



Lexington-Fayette Urban County Government

200 E. Main St
Lexington, KY 40507

Legislation Text

File #: 0120-16, Version: 1

An Ordinance of the Lexington-Fayette Urban County Government making certain findings concerning and establishing a development area for economic development purposes within Lexington-Fayette Urban County to be known as the Thistle Station Development Area; approving a local participation Agreement between Lexington-Fayette Urban County Government and the Dept. of Finance of the Lexington-Fayette Urban County Government establishing an incremental tax special fund for payment of administrative costs, approved public infrastructure costs, and redevelopment assistance; designating the Dept. of Finance of the Lexington-Fayette Urban County Government as the agency responsible for oversight, administration, and implementation of the development area; approving a Master Development Agreement between the Lexington-Fayette Urban County Government, the Urban County Government's Dept. of Finance, and Thistle Holdings, LLC; and authorizing the Mayor and other officials to take such other appropriate actions as are necessary or required in connection with the establishment of the development area. [Mayor's Office, Atkins] Authorization to establish a TIF for the Thistle Station Lexington Development Area and execute the Local Participation Agreement and Master Development Agreement. The initial step in this process is the establishment of the development district and the submission of the Local Participation Agreement to the state. The Development Area is not reasonably expected to be developed without public assistance. It is estimated that the total cost of public infrastructure improvements needed within the Development Area to successfully redevelop the site as an urban mixed-use development is at least \$2.7 million. The total private investment is estimated to reach \$31.3 million. (L120-16)(Atkins)

Budgetary Implications [select]: NO

Advance Document Review:

Law: { Select Yes, Completed by [Attorney Barberie, January 2016]}

Fully Budgeted [select]: N/A

Account Number:

This Fiscal Year Impact: \$

Annual Impact: \$

Project:

Activity:

Budget Reference:

Current Balance:

WHEREAS, the Lexington-Fayette Urban County Government, an Urban County Government organized pursuant to Chapter 67A of the Kentucky Revised Statutes (the "LFUCG") by virtue of the laws of the Commonwealth of Kentucky (the "State"), Kentucky Revised Statutes, specifically Sections 65.7041 to 65.7083, as may be amended (the "Act"), is authorized to, among other things, (1) establish a development area to encourage reinvestment in and development and reuse of areas of the LFUCG, (2) enter into agreements in connection with the establishment and development of a development area, (3) establish a special fund for deposit of incremental revenues resulting from the development of a development area, and (4) designate an agency to oversee, administer and implement projects within a development area; and

WHEREAS, the LFUCG desires to establish a "development area" as defined in the Act to encourage reinvestment and development within such development area and to pledge a portion of the "incremental revenues" as defined in the Act generated from the development of such development area to the payment of redevelopment assistance, approved public infrastructure costs, land preparation, and/or financing costs within such development area; and

WHEREAS, the LFUCG has identified a contiguous tract of previously developed land consisting of not more than three square miles within the LFUCG, specifically described in Exhibit A hereto, that is in need of being redeveloped and which is not reasonably expected to be developed without public assistance; and

WHEREAS, Thistle Holdings, LLC (the "Developer") has proposed the development of a mixed-use project within the Development Area that meets the definition of a "Project" as defined in KRS 65.7041 to 65.7083 and KRS 154.30-010 to KRS 154.30-090; and

WHEREAS, the LFUCG has determined to establish the Development Area as a development area pursuant to the Act to encourage investment and development within the Development Area; and

WHEREAS, the LFUCG has agreed to support and encourage development within the Development Area by pledging certain Incremental Revenues (hereinafter defined) to pay for Redevelopment Assistance, Land Preparation, and Public Infrastructure Costs (hereinafter defined), under a Local Participation Agreement (hereinafter defined); and

WHEREAS, the LFUCG has prepared and presented a "Development Plan", as defined KRS 65.7041 TO 65.7083 and KRS 154.30-101 to 154.30-090, for the consideration and adoption of the LFUCG proposing the redevelopment of the Development Area; and

WHEREAS, the LFUCG pursuant to the Act held a public hearing on August 27, 2015 after giving proper notice concerning the LFUCG's intention to consider the adoption of the Development Plan; and

WHEREAS, the adoption of the Development Plan and the establishment of the Development Area are for a public purpose and that the establishment and creation of the Development Area within the LFUCG is for the benefit and welfare of the LFUCG's citizens; and

WHEREAS, the LFUCG and the Developer have agreed to the terms of a Local Participation Agreement and a Master Development Agreement; and

WHEREAS, the LFUCG deems it necessary to enact this Ordinance in accordance with the Act and for the purposes set forth and described herein and in the Act.

