

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the 2nd day of July 2018, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky, created pursuant to KRS chapter 67A ("Government"), 200 East Main Street, Lexington, Kentucky 40507, on behalf of its Chief Development Officer ("CDO"), and **THE DOWNTOWN LEXINGTON CORPORATION DBA DOWNTOWN LEXINGTON PARTNERSHIP** ("Organization"), 316 West High Street, Lexington, Kentucky 40507, with an effective date of July 1, 2018.

WITNESSETH:

That for and in consideration of the mutual promises and covenants herein expressed, the Government and the Organization agree as follows:

1. Government hereby retains Organization for the period beginning on July 1, 2018, and continuing for a period of twelve (12) months from that date unless within that period Government gives the Organization written notice of termination of this Agreement in which case this Agreement shall terminate thirty (30) days from the date notice is given to the Organization.
2. The Organization agrees to provide the following services through the downtown area and those provided in Exhibit A attached hereto:
 - (a) Facilitate development and redevelopment projects within the downtown Lexington area;
 - (b) Acquire, construct, maintain, add to, and improve any "public project" as defined in KRS 58.010, provided, however, the Organization shall

not acquire, construct, maintain, add to, or improve any “public project” as defined in KRS 58.010 with respect to the Lexington Center Corporation, or its property, without its written consent;

- (c) Coordinate urban county policies and programs relating to public investment for financing development and redevelopment projects with the downtown area of Fayette County;
- (d) Develop and coordinate the implementation of downtown, neighborhood, area-wide and corridor plans and policies of the urban county government, consistent with, and in coordination with, other urban county department and agencies with responsibilities in the same area;
- (e) Establish design and related standards or guidelines for development and redevelopment projects with the downtown area, consistent with, and in coordination with, other urban county departments and agencies with responsibilities in the same area;
- (f) Coordinate the activities of other urban county government supported departments, offices, organizations and corporations involved in development and redevelopment related activities;
- (g) Exercise other related powers and duties consistent with Sections 2-428, et seq., of Government’s Code of Ordinances;
- (h) Provide event management for the following events: Central Bank Thursday Night Live (Fifth Third Bank Pavilion); Mayfest Arts Fair (Gratz Park & Transylvania); Bike Lexington (Robert F. Stephens

Courthouse Plaza); 4th of July Pie Contest and Ice Cream Social (Fifth Third Bank Pavilion); 4th of July Patriotic Concert (Transylvania University); 4th of July Blue Grass 10K, Street Festival, Parade and Fireworks (Downtown); Lexington Fest-of-Ales (Fifth Third Bank Pavilion; Luminate Lexington Holiday Market, Concert and Tree Lighting (Triangle Park); Christmas Parade (Main Street/Downtown);

- i. All revenues from the events shall be retained by the Organization;
- ii. Event evaluation to determine if events in whole or part are sensible to continue, and report to Special Events Commission with recommendations. Special Events Commission will maintain authority to approved, deny or cancel event applications;
- iii. Sponsor recognition to Government on all events that Organization produces;
- iv. Reimbursement to Government for labor services on events listed in 2(h) above;
- v. Government will provide Organization:
 - (a) Personnel from Divisions of Parks and Recreation, Street and Roads, Police, Fire, Public Information and Waste Management to produce events listed in 2(h);
 - (b) The Division of Parks and Recreation personnel costs and operating costs for the Blue Grass 10K will be

reimbursed to Parks from the entry fees from the Blue Grass 10K by Organization. Organization will reimburse Parks for its personnel costs up to the amount of \$20,000. Parks operating costs will be reimbursed upon approval by Organization;

(c) Liaison position in the Mayor's office to work with Organization's staff for event support

3. In consideration for the Organization providing the services more particularly described in Exhibit A, attached hereto and incorporated herein by reference, the Government shall pay the organization the sum of Three Hundred Sixty-Three Thousand Four Hundred Seventy Dollars (\$363,470.00). Ninety Thousand Eight Hundred Sixty-Seven Dollars and Fifty Cents (\$90,867.50) of the total sum shall be payable each quarter, within ten (10) days after receipt of the report required in Paragraph 7 herein, July to June, inclusive. Lexington-Fayette Urban County Government funds may not be used to raise any staff member's annual salary by more than 2% in fiscal year 2019. Additionally no LFUCG funds may be used to hire any additional staff above the current (FY 2018) staffing levels (9 full-time and 0 part-time)

4. In the event of termination of this Agreement by Government as provided for in paragraph 1 above, Organization shall be entitled to that portion of total compensation due under this Agreement as the service rendered bears to the service required thereunder.

