

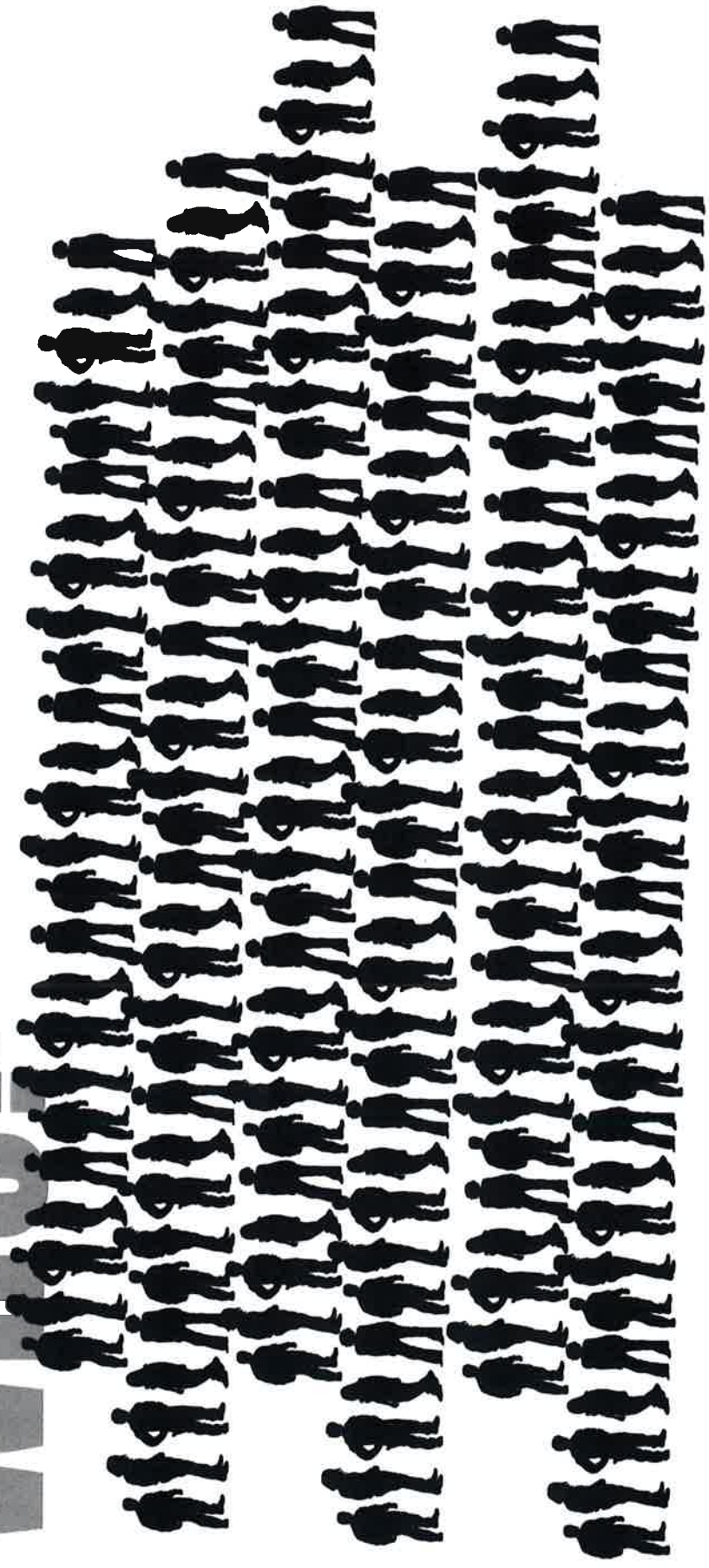
Downtown Lexington Management District (DLMD) Presentation

April 14, 2015

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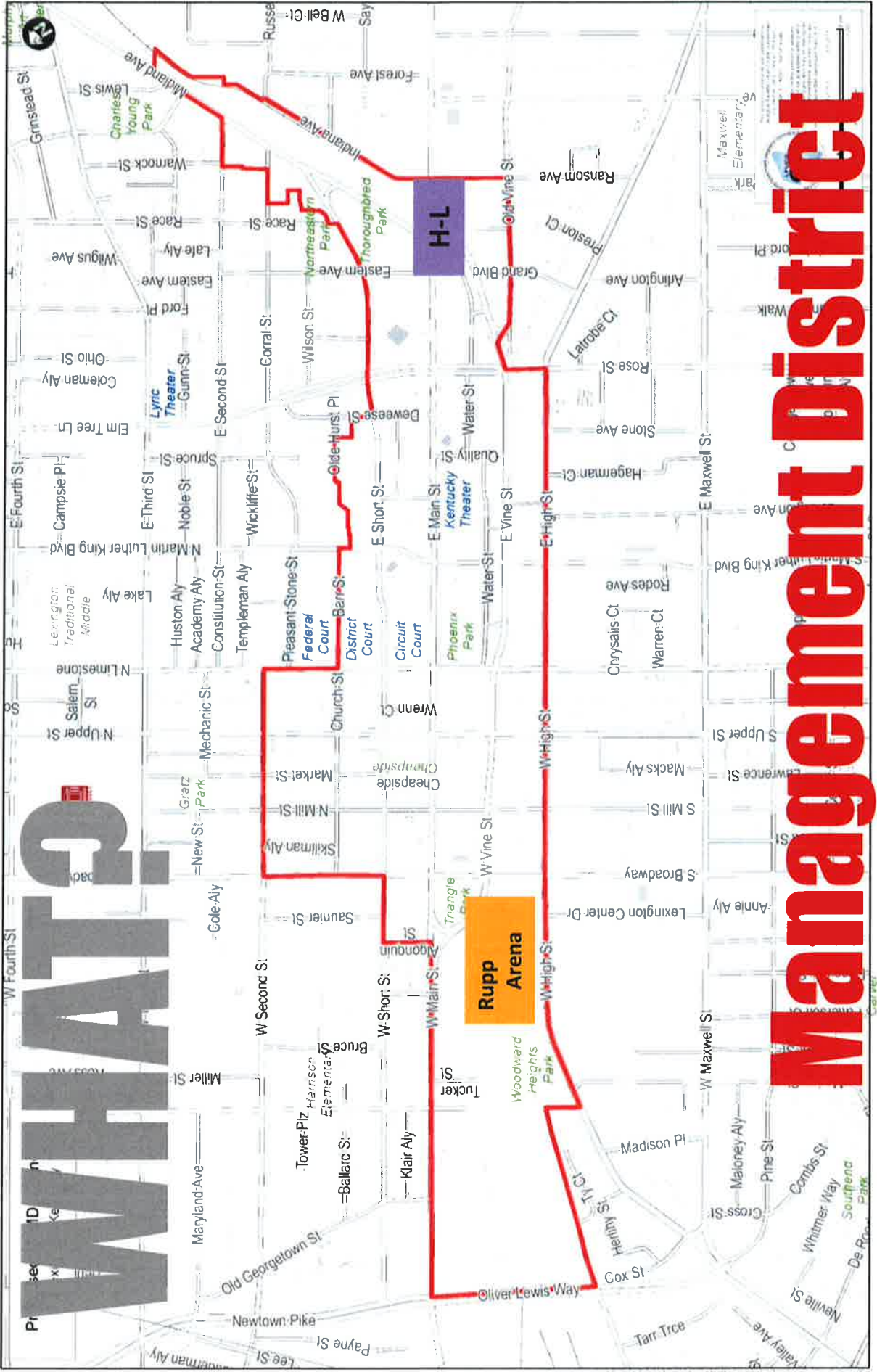
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WHO?