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

SECTION 1. Definitions.

1.1. The capitalized terms set forth below when used herein shall have the following meanings.

"Act" means Kentucky Revised Statutes, Sections 65.7041 to 65.7083 and KRS 154.30-010 to KRS 154.30-090.

"Agency" means the Department of Finance of the LFUCG.

"Commonwealth Project or Program" means the Commonwealth Participation Program for State Real Property Ad Valorem Tax Revenues as provided in the Act.

"Developer" means Thistle Holdings, LLC.

"Development Area" means a contiguous geographic area of previously developed land, located within the geographical boundaries of the LFUCG, which is created for economic development purposes by this Ordinance in which one (1) or more Projects are proposed to be located and consisting of less than 3 square miles, as more specifically described in Exhibit A attached hereto, to be known as the "Thistle Station Development Area".

"Development Plan" means the Tax Increment Financing Development Plan for the Thistle Station Development Area attached as Exhibit C.

"Establishment Date" means the date that the Development Area is established by this Ordinance.

"Incremental Revenues" means the amount of revenues received by the LFUCG with respect to the Development Area and the State with respect to the Footprint (as defined in the Act) by subtracting Old Revenues (as defined in the Local Participation Agreement) from New Revenues (as defined in the Local Participation Agreement) in a calendar year.

"KEDFA" means the Kentucky Economic Development Finance Authority.

"Local Participation Agreement" shall mean the Local Participation Agreement between the LFUCG, and the Agency, attached as Exhibit "B" hereto.

"The Thistle Station Project" or "Project" means a development to be constructed by the Developer, as more specifically described in the Development Plan, and expected to fulfill the criteria for a "Commonwealth Project" as defined herein.

"Pledged Revenues" means that portion of the Incremental Revenues which are pledged by the LFUCG or State, pursuant to the Local Participation Agreement or the Tax Incentive Agreement, to the pay for Redevelopment Assistance and Public Infrastructure Costs for the Development Area as set forth in the Local Participation Agreement and Tax Incentive Agreement.

"Public Infrastructure Costs" shall be those costs approved by LFUCG and KEDFA for reimbursement through the LFUCG and/or State Incremental Revenues set forth in the Local Participation Agreement and Tax Incentive Agreement.

"Redevelopment Assistance" shall have the meaning as provided in the Act. "State" means

the Commonwealth of Kentucky.

"Tax Incentive Agreement" shall mean the agreement entered into pursuant to KRS 154.30-010 to KRS 154.30-090 of the Act between the Kentucky Economic Development Finance Authority and the Agency, relating to the Development Area.

1.2. All capitalized terms used herein and not defined above or in the recitals to this Ordinance shall have the meaning as set forth in the Act, as of the effective date of this Ordinance.

SECTION 2. Findings and Determinations. In accordance with the Act, the LFUCG hereby makes the following findings and determinations with respect to the Development Area:

- (a) The Development Area consists of a contiguous tract of land that is no more than three (3) square miles. The actual size of the Development Area is 8.03 acres;
- (b) The Development Area is characterized by the following conditions that make it eligible for tax increment financing under KRS 65.7049(3):
 1. A substantial loss of commercial activity has occurred within the Development Area, which has been in a state of decline over a period of many years. Commercial activity within the Development Area has been in a state of economic decline for years. In its present state, the Development Area includes vacant land and an unoccupied and deteriorating/collapsing structure that is completely unusable. In its present state, the Development Area is zoned as B-1 which will allow the area to be developed in a manner consistent with the surrounding areas.
 2. More than fifty percent (50%) of the commercial structures are deteriorating or deteriorated. The commercial structure is deteriorated to the point it is no longer suitable for use as it does not protect inhabitants from the elements.
 3. Public improvements and public infrastructure are inadequate. Currently, because of the lack of use, there is limited and inadequate public infrastructure within and connecting to the Development Area. Additionally, the change in composition and use of the area has created a need for public improvements that suit the planned uses not only within the Development Area but to service the areas surrounding the Development Area. The necessity of constructing the requisite public infrastructure creates a heavy financial burden for any potential developer of the Development Area, and will benefit the neighboring sites, as well.
 4. There is a combination of factors that substantially impairs growth and economic development of the Development Area. A large part of this area was zoned and occupied for industrial and warehouse purposes, but those activities have declined over time because more modern industrial and warehouse businesses have different locational and square footage needs. Warehouse and industrial users now choose to locate near interstate highway interchanges because moving goods by rail is no longer the preferred transportation method for these types of businesses. Warehouse and industrial buildings have grown in size and require ample parking and drive aisles for tractor trailers. Over time these users select sites farther away from residential areas due to the often conflicting traffic patterns, noise and similar factors that present substantial difficulty in attracting new industrial and warehouse users to this small urban location so close to the downtown, existing residential neighborhoods and public parks. The property mix of uses is far more suitable for this site and is more likely to be developed, if the high cost of public infrastructure can be addressed.
 5. There has been a substantial abandonment of the residential, commercial, or industrial