5. Organization shall perform all duties and services included in the Addendum attached hereto faithfully and satisfactorily at the time, place and for the

duration prescribed herein. Organization shall keep itself fully informed of all national and state laws and all municipal ordinances and regulations in any manner affecting the work or performance of this Agreement, and shall at all times observe and comply with such laws, ordinances and regulations, whether or not such laws, ordinances or regulations are mentioned herein, and shall indemnify Government, its officers, agents and employees against any claim or liability arising from and based on Organization's violation of any such laws, ordinances or regulations.

6. Organization represents that it has filed federal, state or local income tax returns required by law in the legally prescribed time and manner. This Agreement shall not become effective unless and until copies of all of the executed originals of the aforementioned tax returns filed for the most recent tax year for the Organization have been registered by the Organization in the office of the CDO, and the Organization shall not be compensated unless and until such registration has taken place.

7. The Organization shall, at the end of each quarter and by no later than the 10th day of the succeeding quarter (October 10, 2018; January 10, 2019; April 10, 2019 and July 10, 2019), on such forms as the CDO shall provide, submit to the CDO: (a) a report containing, for each of the services enumerated in Exhibit A which were provided in the preceding quarter a description of the service provided, including the costs of providing services and the quantity and quality of the service provided; (b) the additional information requested in and submitted on the form attached hereto as Exhibit B and incorporated herein by reference (or a similar form created and provided to Organization by the Government); and (c) an invoice requesting compensation for the services provided during the preceding quarter. Failure to submit the quarterly report and invoice described herein

by the required date shall result in the quarterly payment to Organization being withheld until the next reporting period. In addition, Organization shall be required to present a progress report as to its activities annually, or as additionally required, before the Urban County Council's Budget, Finance & Economic Development Committee, or as otherwise instructed by the Government.

8. Books of accounts shall be kept by the Organization and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transactions of the Organization. The books of accounts, together with all bonds, notes, bills, letters and other writings belonging to the Organization, shall be maintained at the principal place of business of the Organization as set forth in this Agreement. Government shall have free and complete access to the books, papers and affairs of the Organization at all reasonable times, and if it desires, it may have the books and papers of the Organization audited and examined by auditors, accountants or attorneys. Any examination shall be at the expense of the Government.

9. Government may designate such persons as may be necessary to monitor and evaluate the services rendered by the Organization. The Government, its agents and employees, shall, at all times, have unrestricted access to all places where or in which the services required hereunder are being carried on and conducted. Inspection and monitoring of the work by these authorities shall in no manner be presumed to relieve in any degree the responsibility or obligations of Organization, or to constitute Organization an agent of the Government.

10. Organization shall provide equal opportunity in employment for all qualified persons, shall prohibit discrimination in employment because of race, color,

creed, national origin, sex, age, sexual orientation or gender identity, or handicap, shall promote equal employment through a positive, continuing program of equal employment, and shall cause each of its subcontracting agencies to do so. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

11. Organization shall adopt a written sexual harassment policy, which shall at a minimum, contain a statement of current law; a list of prohibited behaviors; a complaint process; and a procedure which provides for a confidential investigation of all complaints. The policy shall be given to all employees and clients and shall be posted at all locations where the organization conducts business. This policy shall be submitted to the CDO for review within thirty (30) days of the execution of this Agreement.

12. The Organization agrees that all revenue and expenditures shall be audited at least annually by independent certified public accountants who shall express an opinion as to whether or not revenue and expenditures during the year audited have conformed to state and local law and regulation. A copy of this audit shall be submitted to the CDO within ten (10) days of completion.