175 Property Owners

WHAT?



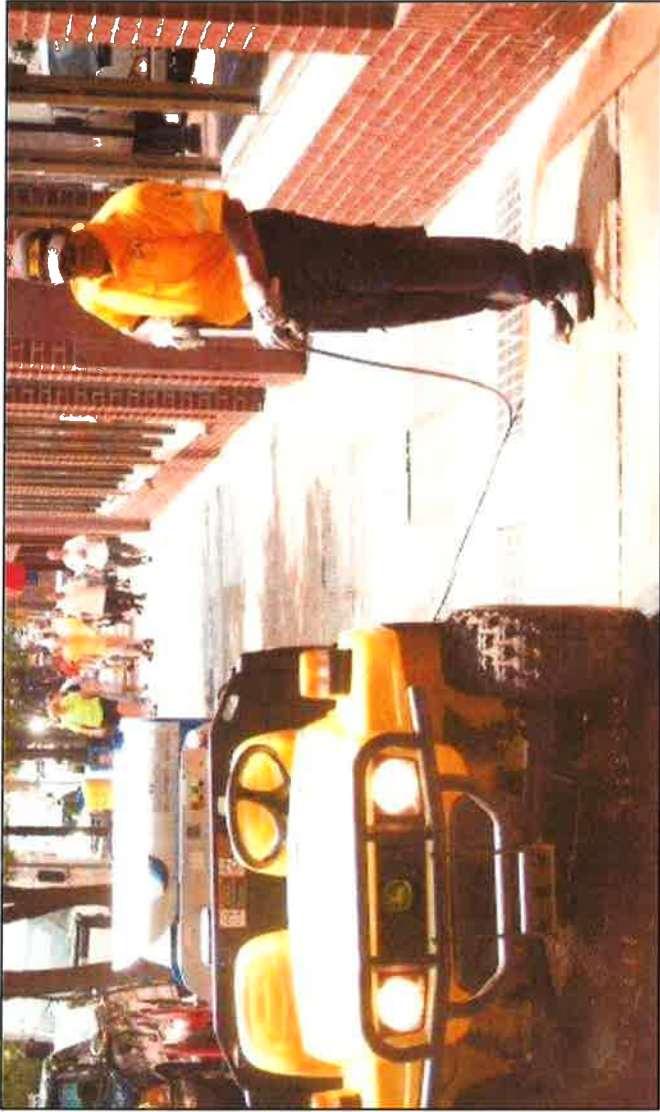
Management District

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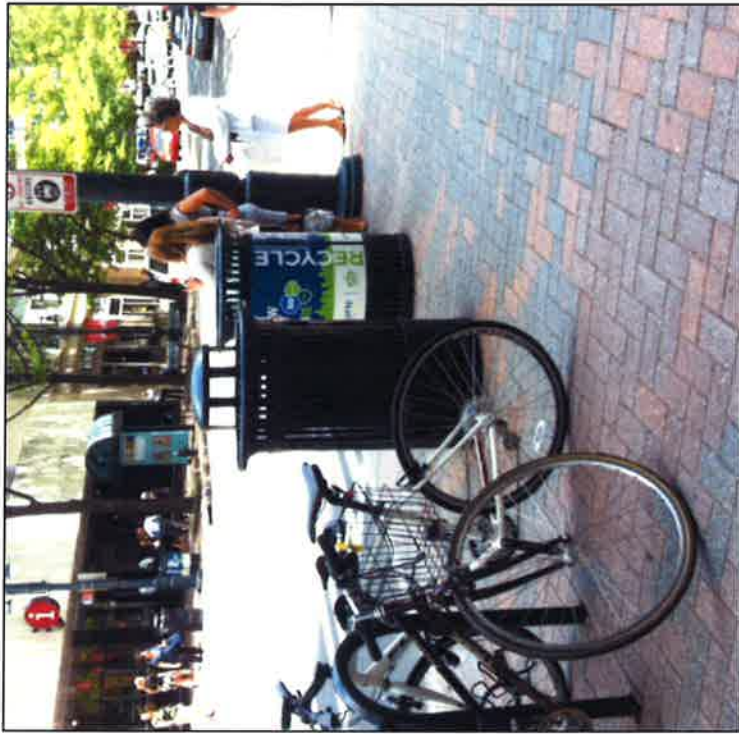
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WHY?



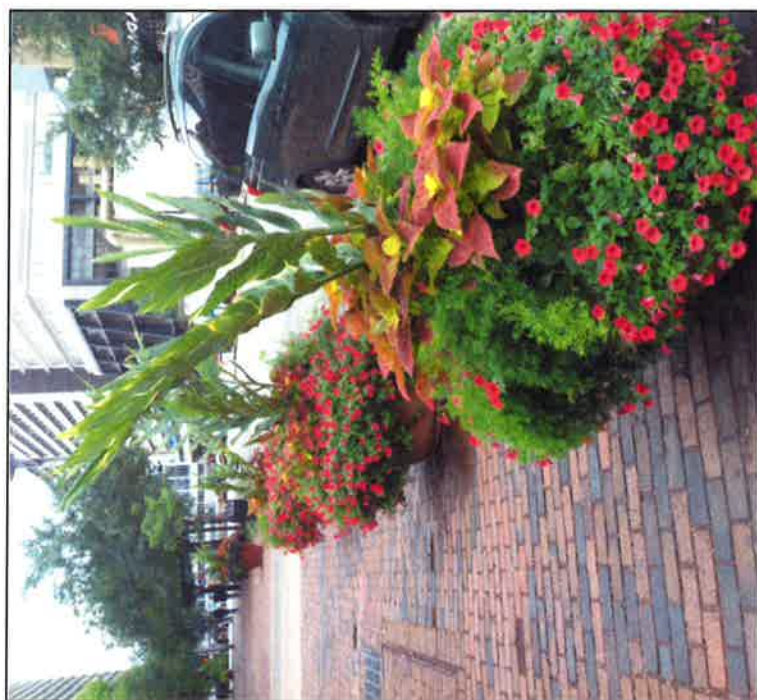
Clean

WHY?



Safe

WHY?



Attractive

WHY?



Because this is the same block

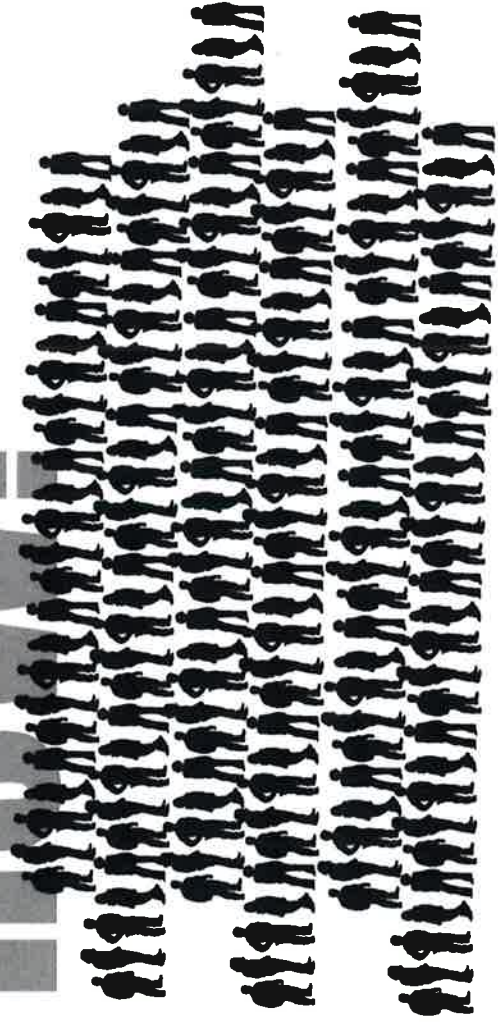
WHY?