structures within the Development Area. The Development Area consists almost completely of either vacant or public land or unoccupied and deteriorating structures.

- (c) The establishment of the Development Area will not cause the assessed taxable value of real property within the Development Area and within all "development areas" and "local development areas" established by the LFUCG (as those terms are defined in the Act) to exceed twenty percent (20%) of the total assessed taxable value of real property within Lexington. The assessed value of taxable real property within the Development Area for calendar year 2014 was \$515,400. The LFUCG has previously established six other development areas pursuant to the Act, the Phoenix Park/Courthouse Development Area, the Red Mile Development Area, the Turfland Town Center Development Area, the 21C Lexington Development Area, the Summit Lexington Development Area, and the Midland Avenue Development Area. The combined taxable 2014 real property assessed valuation for those development areas is approximately \$57,205,400 and when combined with the real property assessed value for the proposed Development Area, the total taxable 2014 real property assessed value for all development areas established by the LFUCG will be approximately \$57,720,800. The total assessed value of taxable real property within Lexington for the calendar year 2014 is approximately \$25 Billion. Therefore, the assessed value of taxable real property within all development areas is significantly less than twenty percent (20%) of the assessed value of taxable real property within Lexington;
- (d) There are inadequate public improvements and infrastructure to support the development of the Development Area. Currently, because of the lack of use, there is limited and inadequate public infrastructure within and connecting to the Development Area. Additionally, the change in composition and use of the area has created a need for public improvements that suit the planned uses not only within the Development Area but to service the areas surrounding the Development Area. The necessity of constructing the requisite public infrastructure creates a heavy financial burden for any potential developer of the Development Area, and will benefit the neighboring sites, as well. The following are non-exclusive examples of public infrastructure needed to enable construction of the Project and growth in the Development Area:
1. Utilities - Expansion of sanitary sewer lines, storm sewer lines, water service lines, and utility conduits, including, without limitation, electric, gas, telephone and cable, to accommodate the change in utility usage that residential and commercial development of the Project will require.
 2. Site Prep, Demolition, and Environmental- The preparation of the site will require strategic demolition and removal of the deteriorating buildings and clean-up of the site. Additionally, the Development Area is expected to need some level of brownfield remediation from past industrial uses within the Development Area.
 3. Roadways, Pathways and Walkways - The creation of new entryways and traffic management, along with the creation of new pathways and walkways with landscaping and seating areas for pedestrians and bicyclists, including connection to the Legacy Trail, to allow for increased, vehicular, pedestrian and bicycle traffic that the Project and the further development of the surrounding area will generate. Additionally, the Project will include strategic security and safety measures in order to ensure the safety of its visitors, patrons, and residents who will enjoy the Project's trails and open space.
 4. Parking- There currently exists a significant deficiency in the number of parking spots

in the Development Area and at surrounding sites. The addition of over 200 residential units and nearly 20,000 square feet of commercial space will require the provision of additional parking spaces in order to prevent parking overflow from creating issues at surrounding properties and neighborhoods.

5. Railroad Safety and Sound Mitigation- The railroad's location in an area that has become highly populated by students and residents, as opposed to its former industrial users, creates both safety and sound issues in a populated area. The Project is expected to include sufficient safety measures that also allow the trains passing through the area to avoid blowing their whistles and disturbing the residents, schools, and businesses in the area.