13. Organization agrees that it shall apply all funds received by it from the Urban County Government in accordance with the following investment policy guidelines:

- A. Objectives--Capital preservation with surety of income. Reasonable competitive income consistent with high investment quality and purpose of funds. All investments shall conform with state and local law and regulations and these Policies.
- B. Investment Funds Management--The governing board may elect to either:

- (1) manage its investments through its executive director where the size or complexity of funds to be managed is deemed by the board to be within the training, expertise and/or available time capacity of the executive director and the operating staff;

-or-

- (2) utilize the professional investment management facilities of a local bank trust department acting in a fiduciary capacity within the same approved investment policies and federal, state, local and trust laws and regulations. The trust department may utilize its regular short-term 100% U.S. Treasury Fund for daily funds investment. The election of option 1 or 2 should be made consistent with the relative cost incurred and in the case of option 2 the cost shall be competitive among local trust departments.

C. Investment Policies--Safety and Prudence.

- (1) Short-term liquidity funds shall be invested in "riskless" investments, i.e., deposits in Kentucky commercial banks or savings and loan associations that are fully federally insured or deposits collateralized by U.S. Treasury securities with a current market value of at least 100%, or in direct obligations of U.S. Treasury securities.

Investments shall be diversified according to maturity in order to meet projected cash flow needs.

Collateral pledged to secure uninsured deposits shall be held at a federal reserve bank with the receipt providing absolute control by the agency.

- (2) Retirement funds, endowment funds, long-term capital reserve funds and any other special funds may be held and invested by a local bank trust department under investment objectives and diversification in accordance with the individual nature of the funds and pursuant to the "prudent man" investment rule as well as general trust law.
- (3) All investments shall be reviewed monthly by a finance or investment committee of the agency.
- (4) Local brokerage firms may hold and invest funds provided that investments are located within Kentucky and are fully insured.

- D. Audit--All investments shall be audited at least annually by independent certified public accountants who shall express an opinion as to whether or not investments during the year audited have conformed with state and local law and regulation and with the approved investment policies.

14. This instrument, and the Addendum incorporated herein, contains the entire agreement between the parties, and no statement, promises or inducements made by either party or agent of either party that is not contained in this written Agreement shall be valid and binding; and this Agreement may not be enlarged, modified or altered except in writing signed by the parties and endorsed hereon.

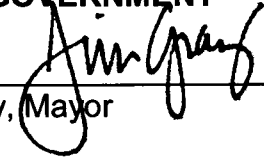
15. Notice – Any written notice required by the Agreement shall be delivered by certified mail, return receipt requested, to the following:

For Organization: Downtown Lexington Partnership
 316 West High Street
 Lexington, Kentucky 40507
 Terry Sweeney, President & Chief Executive Officer

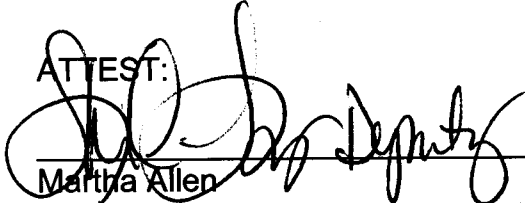
For Government: Lexington-Fayette Urban County Gov.
 200 East Main Street
 Lexington, Kentucky 40507
 Att: Kevin Atkins, Chief Development Officer

IN WITNESS WHEREOF, the parties have executed this Agreement at Lexington, Kentucky, the day and year first above written.