There are currently 1,200 management districts in the United States, including many peer cities.



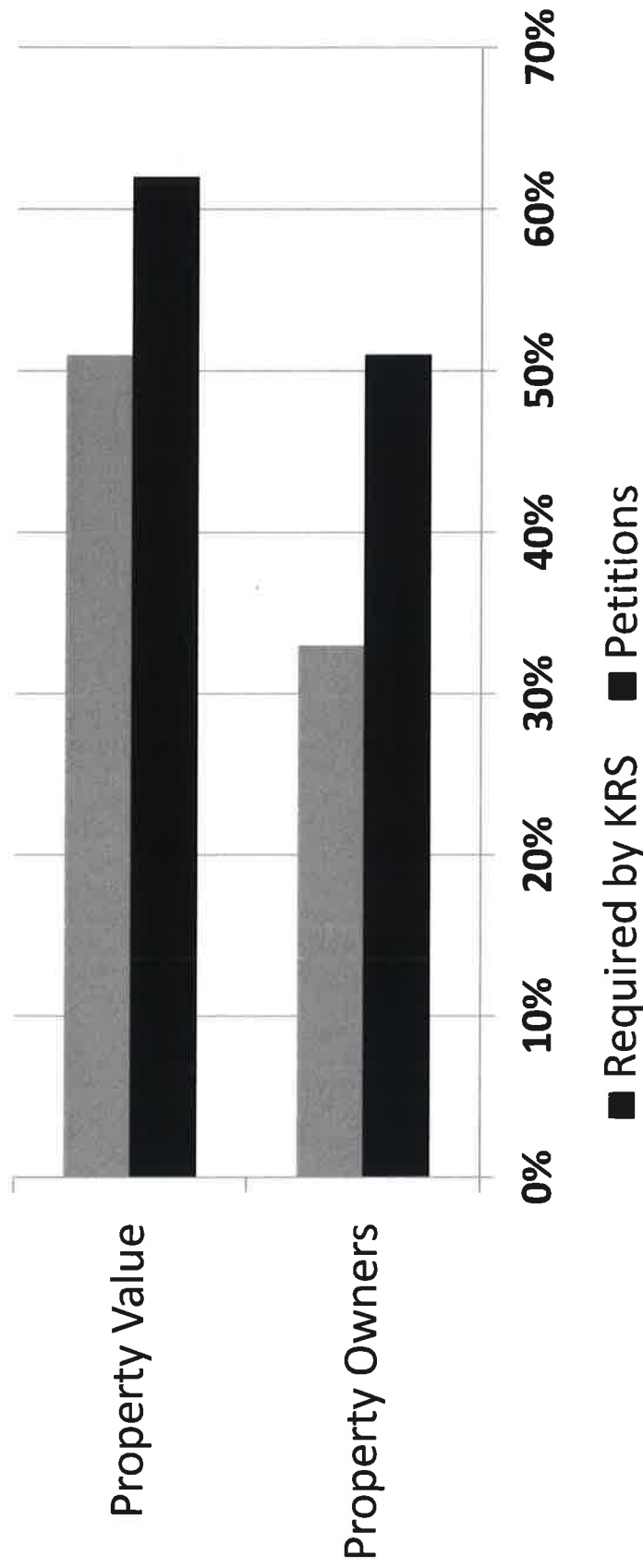
Proven track record

HOW



**175 property owners petition
the Urban County Council to
create a special assessment...**

HOW?



... more than KRS 91.750 requires.

HOW?

$$\begin{aligned} &\text{Total Prop. Value (yr 1) - } \$362,000,000 \\ &\quad \times \underline{0.001} \\ &= \$362,000 \end{aligned}$$

towards: maintenance, capital improvements,
plantings, wayfinding, matching grants.
Safe. Clean. Attractive.

All proceeds reinvested in District...

HOW?

Commercial Property Owners

Business Owners

Tenants

Residents

Council Members and Mayor

Parking Owners

DLC and LDDA



**... as governed by an independent board
made up of property owners and
stakeholders...**

HOW?

- ✓ Five Year Sunset.
- ✓ Property owners may request a dissolution at any time by presenting a petition with 33% of property owners and an assessed value of 50.1%.
- ✓ Urban County Council shall annually approve Board-adopted Economic Improvement Plan.

... **with safeguards.**

SUMMARY

- The petition contains 51% of tax-paying property owners. This 51% of property owners own 62% of all assessed property in the management district.
- There are currently 1,200 management districts in the United States, including many peer cities. This illustrates the concepts proven track record.
- This management district will help to continue the momentum of improving downtown and provide enhanced services and a better environment to live, work and play.



QUESTIONS

Drew Fleming, Chair

Downtown Lexington Corporation

robertandrewfleming@gmail.com



Management District by the Numbers

Ownership

- 343 tax paying property owners (commercial and residential)
- 14 tax exempt owners (schools, churches, LFUCG, etc.)

Value of property in district

- \$362.1 million – total value of all taxable property in district

State statute requires

- 33 percent – support of all owners (taxable/exempt); locally, that is 118 owners
 - 51 percent – their property must equal 51 percent value of all taxable property in district
-

Support for local district as of March 24, 2015

- 51 percent of **tax paying** property owners – 175 owners – have signed petition.
- 62.5 percent of total value, or \$226 million.
- Of the 175 petitions, 57 percent are commercial owners and 43 percent are residential owners.

Management district fee

- Management district fee: 10 cents per \$100 of PVA assessed value.
- For a property valued at \$200,000, fee will be \$200 annually.

Cities with management districts

- 1,200 – Management districts in cities across the country. (2013 survey, Int'l Downtown Association.)

Individual parcels of property

- 567 total parcels in district
 - 265 – Commercial (47 percent)
 - 206 – Residential (36 percent)
 - 96 – Tax exempt (17 percent)

How much money would the management district raise each year?

