  
LEXINGTON-FAYETTE COUNTY URBAN SERVICE BOUNDARY





# Lexington-Fayette Urban County Government Master

200 E. Main St  
Lexington, KY 40507

**File Number: 0785-25**

**File ID:** 0785-25

**Type:** Committee Item

**Status:** Agenda Ready

**Version:** 1

**Contract #:**

**In Control:** Budget and  
Finance and  
Economic  
Development  
Committee

**File Created:** 08/15/2025

**File Name:** Review of Committee Referrals

**Final Action:**

**Title:** Review of Committee Referrals

**Notes:**

**Sponsors:**

**Enactment Date:**

**Attachments:** BFED Items Referred

**Enactment Number:**

**Deed #:**

**Hearing Date:**

**Drafter:**

**Effective Date:**

## History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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## Text of Legislative File 0785-25

Title

Review of Committee Referrals

ITEMS REFERRED TO COMMITTEE

Budget, Finance & Economic Development Committee

Referral Item	Referred By	Date Referred	Last Heard	Status	File ID
1 Review of the Exaction Program	Ellinger	August 28, 2018	November 28, 2023		1225-23
2 Downtown Projects Update	LeGris	August 27, 2019	September 24, 2024		0964-24
3 Medical Debt Relief	Wu	September 26, 2023	August 27 2024		0857-24
4 Robert H. Williams Cultural Center Funding	J. Brown	October 31, 2023	August 27 2024		0856-24
5 LexArts Finance and Equity Review	Wu	May 28, 2024	September 24, 2024		0965-24
6 Digital Accessibility	J. Brown	August 20, 2024	June 24, 2025		0643-25
7 City Hall Feasibility Study	J. Brown	September 12, 2024	October 29, 2024		1096-24
8 Disparity Study	Ellinger	November 15, 2022	April 16, 2024		0405-24
9 Micro Transportation	Ellinger	February 11, 2025			
10 Opioid Abatement Fund	J. Brown	April 30, 2025			
11 E911 Fund Revenue Sources	Beasley	May 6, 2025			
12 Local Impact Due to Federal Policy	J. Brown	July 3, 2025		Scheduled	
Annual/Periodic Updates					
13 Monthly/Quarterly Financial Update	na	na	March 18, 2025	quarterly presentations, monthly reports	0281-25
14 Annual Comprehensive Financial Report	na	na	January 21, 2025	Annually in January	0094-25
15 Lexington Economic Outlook & Occupational Tax Forecast	J. Brown	December 3, 2019	February 18, 2025		0186-25
16 Fund Balance	na	na	October 29, 2024	Annually in October	1098-24
17 Economic Development Grants, JOBS, and Partnerships Update	J. Brown	January 29, 2019	November 28, 2023	Scheduled	1224-23
18 Industrial Development Authority Update	J. Brown	February 25, 2020	August 29, 2023		0868-23
19 Change Orders Report (per Resolution 620-2020)	J. Brown	December 3, 2020	August 27 2024	For information only	0855-24
20 Technology Ecosystem Development	Sevigny	October 31, 2023	June 24, 2025		0642-25

Updated 8/13/25 KF