6. Landscaping- In order to minimize the Project's impact to the surrounding residents and to increase the appeal of the area's trails and seating areas, the Project plans include significant landscaping features, such as a tree canopy, in order to create a welcoming residential environment for both the Project and the nearby residents and businesses.

(e) That the Development Area is not reasonably expected to be developed without public assistance. The LFUCG finds that the Development Area is not reasonably expected to be developed without public assistance. Despite its appealing location at the edge of Downtown Lexington, no interest has been shown in redeveloping the property to bring new economic activity to the area, other than the proposed Project. The public infrastructure costs associated with any successful redevelopment of the Development Area are too high to occur without the help of the public. It is estimated that the total cost of public infrastructure improvements needed within the Development Area to successfully redevelop the site as an urban mixed-use development is at least \$2.7 million. Without public funding, including the critical pledge of State incremental revenues under the Commonwealth Participation Program for State Real Property Ad Valorem Tax Revenues, as provided in the Act, the proposed Project within the Development Area would not be possible;

(f) That the public benefits of redeveloping the Development Area justify the public costs proposed. As detailed in the Commonwealth Economics Report, attached hereto as Exhibit "B" to the Development Plan, (the "Report"), the public investment is expected to reach \$2.7 million, but the private investment within the

Development Area is estimated to reach \$31.3 million. While the LFUCG will pledge one-hundred percent (100%) of new ad valorem property taxes from the general county and urban services categories to pay for the public projects proposed, it will generate significant new revenues from one-hundred (100%) of the other local ad valorem property taxes and occupational taxes generated from the Project.

The Project is expected to generate much more tax revenue than the current use of the property in the Development Area, which is only generating a small amount of property tax revenues. According to the Report, over a 20-year period, the Project is estimated to generate \$2.6 million of new state and local tax revenues. By contrast, if the site remains "as-is", tax revenues are estimated to amount to only

\$41,185 in the same, 20-year period. As a result, total incremental tax revenues generated over 20 years are estimated at \$2.6 million or an estimated \$970,485 million of cash available for State participation and an estimated \$1.6 million for local participation. When considering the local ad valorem property taxes that

would not be used as a part of any incentive provided for herein, it is estimated that another \$6.4 million will accrue to the LFUCG over the 20-year period in school taxes, transit taxes,

library taxes, etc. in addition to the taxes retained at the State level such as state income tax revenues and sales and use tax revenues, both during construction and during operations. As a result, the Project represents significant benefit to the LFUCG and the State.

It is proposed that the incremental revenues from the LFUCG and the State will be used primarily to fund the capital costs of the "approved public infrastructure" as defined by the Act, needed for the Project within the Development Area. The estimated cost of the approved public infrastructure needed for the Project is approximately \$2.7 million. It is estimated that approximately \$2.6 million in local and State applicable incremental revenues from the Project will be available over

20 years to pay for redevelopment assistance and approved public infrastructure costs needed for the Project; and

- (g) That the area immediately adjacent to the Development Area has not been subject to development through private investment.

SECTION 3. Establishment, Name, Boundaries. All that area described herein by Exhibit A attached hereto and made a part hereof, is located within the LFUCG and is hereby established and designated as the "Thistle Station Development Area." At the time of the enactment of this Ordinance the Development Area is less than three (3) square miles.

SECTION 4. Establishment Date, Commencement Date, Termination date. The Establishment Date is the effective date of this Ordinance. The Commencement Date of the Development Area is the date of execution of the Local Participation Agreement and the Termination Date shall be exactly twenty (20) years subsequent to activation of the Development Area; provided, that if the Tax Incentive Agreement for the Project or a Local Participation Agreement relating to the Development Area has a Termination Date that is later than the

Termination Date established in this Ordinance, the Termination Date for the Development Area shall be extended to the Termination Date of the Tax Incentive Agreement, or the Local Participation Agreement. However, the Termination Date for the Development Area shall in no event be more than forty (40) years from the Establishment Date.

SECTION 5. Adoption of Development Plan. The LFUCG hereby adopts the Development Plan, attached hereto as Exhibit C. The LFUCG Council hereby finds and determines that a public hearing was duly held on August 27, 2015 to solicit public comment on the Development Plan, following publication of notice thereof in accordance with Chapter 424 of the Kentucky Revised Statutes, as amended. It is hereby confirmed that a copy of the Development Plan was filed with the LFUCG Clerk of Council, the Office of the Mayor, and with the Office of the Fayette County Judge/Executive on August 17, 2015.