- \$362,000

Property Owners in Favor by Property Value

Over \$5 million

Chase Tower Building Owner LLC (Mukang Cho)
Fayette Land Company LLC (Woodford Webb)
Lexington Financial Center LLC (Woodford Webb)
Gray Realty LLC (Franklin Gray)
Lexington HL Services Inc. (Rufus M. Friday)
MCV II, LLC (Woodford Webb)
300 West Vine LLC (Robert Langley)
Downtown Lexington Hotel LLC (Brett Ellen)
Second Premises Corp. (James Warshawski)

\$1,000,000-\$4,999,999

Victorian Square LLC (Woodford Webb)
Community Trust Bank Inc. (Larry Jones)
Lexington's Real Estate Company LLC (Phil Holoubek)
Security Trust Bldg. LLC (Biff Buckley)
Dudleys Building Partners LLC (Debbie Long)
Big Blue Parking LLC (Woodford Webb)
American Founders Bank, Inc. – First Bank of Lexington Inc. (Barry Brauch)
21C Lexington LLC (Craig Greenberg)
Commerce Lexington, Inc. (Robert L. Quick)
163 E Main Street LLC (Joe Rosenberg)
Hurricane Hills Farm & Stables LLC (Felicia Branham)
Gratz Park Group LLC (William M. Lear)
FBP Holdings LLC (Kamp Purdy)
Main Esplanade Investments LLC (Ted Mims)
ETS Realty LLC (Dr. Edward Saad)
Lexwest Corporation Inc. (William Craig Turner)
TKRG II LLC (Mike Scanlon)
The Lexington Club Inc. (Charles L. Stivers)
Margaret T. Scanlon
BOBE LLC (Bob Estes)
HGabbard Properties III LLC (Bob Cole)

\$500,000-\$999,999

101 West Main LLC (Woodford Webb)
Bank of the Bluegrass & TR (Bill Allen)
Miller H Properties LLC (Barney Miller)
T Warfield Kinkead II
James A. Ross (Vanessa Ross Bell)
How Did That Occur Inc. (Joseph Mainous Jr.)
PNC – National City BK of KY (John Gohmann)
H Foster Pettit
KY Growers Insurance Co. (Marc Evans)
New Past LLC (Joe Graviss)
Francais LLC (Richard A. Getty)
KSI Real Estate Holdings LLC (J. Daniel Rivers)
Deerwood Vine Street LLC (Albert Piazza)
GMA Realty LLC (C. Timothy Cone)

1265 Enterprises LLC (Mike Scanlon)
Fleetwood Land Management LLC (Mike Scanlon)
Atmar Development I LLC (Greg Martelli)
Kilmac LLC (Peter Kiely)
Michael Davidson
S Patrick and Leah C Boggs (Stephen Patrick Boggs)
Sable Holdings LLC (Zeff Maloney)
Short Street Reverse LLC (Zeff Maloney)
Parkboy Properties LLC (Nicholas Ebbitt)
115 Cheapside LLC (Nicholas Ebbitt)

Under \$499,999

Nunn Lofts LLC (Phil Holoubek)
Tree Man Properties LLC (David Lawyer)
EZ Properties LLC (Reinaldo Gonzalez)
Ralph E Hacker
1212 North Lime LLC (William R. Sutherland)
Daniel and Wendy Rowland (Dan Rowland)
JM & DB Properties LLC (Jack D. McHargue)
Timothy K. Tallman
Wayne Lollis
Central Christian Church (Jon K. Elliot)
Austin M. Mehr
Nunn 10 LLC (Jennifer Olive)
Alicia Raulinaitis
Janet C. Schwartz
Monarch Properties LLC (Kevin P. Sinnette)
June K. Kinkead (Sidney Kinkead)
Thomas K & Constance K Herren (Thomas K Herren)
Bryan D and Kelly B Mullins
David M III and Brenda P Mannino (David Mannino)
The Ridgley House (Chris Besten)
Janice Kregor
Paul J. Ochenkoski
Swell Properties LLC (Michael Sweeney)
Wilda D Kincheloe (Burton Kincheloe, POA)
Edward L Clemons (Leon L. Hollon)
E & O Investments (Paul J. Ochenkoski)
H M C Properties (James I. Murray)
Frontier Strategies LLC (Scott Crosbie)
Brent MacCluer
Jomo K. Thompson
Marianne Smith and John R Edge (Marianne Smith Edge)
Shelley Smith
Terry D Dr and Jody B Clark (Terry Clark)
Patrick Lee Lucas
BCM Inc. (Joe Rosenberg)
David A & Brenda Susan Duff (David A. Duff)
Patrick J. Sullivan
James T. Harris
Don A & Barbara Wathen (Don Wathen)

Lyle & Mary Diane Hanna (Lyle Hanna)
Marika M Levas Trustee (Angelos Levas)
David and Lisa Adkins (Lisa Adkins)
Ann M. Ritchie
Robert and Laura Babbage (Bob Babbage)
Donald M & Robin M Fishback (Don Fishback)
Claudio Polinedrio
Stephanie Hong
Blue Duck Land Co LLC (David Doucoumes)
Ray & Chris Glaude (Christina Glaude)
Barry W. Ramsey
Linda L. Foss
Short Paige Shumate TTEE (Bryan S. Short)
Shannon and Barbara Messer (Shannon Messer)
WMC & Embry W Jacobs (Embry & WmC Jacobs)
Jacobs Land Company LLC (WmC Jacobs)
Karen Walker
Baldani & Richardson (Russ Baldani)
Andrew M III and Joy Lynn Moore (Andrew Moore)
West Short 8th Floor Partners LLC (Teddy Mims)
Don Witt
JJ2007 (David Jones)
James Brian & Allison G Frederick (Allison Frederick)
Christopher D and Diana L Curry (Christopher Curry)
300 Lexington Building LLC (Joe F. Childers)
Mickey O. Hobbs
Senter Properties LLC (Ryan M. Senter)
Ann F Batterton (Ann B. Lawyer)
Lexington Model Home & Investment Co. LLC (John D. Atchison III)
McLean Group LLC (Pope McLean Jr.)
Shirley T. Sandy
Theodore B Sr. and Patricia W Walter (Theodore B. Walter)
Donald R and Alice Yvonne Todd (Don Todd)
Taunya Walker
Southern Acquisitions LLC (Nicholas E. Salon)
Jerome Meckier
Harper Mason LLC (Kristine Brower)
Stripes Real Estate LLC (Adrian Mansergh-Wallace)
Tweedie AJ Estate (Louis Mulloy)
Mulloy Rosenberg Joint Venture LLC (Louis Mulloy)
Clinton Howard
Bill Hilliard
Sable Holdings LLC II (Zeff Maloney)
Jessica Walker
Cherry Kay Smith
James S. Setzer
Domestic Jurisprudence LLC (Martha Rosenberg)
Yeager Jason & Kristol (Jason Yeager)
M & P Partners (Jim McGee)
Park Avenue Partners (Jim McGee)
Schwager McGee Pihllips (Jim McGee)

AGC Properties LLC (Alex G. Campbell Jr.)
Main & Rose LLC (Steven H. Caller)
MMTW Properties LLC (Mason Miller)
MWH Properties LLC (Mason Miller)
M I K Y CO INC (Greg Martelli)
First Presbyterian Church Apartment LLP (Mark T. Davis)
Duzyk Elizabeth M Trustee (Elizabeth Duzyk)
Cha Tamura
John Plomin
Melissa S and Donald L Lutz (Donald Lutz)
Robert E & Kathleen S Allen (Robert Allen)
JAA Investments LLC (Larry Antle)
Yeremiah Bell
WR Short Street 5 LLC (K. Stephen Reach)
Ti Toy LLC (Laurent Jouet)
300 East Main Street Investments LLC (Matthew Goeing)
Michele Ravencraft
Matthew Goeing
Charles F & Debra O'Connor (Charlie O'Connor)
Anne VanMeter
Mountain Properties Inc. (Greg Wells)
John C Jr & Meggan A Smith (John C. Smith Jr.)
John E. McChord III
Thomas Polites
John and Debra Burke
Terry and Elizabeth Kinzer (Terry Kinzer)
Hannah Jane Goodman 1994 Trust (Hannah Goodman)
Korey and April Colyer
G & R Vine Street Properties (Byron Romanowitz)
Dianet Valencia
Jerry F and Leslie R Deaton (Jerry Deaton)