**LEXINGTON FAYETTE URBAN
COUNTY GOVERNMENT**

By: 
Jim Gray, Mayor

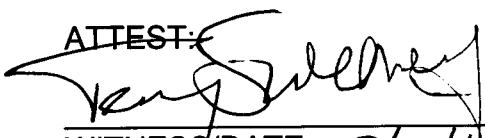
ATTEST:


Martha Allen
Clerk of the Urban County Council

**DOWNTOWN LEXINGTON
PARTNERSHIP**

By: 
Steve Grossman,
Chairperson

ATTEST:



WITNESS/DATE: 7/2/18

President / CEO
Downtown Lexington Partnership

EXHIBIT "A"

Lexington/Fayette Urban County Government

Addendum for Services

Downtown Lexington Partnership

Scope of Work

Local Contribution:

During fiscal year 2019 (July 1, 2018 through June 30, 2019) the Downtown Lexington Partnership (DLP) will use these funds from the Lexington-Fayette Urban County Government to:

- Work to create a successful, vibrant downtown proactively and strategically in coordination with community partners;
- Work to attract new businesses, development and residences in downtown, increase sales activity and street level occupancy and improve existing buildings and urban design;
- Create a cleaner, safer, more beautiful and accessible downtown;
- Increase sales, visitorship and downtown investment through strategic marketing and developing/managing events;
- Build the Public Private Partnership (P3), which funds downtown revitalization and management. Proactively pursue the DLP mission by building an organization with adequate resources, technology and professional staff and engaged leadership, board members, stakeholders and volunteers.

Downtown Lexington Partnership will provide event management for the following events for Lexington-Fayette Urban County Government:

- Central Bank Thursday Night Live
- Mayfest Arts Fair
- Bike Lexington
- 4th of July Pie Contest and Ice Cream Social
- 4th of July Patriotic Concert
- 4th of July Blue Grass 10K, Street Festival, Parade and Fireworks
- Lexington Fest-of-Ales
- Holiday Market, Concert, Tree Lighting
- Christmas Parade

EXHIBIT "B"

Lexington/Fayette Urban County Government

Addendum for Services

Downtown Lexington Partnership (DLP)

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
 Economic Development Partner Agency Quarterly Report
 Fiscal Year 2019

Partner Agency: Downtown Lexington Partnership
Date of Quarterly Report: X
Fiscal Year 2019 Report Period: Quarter #
Report Completed By: X

<u>Name of Event:</u>	<u>Estimated Attendance:</u>
x	#

Estimated Total Attendance for Quarter:	#
Average Weekly Attendance for Quarter:	#

TOTAL ESTIMATED ATTENDANCE ALL EVENTS:	#
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Membership as of July 1, 2018:	#
Membership as of End of Current Quarter:	#
Current Corporate Membership Total:	#
Current Individual Membership Total:	#

ECONOMIC DEVELOPMENT PROJECTS CONSULTED ON DURING CURRENT QUARTER

<u>Type of Project:</u>	<u>Estimated Project Cost:</u>
	\$
	\$

NUMBER OF HOURS (ESTIMATED) EXPERTISE DEVOTED TO PUBLIC PROJECTS

Total Estimated Project Hours:	#
Total Estimated LFUCG Project Hours:	#

GRANT DOLLARS RAISED FOR DOWNTOWN PARTNERSHIP

Grant Dollars Raised: \$
% of Overall DLP Budget Grant Accounts For: %

INFILL PROJECT OPPORTUNITIES WORKED THIS QUARTER

Number of Infill Projects Consulted On This Quarter: #
Number of Infill Projects Announced This Quarter: #
Number of Infill Projects Began This Quarter: #

NEW DEVELOPMENT OPPORTUNITIES WORKED THIS QUARTER

Number of New Development Projects Consulted on This Quarter: #
Number of New Development Projects Announced This Quarter: #
Number of New Development Projects Began This Quarter: #

NEW DEVELOPMENT OPPORTUNITIES WORKED THIS QUARTER

Name of Funding Source: Amount of Funding:
X \$

BUDGET PARTICIPATED

Total Budget of Downtown Lexington Partnership for Current Quarter: \$
LFUCG Funding for Current Quarter: \$
Downtown Management District Funding for Current Quarter: \$
Administrative Cost/Salary Expenses for Current Quarter: \$

PLACE RESPONSE HERE

Place response here



Place response here

***Submit this form in Excel format by the dates required in the PSA to the Chief Development Officer:
katkins@lexingtonky.gov***