SECTION 6. Local Participation Agreement. The Mayor of the LFUCG, and the Commissioner of the Department of Finance on behalf of the Agency are hereby authorized and directed to execute, acknowledge and deliver on behalf of the LFUCG, and the Agency a Local Participation Agreement, a form of which is attached as Exhibit B and made a part hereof, between the LFUCG, and the Agency, authorizing the pledge of a portion of the Incremental Revenues of the LFUCG from the Development Area to the payment of Redevelopment Assistance, Public Infrastructure Costs and Land Preparation. The form of Local Participation Agreement to be signed by the Mayor on behalf of the LFUCG and by the Commissioner of the Department of Finance, on behalf of the Agency, shall be in substantially the form attached hereto, subject to further negotiations and changes therein that are not inconsistent with this Ordinance and not substantially adverse to the LFUCG. The approval of such changes by said officers, and that such changes are not substantially adverse to the LFUCG, shall be

conclusively evidenced by the execution of such Local Participation Agreement by such officials.

SECTION 7. Master Development Agreement. The Mayor of the LFUCG and the Commissioner of the Department of Finance on behalf of the Agency are hereby authorized and directed to execute, acknowledge and deliver on behalf of the LFUCG and the Agency a Master Development Agreement, a form of which is attached as Exhibit D and made a part hereof, between the LFUCG, the Agency, and the Developer relating to the development of the Project by the Developer. The form of Master Development Agreement to be signed by the Mayor on behalf of the LFUCG and by the Commissioner of the Department of Finance, on behalf of the Agency, shall be in substantially the form attached hereto, subject to further negotiations and changes therein that are not inconsistent with this Ordinance and not substantially adverse to the LFUCG. The approval of such changes by said officers, and that such changes are not substantially adverse to the LFUCG, shall be conclusively evidenced by the execution of such Master Development Agreement by such officials.

SECTION 8. Special Fund. There is hereby established a Special Fund of the LFUCG to be known as the Thistle Station Development Area Tax Increment Fund, into which the LFUCG covenants to deposit, and into which LFUCG officials are hereby authorized and directed to deposit all Pledged Revenues. The LFUCG's Agency shall maintain the Special Fund unencumbered except for the purposes set forth in Section 8 hereof. Funds deposited in the Special Fund shall be disbursed in accordance with the Act, this Ordinance, the Local Participation Agreement, Tax Incentive Agreement, Master Development Agreement, the Development Plan

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and related documents to pay for Project Costs, Redevelopment Assistance, Land Preparation, and Approved Public Infrastructure Costs within the Development Area.

SECTION 9. Use of Pledged Revenues. Pledged Revenues shall be deposited by the LFUCG into the Special Fund created under Section 7 hereof and shall be used solely to: (a) pay for Administrative Costs, Redevelopment Assistance, Land Preparation, and Approved Public Infrastructure Costs as those terms are defined in the Act, and as set forth in the Local Participation Agreement, as determined from time to time by the LFUCG in accordance with the Local Participation Agreement and the Development Plan; and (b) for such other purposes as may be determined by the LFUCG and that are appropriate and in compliance with the purposes set forth in this Ordinance, the Local Participation Agreement, the Tax Incentive Agreement, the Development Plan, Master Development Agreement and the Act, as the same may be amended from time to time.

SECTION 10. Authorization of Application to KEDFA. The Mayor and other officials of the LFUCG are hereby further authorized and directed to execute, acknowledge and deliver on behalf of the LFUCG one or more applications to KEDFA and related offices of the State in order to obtain Commonwealth Project status for the Project within the Development Area.

The governing body of the LFUCG shall be required to review and analyze the progress of the development activity in the Development Area on an annual basis. Such reports shall, at a minimum, include a review of the progress in meeting the stated goals of the Development Area. The Mayor and other officials of the LFUCG shall report to the governing body of the LFUCG during such reviews and shall, when necessary, invite developers to participate in the review process to report on the progress of their developments within the Development Area. The review and documentation supporting the review shall be forwarded to KEDFA in accordance with the Act.

