MAYOR LINDA GORTON

LEXINGTON

KEITH HORN
COMMISSIONER
PLANNING AND PRESERVATION

TO: **Linda Gorton, Mayor**
Urban County Council

FROM: **Shaun Denney**
Department of Planning and Preservation

CC: **Commissioner Keith Horn**
Department of Planning and Preservation

DATE: **9/14/2026**

SUBJECT: **A resolution authorizing LFUCG to enter into a Lease Agreement with Vulcan Construction Materials, LLC for the extraction of minerals (stone aggregate) from beneath LFUCG property on Old Frankfort Pike.**

Request: This is a request to enter into a Lease Agreement with Vulcan Construction Materials, LLC, for the extraction of minerals (stone aggregate) from LFUCG-owned property on Old Frankfort Pike (1345, 1501, 1505, 1515, 1631, 1795,1779) as depicted on the attached Exhibit.

Purpose of Request: Vulcan Construction Materials is seeking to expand existing mining operations located at Old Frankfort Pike through a Lease Agreement with LFUCG. LFUCG will lease the right to extract minerals (stone aggregate) to Vulcan, at depths not less than 225 feet, beneath the surface of LFUCG-owned property on Old Frankfort Pike. The term of the agreement is (10) years with an option for (3) renewal terms of (10) years each. In exchange for mineral rights, Vulcan agrees to pay LFUCG a yearly royalty of 5.00% of the average unit sell price per ton of stone quarried, processed, sold and removed from the Premises each calendar year. The agreement guarantees a minimum annual Royalty of $100,000 for the first (2) years, $250,000 in years 3 and 4, and $500,000 for years 5-10. The Royalty increases to $1,000,000 per year for the first renewal period, $1,500,000 for the second renewal period, and $2,000,000 for the third renewal period. Each renewal is also accompanied by a $1,000,000 payment. It is anticipated that royalty payments will result in tens of millions of dollars to Lexington's general fund, assuming full exhaustion of the lease. The lease will result in Vulcan simply continuing its present operations at the quarry on Old Frankfort Pike. All activity related to LFUCG property will be underground. Should the agreement be approved by Council, Vulcan will still need to obtain a Conditional Use Permit from the Board of Adjustment.

Cost in this Budget year and future budget years: No budgetary impact.

Are the funds budgeted? N/A
File Number: 0828-26
Director/Commissioner: Denney/Horn