**Lexington
Downtown
Development
Authority**

101 East Vine Street
Lexington, KY 40507

Office: (859) 425-2296

Fax: (859) 425-2292

www.lexingtondda.com

Board of Directors

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J. Blake Brickman, Vice-Chair
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Jeff Fugate, *President*
Brandi Berryman, *Project Manager*
Maya DeRosa, *Project Analyst*
Mary Rankin, *Administrative Aide*

October 14, 2014

Joseph Terry, Chair
Downtown Lexington Corporation
101 E. Vine Street
Lexington KY 40507

Mr. Terry –

The Lexington Downtown Development Authority (LDDA) is pleased to provide this letter supporting the proposed Lexington Downtown Management District (DMLD).

Special improvement districts have proven effective as public-private partnerships and offer property owners a unified voice to advocate for their district. The priorities of such a district should result in safe, clean, and attractive improvements which provide for an environment of investment downtown. We expect future initiatives to include services to the property owners such as façade improvement grants, pedestrian way finding signs, and public space improvements. These enhancements will make Lexington's downtown a more exciting, attractive place for visitors and residents.

We understand that improvements in Lexington's management district will be funded with a 1/10 of one percent increase in property tax assessment on property in the district. We hope that property owners will see the value of this investment and work together to make this effort a reality.

Sincerely,

Jeff Fugate
President

Lexington & Fayette County Parking Authority

101 E. Vine St., 1st Floor • Lexington, KY 40507 ☎ 859.233.PARK (7275) 📠 859.425.2292



Oct. 23, 2014

Joseph Terry, Chair
Downtown Lexington Corporation
101 E. Vine Street
Lexington, Ky. 40507

Mr. Terry,

The Lexington & Fayette County Parking Authority is pleased to send this letter supporting the proposed Lexington Downtown Management District.

Today it's hard to find a city not doing well. Look at Cincinnati, Cleveland, Los Angeles, Louisville, Charlotte, Nashville and Knoxville. All of these have adopted an improvement district. The focus of these districts when they launch is safe, clean, beautiful enhancements, making downtown more attractive and inviting. We anticipate future initiatives here to include services to property owners such as façade improvement grants, pedestrian way finding signs and public space improvements. These enhancements will make Lexington's downtown a more exciting, attractive places for visitors and residents.

We understand these improvements will be funded with a 1/10 of one percent increase in property tax assessment on property in the district. We hope that property owners will see the value of this investment and work together to make this effort a reality.

Sincerely,

Gary A. Means
Executive Director



VISITLEX

March 3, 2015

Drew Fleming, chairman
Downtown Lexington Corporation
333 West Vine Street
Lexington, KY 40507

Mr. Fleming:

VisitLEX is pleased to send this letter supporting the proposed Lexington Downtown Management District.

Downtown management districts across the country are making vital contributions to key cities, including Cincinnati, Cleveland, Los Angeles, Louisville, Charlotte, Nashville and Knoxville.

The focus of these districts when they launch is safe, clean, beautiful enhancements, making downtown more attractive and inviting. Our downtown should be world-class, just like the landscape that surrounds our city. There is no doubt that such enhancements will attract more leisure visitors to Lexington, as well as more group meetings and conventions.

We understand these improvements will be funded with a 1/10 of one percent increase in property tax assessment on property in the district. We hope that property owners will see the value of this investment and work together to make this effort a reality.

Sincerely,

Ronald Tritschler, chairman
VisitLEX



LOUISVILLE DOWNTOWN PARTNERSHIP

9-2-2014

Beverly Fortune
Downtown Lexington Corporation
PO Box 1179
Lexington, KY 40588

Dear Beverly,

I am the Director of Operations for the Louisville Downtown Management District, recently partnered with the Louisville Downtown Development Corporation to form the Louisville Downtown Partnership.

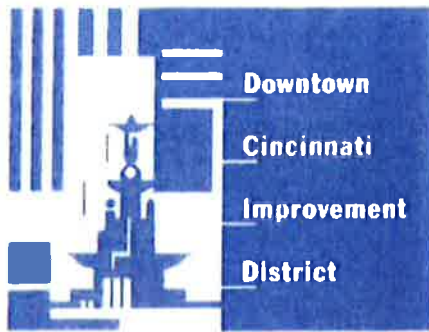
LDMD has existed for 21 years in downtown Louisville and during my tenure of more than 17 of those years, I have witnessed a noticeable rebirth of our center city. Of course, many factors can be attributed to that success but we are convinced that the presence of our BID has been a critical factor in that story.

Our well-trained Ambassadors, the clean, safe streets that they make a daily reality and the personal touch that they provide visitors makes our downtown an enjoyable experience every day of the week. The ability of our agency to represent our constituents with a unified voice has enabled us to develop a superb working relationship with all facets of local government, property owners and convention planners.

Downtown housing has increased, more and more businesses have opened and stay open longer and our annual visitors have increased from around 2 million ten years ago to more than 10 million today. Our mission is to make sure that, during those visits, the experience is unmistakably positive.

We are thrilled to learn of Lexington's efforts to form a BID and know that your downtown, like ours, is the heartbeat of your community and will be made even more so by the collaborative effort of a Business Improvement District. We look forward to working together.

Ken Herndon
Director of Operations



September 10, 2014

Ms. Beverly Fortune
Downtown Lexington Corp.
P.O. Box 1179
Lexington, Ky. 40507

Dear Beverly:

We are delighted to learn that Lexington is considering an Improvement District for its downtown.

The explosive growth of Improvement Districts over the past 20 years has led to amazing progress in cities all over the world, especially in the United States and Canada. When we established our focus on Safe/Clean, Marketing/Communications and Stakeholder services, there were only a few successful cities to benchmark, e.g. Portland, OR, Denver, CO and New York City. They all had well-functioning downtown organizations fueled by Improvement Districts. Today, it is hard to find an American city not doing well. Consider Nashville, Cleveland, Philadelphia, Boston, Houston, Oklahoma City, Seattle and of course, Cincinnati. All of these cities have adopted and overwhelmingly renewed Improvement Districts.

Special Improvement Districts are a great example of public-private partnership each contributing and leveraging the resources and skills of the other. They have focused and highly accountable programs-of-work. They are a flexible tool that can provide services specially tailored to the local need.

In our case, the district has become more popular with each renewal. In 1998, we barely succeeded with a 60.3% approval (60% front footage to pass). The number got better with each renewal and we exceeded 81% last year. The real benefit is the active engagement of property owners, public and private and the partnerships created.

It is important to note that the Improvement District does not "do it all." By ensuring a safe and clean environment, it is the "price of entry" for a strong downtown. It shows a commitment to downtown and an improvement that attracts interest and investment. Since our district has been in place, we have built two new stadiums, expanded the convention center and the public library, rebuilt the riverfront, built two new Class A Office buildings and seen a residential boom. Most of this work was done by others but our organization ensured a strong foundation and a steady, professional advocacy. I know you will find similar stories in many cities around the country.