SECTION 11. Designation of Oversight Agency. Pursuant to the Act, the LFUCG hereby designates the Department of Finance of the LFUCG as the agency (the "Agency") of the LFUCG for purposes of oversight, administration and review responsibility of this Development Area Ordinance, the Local Participation Agreement,

the Master Development Agreement and the Development Area established hereby. The Agency shall act on behalf of the LFUCG in administering the Development Area, entering into Development Area agreements, and other related agreements, with respect to the development of the Development Area and the financing of Redevelopment Assistance, Land Preparation, and Public Infrastructure Costs therein. The Commissioner of the Department of Finance is hereby authorized and directed to execute the Local Participation Agreement on behalf of the Agency and to take other appropriate action to carry-out the terms of this ordinance and the Local Participation Agreement.

SECTION 12. That the Mayor and the Commissioner of Finance are hereby authorized to and directed to execute the Master Development Agreement, which is attached hereto and incorporated herein by reference as Exhibit D.

SECTION 13. Authorization of LFUCG Officials. The Mayor and other appropriate LFUCG officials, officers, employees and agents are hereby authorized to take all necessary actions to submit the necessary application and other documents to KEDFA and any other necessary entities to obtain the necessary approvals and to take all necessary actions as required by the KEDFA and other entities to meet all of the requirements of and qualify to participate in the Commonwealth Project Program as set forth in the Act, and to carry out the intent of this Ordinance, including being authorized to execute any Memorandum of Agreement and/or Tax Incentive Agreement between KEDFA and the LFUCG approving a pledge of State Incremental Revenues for the Project pursuant to the Act.

SECTION 14. Severability. The provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall for any reason be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Ordinance.

SECTION 15. Repeal of Conflicting Orders and Ordinances. All prior resolutions, municipal orders or ordinances or parts of any resolution, municipal order or ordinance in conflict herewith are hereby repealed.

SECTION 16. Effective Date. This Ordinance shall be in full force and effect from and after its passage, attestation, recordation and publication of a summary hereof pursuant to KRS Chapter 424.

INTRODUCED, SECONDED AND GIVEN FIRST-READING APPROVAL AT A DULY CONVENED MEETING OF THE LFUCG COUNCIL, held on the _____ day of _____, 2016.

GIVEN SECOND READING AND ADOPTED AT A DULY CONVENED MEETING OF THE LFUCG COUNCIL, held on the _____ day of _____, 2016 and on the same occasion signed by the Mayor as evidence of his approval, attested by the LFUCG Clerk of Council, published and filed as required by law, and declared to be in full force and effect from and after its adoption and approval according to law.

Approved:

ATTEST:

By: _____ Mayor

By: Clerk of
Council

PUBLISHED:

CERTIFICATE

I do hereby certify that the title to this enactment contains an accurate synopsis of the contents thereof and may be used to satisfy the reading and publication requirements of law.

Taft Stettinius & Hollister LLP

By: James E.
Parsons
Attorney At Law

**EXHIBIT A DEVELOPMENT AREA DESCRIPTION AND
MAP**

LEGAL DESCRIPTION

Proposed Tax IDcrement Finance Development Area
Newtown Pike, Lexington, Fayette County, Kentucky

The following area description is intended for Tax Increment Financing Development Area purposes only and shall not be used for transfer or conveyance purposes. This description represents a compilation of documents and information of public record and in no way represents a survey by implication or actuality.

Being a triangular boundary of land located along Newtown Pike (State Route 922) within the City of Lexington, County of Fayette, Commonwealth of Kentucky and more particularly described as follows:

Beginning at a point on the western Right-Of-Way line of Newtown Pike (State Route 922), said point being South 40° 18' 08" West 143.08 feet from the calculated centerline intersection of said Newtown Pike and Third Street; thence crossing Newtown Pike for one (1) call:

1. South 72° 49' 39" East 85.52 feet to a point on the southern Right-Of-Way line of the L & N Railroad; thence with said L & N Railroad Right-Of-Way line for one (1) call:
2. North 62° 18' 09" East 891.36 feet to a point on the southern Right-Of-Way line of West Fourth Street, said point; thence crossing said West Fourth Street and continuing with L & N Railroad Right-Of-Way for one (1)c
3. North 48° 59' 28" East 50.00 feet to a point on the northern Right-Of-Way line of said West Fourth Street, said point being South 83° 31' 21" East 33.24 feet from the calculated centerline intersection of West Fourth Street and the L & N Railroad; thence with said northern rught-Of Way Jine for one (1) call:
4. North 41° 07' 30" West 777.63 feet to a point on the eastern Right-Of-Way line of said Newtown Pike; thence crossing Newtown Pike for one (1) call:
5. North 72° 49' 39" West 82.00 feet to a point on the western Right-Of-Way of said Newtown Pike, said point being North 60° 50' 49" West 56.99 feet from the calculated centerline intersection of said Newtown