We wish you all the best in your work to establish a district and applaud the vision and commitment of your property owners. Please let me know if there is anything we can do to be of assistance.

Best regards,


David Ginsburg
President/CEO
Downtown Cincinnati Inc.



**NASHVILLE
DOWNTOWN
PARTNERSHIP**

Ms. Beverly Fortune
Downtown Lexington Corp.
P.O. Box 1179
Lexington, KY 40507

September 3, 2014

Dear Ms. Fortune:

Downtown Nashville's Central Business Improvement District (CBID) was initiated on January 1, 1999. The Nashville District Management Corporation, a 501 (c) (3) organization focused on revitalizing the urban core, contracts with the Nashville Downtown Partnership to implement the improvement plan developed by property owners.

Density and mixed-use development add value. Since 1999, our CBID property values have increased about 133%. These property-based assessment districts are highly effective as a public-private partnership and offer the owners a unified voice to advocate for their district.

Approximately 57% of the total annual CBID budget goes toward a variety of clean and safe initiatives designed to supplement the basic services provided by the city. Last year, our teams removed over 97,000 pounds of trash and 14,000 SF of graffiti. Annual surveys of downtown residents and employees indicate high satisfaction with the level of cleanliness and safety.

Investor interest in downtown properties and development is strong. Major employers continue moving downtown (about 55,000 employees), with only a 6% vacancy rate in Class A office inventory. Downtown hotel inventory has increased by 45% since 2012 to meet demand generated by Music City Center, a \$635 million new downtown convention center that opened in 2013, with another six potential hotels planned. Residential development is also strong, with 935 rental units under construction and a 98% apartment occupancy rate since 2012.

Downtown Nashville has over 200 restaurants and 120 shopping options and attracts 80,000 daily visitors to annual events like the CMA Music Festival. Our CBID focus on making this "the compelling urban center in the Southeast in which to LIVE, WORK, PLAY and INVEST" continues to make a difference.

Sincerely yours,

A handwritten signature in black ink, appearing to read "T. Turner", with a horizontal line extending to the right.

Thomas D. Turner
President and CEO



23 September 2014

Downtown Lexington Corporation
PO Box 1179
Lexington, KY 40588

Fellow Urban Property Owner

I write this letter to share my experience as a property owner in the heart of downtown Louisville and as an advocate for the Louisville Downtown Management District (LDMD), the local business improvement district (BID). LDMD is the only BID in the state of Kentucky and has been in existence for twenty-one years. During that time LDMD has played a central role in the economic development of downtown Louisville by creating a safe, clean, and fun environment that attracts and retains businesses and visitors alike. I share the positive experience Louisville and I have had with the LDMD in the hope that Lexington will create a BID for the long term growth and vitality of your downtown.

LDMD was formed because the owners of over fifty percent of the property value in the district and over fifty percent of the number of property owners in the district agreed to the additional property assessment on their properties. That is significant because it provides a fair voice to the small property owners, yet still provides a weighted voice to the larger property owners. The LDMD can be dissolved by those same percentages. The democratic foundation is one of the main reasons for the success of LDMD, the property owners recognize the benefit and are willing to financially invest in their downtown. That investment is a targeted enhancement of the entire district so the streets are clean, the streets are safe, and those who use downtown, whether daily or rarely, have a more pleasant experience because of those services. That positive experience means they will keep coming back, which will ensure the success of the area businesses, which will keep the buildings full, and the property values rising.

My family's company, CITY Properties Group, owns and manages about 600,000 square feet of property in downtown Louisville, and a significant portion of that is within the LDMD boundaries for which we pay the annual assessment. Six years ago I joined the LDMD Board because I wanted a voice in how our assessment dollars were spent in the district. The board, by statute, must be two-thirds property owners or their representatives, and must approve the budget and assessment rate for each year. This allows the property owners to set the agenda and strategy for how their money is spent to enhance their downtown. I have spent the past two years as chair of the LDMD Board because I believe the work of the BID enhances my company's properties, and all the properties within the district.

Being involved in a small business I do not support additional taxes because I believe the private sector drives innovation and progress; however, the BID is a tool for property owners to control and target their tax dollars to improve their own property investment by creating a quality and



PROPERTIES GROUP

consistent urban environment in a broader district than they can when confined to their individual property footprint. The majority of the most successful urban areas in the country have BIDs, and with good reason, by pooling resources the entire district receives services that would be impossible for individual owners. I encourage Lexington's urban property owners to establish a BID to enhance and grow their downtown, the heart of the community.

Sincerely,



Lee Weyland

Chair of the Board of Directors,
Louisville Downtown Management District

PETITION REQUESTING:

DATE OF RESPONSE

Formation of Management District

We kindly request that you consider the below petition and if you agree with its contents, please return a signed copy to:

Downtown Lexington Corporation
P.O. Box 1179
Lexington, Kentucky 40588-1179

Further, while there is no specific deadline, we appreciate if you would return this signed petition as soon as possible.

NOTE: Signatures on this petition shall expire on December 31, 2015 if the Urban County Council has not adopted an ordinance to create a management district by that date.

TO:

**LFUCG MAYOR
200 EAST MAIN STREET
LEXINGTON, KENTUCKY 40507**

This petition satisfies all requirements of KRS 91.754 "Petition proceedings to request establishment of district" (the "statute").

IT CONTAINS:

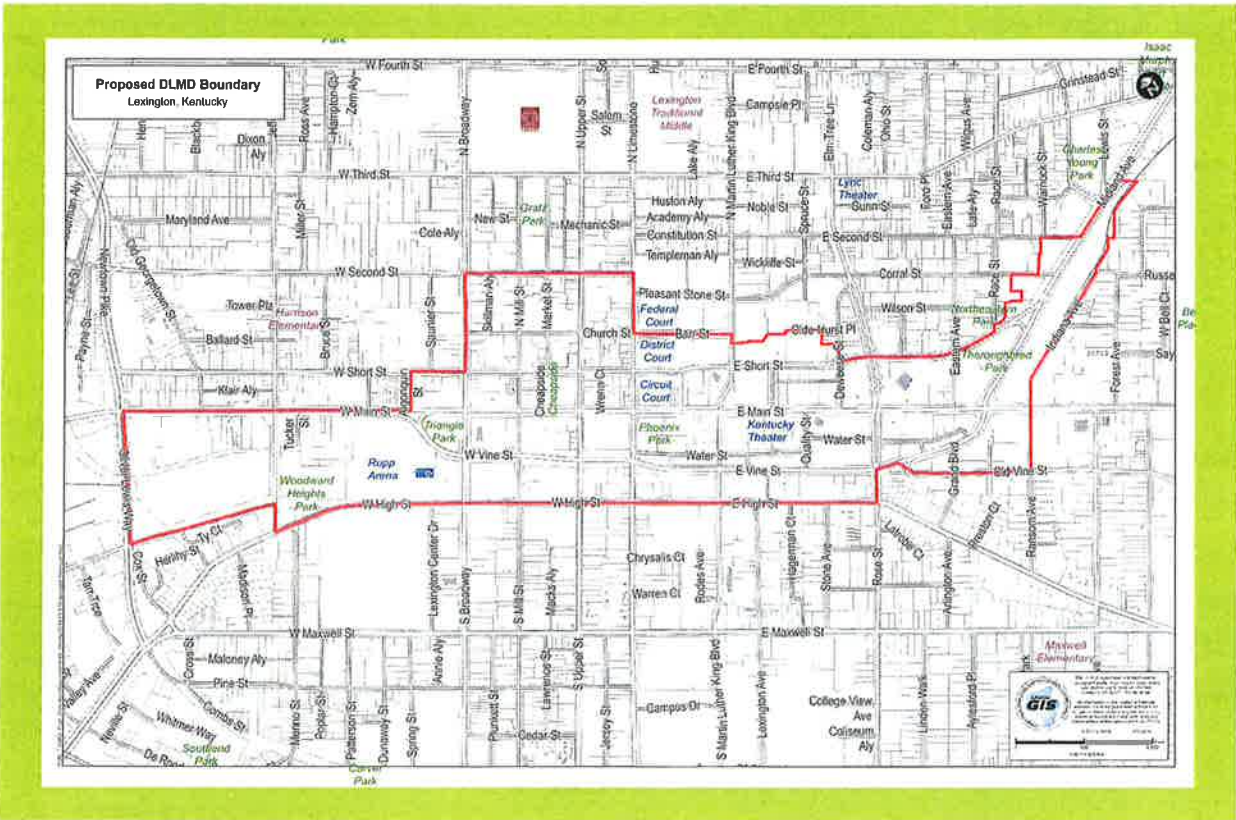
- ▶ **A)** The signatures and addresses of at least thirty-three percent (33%) of the owners of real property within the proposed management district and a number of real property owners, who together are the owners of real property equal to at least fifty-one percent (51%) of the assessed value of property within the proposed management district;
- ▶ **B)** An economic improvement plan that shall provide:
 1. A description of the economic improvements to be provided within the district;
 2. A preliminary estimate of the annual costs of the proposed economic improvements; and
 3. The proposed method of assessing the costs of the economic improvements against the properties;
- ▶ **C)** An accurate description of boundaries of the proposed management district.
- ▶ **D)** The proposed makeup of the board of directors of the management district, its powers and duties.

Therefore, the undersigned petitioners respectfully request that you verify that this petition satisfies the requirements of KRS 91.754, and upon doing so, forward this petition to the Lexington-Fayette Urban County Council, as required by the statute, in order for the Council to initiate proceedings to consider enacting an ordinance creating the management district proposed in this petition (hereinafter the "District") in Lexington, Kentucky, pursuant to KRS 91.756.

The Downtown Lexington Corporation ("DLC"), in conjunction with the Fayette County Office of the PVA, has taken reasonable steps to verify that all of the undersigned signatures meet the requirements of KRS 91.754(1). The below signatures indicate support for the creation of the management district proposed below and that in accordance with KRS 91.756 an Ordinance be adopted by the Urban County Council establishing the following:

- ▶ **1. NAME.** The proposed District shall be known as the "Downtown Lexington Management District."
- ▶ **2. BOUNDARIES.** The boundaries of the proposed District shall be those described in Exhibit "A" attached hereto and made a part hereof, which is made a part of this petition by reference.

EXHIBIT A



THE DISTRICT'S BOUNDARY IS GENERALLY AS FOLLOWS:

Oliver Lewis Way on the west, High Street to Rose Street and Old Vine Street to Ransom Avenue on the south, Midland Avenue and Ransom Avenue on the east. The north boundary includes Main Street, Short Street, Second Street and Barr Street but varies by the block.

▶ 3. AUTHORITY. The Urban County Government shall be authorized to undertake economic improvements pursuant to KRS 91.750, et. seq. (the "Act") that specifically benefit "Property" (as defined by the Act) within the boundaries of the District. The Urban County Government shall be authorized to levy and collect special assessments on Property within the District, based on benefits conferred by the economic improvements, in order to pay all or part of the cost of such improvement projects and services.

▶ 4. SERVICES. The proposed District shall be administered in accordance with an economic improvement plan designating the general nature of the services to be provided within the District (the "Economic Improvement Plan"). As soon as practicable after its appointment, and each year thereafter as provided by ordinance, the board of directors shall develop a plan for economic improvements within the management district and shall prepare an annual detailed budget for the costs of providing economic improvements and shall submit the budget to the Urban County Council for its approval. The initial Economic Improvement Plan, which has been recommended by the DLC, but which would still require approval by the board of directors, is as follows:

A) Promote commercial activity or public events.

✦ The District shall undertake a comprehensive program to market downtown Lexington to the following target audiences:

- *Consumers (including downtown workers) and visitors*
- *Prospective downtown office and retail tenants*
- *Downtown residents.*

✦ The District marketing plan shall build on marketing activities now being conducted by the DLC to produce a more comprehensive, cost-effective strategy for raising consumer awareness of downtown attractions. Specific activities to be undertaken include, without limitation:

- *An ongoing image campaign to promote retail, restaurant, cultural, entertainment and visitor attractions;*
- *Upgrading the quality of the current restaurant and bar guide; and*
- *Undertaking new or strengthen existing events that increase business activity*

✦ The District shall work with property owners, realtors and economic development agencies to aggressively market downtown to office and retail prospects.

✦ Generate positive, accurate media coverage through strategic media relations including, without limitation:

- *Monitoring media coverage to ensure positive and accurate coverage of the District; and*
- *Meeting regularly with members of the media to establish relationships.*

✦ Coordinate a District Ambassador program to encourage volunteerism in the District and to disseminate information about District activities and businesses.

B) Plan and manage development and improvement activities.

✦ The District would be authorized to contract with a third party to manage and administer its day-to-day activities, without limitation:

- *Procure marketing and other services from qualified vendors, administration of related contracts and supervising related contract and compliance and quality assurance;*
- *Schedule training activities to support District services delivery;*
- *Develop an Annual Economic Improvement Plan and corresponding budget (as required by KRS 91.758), including evaluation of program effectiveness and monitoring of existing Urban County Government services;*
- *Provide administrative support to District board of directors;*
- *Maintain all financial and administrative records and yearly audit of expenditures and revenues;*
- *Provide liability insurance to cover all operations; and*
- *Provide conveniently located, fully-equipped office with space for District meetings.*

C) Landscape, maintain and clean sidewalks and public spaces.

✦ The District shall seek a high level of coordination with the Urban County Government's maintenance and cleaning services to insure that satisfactory standards are achieved throughout the District.

✦ The District shall seek a high level of coordination with the Urban County Government (specifically Parks and Recreation) to ensure that plantings are of the highest quality and that the private sector has advance knowledge of the color schemes the Urban County Government is planning for public areas.

✦ Work closely with the Urban County Government, property owners, and other partners to ensure a clean, healthy and litter-free environment.

✦ Proactively work with the Urban County Government on built-environment issues including bike racks, benches, sidewalks, news racks, etc.

- D)** Conduct activities in support of business recruitment and development.
 - + Address concerns of businesses located in the District by proactively contacting businesses on a regular basis.
 - + Leverage partnerships with public and private sectors to identify growth and location opportunities for businesses in the District, including small-businesses, minority-owned businesses, and women-owned businesses.
 - + Proactively work with and exchange information with primary recruitment leaders/building owners in an effort to assist with businesses in the District (including expansions, relocations and retention).
 - + Work with public partners Commerce Lexington, CPAL, and banks to address issues of office dissolution.
 - + Create a viable "Pop-Up Shop" program.

- E)** Security for public areas.
 - + The District shall seek a high level of coordination with the Urban County Government (specifically Division of Police) to ensure that satisfactory standards are achieved throughout the District.
 - + Facilitate partnerships among retailers, restaurants and property owners to enhance and optimize storefronts, lighting and maintenance.

- F)** Construction and maintenance of capital improvements to public ways and spaces.
 - + Coordinate with the public and private sectors, the DLC, and the DLC Foundation to implement improvement projects.
 - + Oversee the installation and maintenance of pedestrian wayfinding signage in the District.

- G)** Any other economic improvement activity that specifically benefits property within the District.
 - + Deliver a comprehensive profile of all aspects of downtown through compilation and publication of information, including, but not limited to:

- *Annual State of Downtown Reports; and*
- *Pedestrian Count Studies*

- + Serve as a "one-stop" resource for information pertaining to downtown for current and perspective business owners, property owners, residents, developers and other stakeholders.
- + Help improve front-line hospitality through briefings and other information on features and benefits of downtown for visitors and residents.

► 5. COST.

A preliminary estimate of the first year cost of the economic improvements proposed in the above is as follows:

<i>Promotion Campaign.....</i>	<i>\$ 149,700</i>
<i>(Includes Pop-Up Shops, Wayfinding & other innovative ideas)</i>	
<i>Beautification Enhancements.....</i>	<i>104,100</i>
<i>Ambassadors/Community Relations.....</i>	<i>16,600</i>
<i>Management & Administration.....</i>	<i>49,000</i>
<i>Sheriff's Collection Fee (4%).....</i>	<i>13,300</i>
<i>Total.....</i>	<i>\$ 332,700</i>

- A)** The actual cost of economic improvements in the first year and all subsequent years shall be established by an annual budget prepared by the board of directors of the District and adopted by the Urban County Council.

- B)** Cost of improvements shall not exceed \$.10 per \$100 of assessed value of individual properties. Excluded are those properties exempt from property tax. The District intends to request \$.10 per \$100 of assessed value during its first budget year.

- C)** As required by the Act, monies derived from the assessments shall be applied only toward the Economic Improvement Plan and shall be used for no other purposes.

D) The District would be created to take effect January 1, of the year following adoption of the ordinance to create the District with its fiscal year commencing on July 1 of that same year. As a result, you would begin paying the additional tax levy related to the District that tax year, and each year the amount that you would pay to fund improvements in the District would be established by the Urban County Council at or around the same time it adopts all other ad valorem taxes. However, as indicated above, in no instance could the Council ever adopt a rate for the improvements in the District which exceeds \$.10 per \$100 of the assessed value of your property.

▶ **6. METHOD OF ASSESSMENT.** Assessments for economic improvements shall be an annual payment not to exceed \$.10 per \$100.00 of PVA-assessed value, excluding those properties exempt from property tax.

▶ **7. BOARD OF DIRECTORS.**

A) The District shall be governed by a board of directors consisting of fifteen (15) persons.

B) Board members shall be appointed by the Mayor of the Lexington-Fayette Urban County Government, with approval by the Urban County Council. DLC would provide the initial list of nominees on behalf of the downtown business community and downtown property owners.

C) At least ten (10) of the total members of the Board shall either be property owners within the District or permanent designees or representatives of property owners within the District.

D) The makeup of the Board shall be comprised of:

- 1) At least one (1) owner or designee of a retail business within the District;
- 2) At least one (1) owner or designee of a residential property within the District;
- 3) At least four (4) owners or designee of office buildings within the District;
- 4) At least one (1) owner of a parking facility owner within the District;
- 5) At least one (1) owner or operator of a restaurant, food services or hotel/lodging facility within the District; and
- 6) At least one (1) tenant of an office building within the District.

E) In addition, the Mayor or his designee, the Executive Director of the DLC or that corporation's successor, and the 3rd District Urban County Council member will serve as voting ex-officio members of the board of directors.

F) The powers and duties of the board of directors shall include all powers and duties set forth in the Act including, but not limited to, the following:

- 1) Recommend annually an Economic Improvement Plan and budget to the Urban County Council;
- 2) Implement the final annual Economic Improvement Plan;
- 3) Make policy for the District within the limits of the Act.
- 4) Employ or contract with persons or service vendors to assist the board in its responsibilities; and
- 5) Manage the fiscal affairs of the District.

▶ **8. DURATION.** The proposed special assessment for implementation of the Economic Improvement Plan shall be levied against owners of Property within the District on an annual basis for a period ending June 30 five (5) years from the date of the District's creation.

WITNESS, the signatures of property owners within the proposed district who together own Property within the proposed district equal to 51% or more of the total assessed value of Property within the District, and who also represent a number of property owners equal to 33% or more of the total number of property owners within the District, as required by KRS 91.754.

I, _____, represent and warrant that I have reviewed and understand the above petition and I am either the sole fee simple owner of the above-described real property, which is located within the proposed Management District, or that I have the full right and authority to execute and deliver this signed petition on behalf of all of the property owner(s) with respect to the above mentioned property. Further, if any corporate action is required, I represent and warrant that I have taken all required action to approve this petition. I understand and agree that if the minimum requirements of KRS 91.754(1) are met, this petition will be presented to the Mayor of the Lexington-Fayette Urban County Government for verification, and if so verified, consideration for adoption in the form of an ordinance by the Urban County Council. I further understand and agree that the Urban County Council may choose not to adopt an ordinance creating the proposed Management District, or may otherwise make changes to the proposed Management District in adopting an ordinance related to its creation. This petition shall expire December 31, 2015 if the Urban County Council has not adopted an ordinance to create a management district by that date.

Signature: _____

Date: _____

Name (please print or type): _____

Title: _____

Company (if applicable): _____

Address: _____

City: _____

State: _____

Zip: _____



SAMPLE 5-YEAR BUDGET-SUBJECT TO DLMD BOARD AND LFUCG COUNCIL APPROVAL

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
<u>CONTRACT SERVICES PACKAGE*</u>	240000	240000	240000	240000	240000
Cleaning					
Ambassadors					
Minor Repairs					
Safety/Hospitality					
Litter/Graffiti Removal					
Power Washing					
 <u>PEDESTIAN WAYFINDING</u>					
Added Signage	13750	13750			
Maintenance/Replacement	5000	5000	5000	5000	5000
 <u>BEAUTIFICATION</u>					
Plant Materials/Labor/Upkeep	6500	6500	6500	6500	6500
Centralized Trash/Recycle Storage					
3 locations/space rental	8640	8640	8640	8640	8640
Materials/Labor	7500				
Upkeep		500	500	500	500
 <u>SPECIAL PROJECTS</u>					
Enhancement Match Grants	15000	15000	15000	15000	15000
Capital Project Fund**	16740	23740	37490	37490	37490
 <u>SHERRIFF COLLECTION FEE</u>	14000	14000	14000	14000	14000
 <u>ADMINISTRATIVE COST</u>					
Space/Supplies/Management	35000	35000	35000	35000	35000
 YEARLY BUDGET =	362130	362130	362130	362130	362130

* The cost for these services is based on an estimate from Block by Block, a firm that provides similar services to over 70 improvement districts.

**Determine and begin larger improvement project in year 4 - Approx \$150,000 available for project