Pike and West Fourth Street; thence with the western Right-Of Way Line of said New Town Pike for one call (I);

6. South 17° 10' 21" West 1079.99 feet to thePointofBeginning.

There is excepted from the above described Proposed Tax Increment Financing Development Area boundary that parcel conveyed to D & D Realty, LLC in Deed Book 2178, Page 453 ofthe Fayette County Clerk's records containing 1.89 Acres, that parcel conveyed to Bluegrass Cremation Services, LLC in Deed Book 2878, Page 453 containing 0.25 Acre, those parcels conveyed to Clarence Elliott Means Jr. Trust No. 2 in Deed Book 3261, Page 127 containing 0.11 Acre, that parcel conveyed to John Hutchinson and Ann Hutchinson containing 0.02 Acre and that parcel conveyed to Emerge Property, LLC in Deed Book 3199, Page 31 containing 0.083 Acre (acreages listed as detennined by Fayette County PVA).

It is the intent of this proposed Tax Increment Financing Development Area boundary to include aU the area encompassed on the northeast by the northern Right-Of-Way line of West Fourth Street, on the northwest by the western Right-Of-Way line of Newtown Pike(State Route 922) and on the southeast by

the southern Right-Of-Way line of the L & N raikoad Right-Of-Way excluding exceptions listed above containing 10.38 Gross Acres, and 8.03 Net Acres.

LEGEND

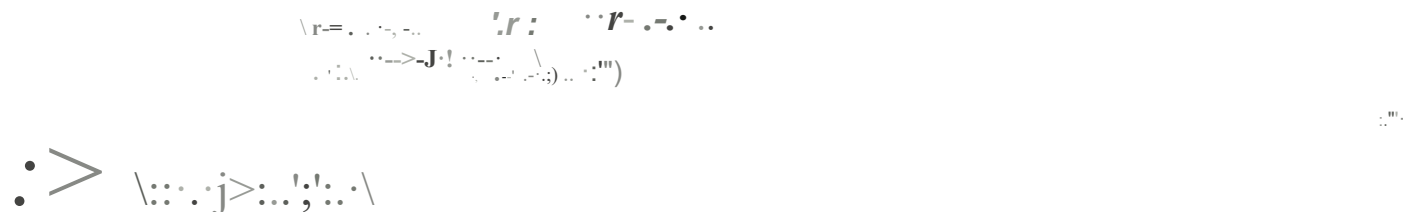
BOUNDARY OF PROPOSED TAX INCREMENT FINANCING DEVELOPMENT AREA.
PROPERTIES INCLUDED IN THE TAX INCREMENT FINANCING DEVELOPMENT AREA.
308-JIO, 322 & 330 NEWTOWN PIKE (3.90 ACRES)
NEWTOWN PIKE (KY 922), THIRD STREET & WEST FOURTH STREET
RIGHT-OF-WAY INCLUDED IN THE TAX INCREMENT FINANCING DEVELOPMENT
AREA. (3.07 ACRES)

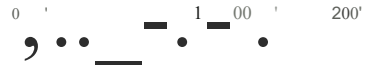
L&N RAILROAD RIGHT OF WAY INCLUDED IN THE TAX INCREMENT FINANCING DEVELOPMENT AREA. (1.06 ACRES)

J18-J4, J2, 4< J6Z NEWTOWN PIKE
S2 2 WE ST FOURTH STREET

338 -34 4, 352 & 3 62 NEWTOWN PIKE, 608 & 622 WEST FOURTH STREET ARE EXCLUDED FROM THE TAX INCREMENT FINANCING DEVELOPMENT AREA. (2.35 ACRES)

EXCEPTED
2.10 ACRES

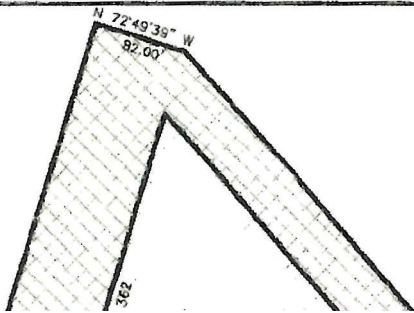


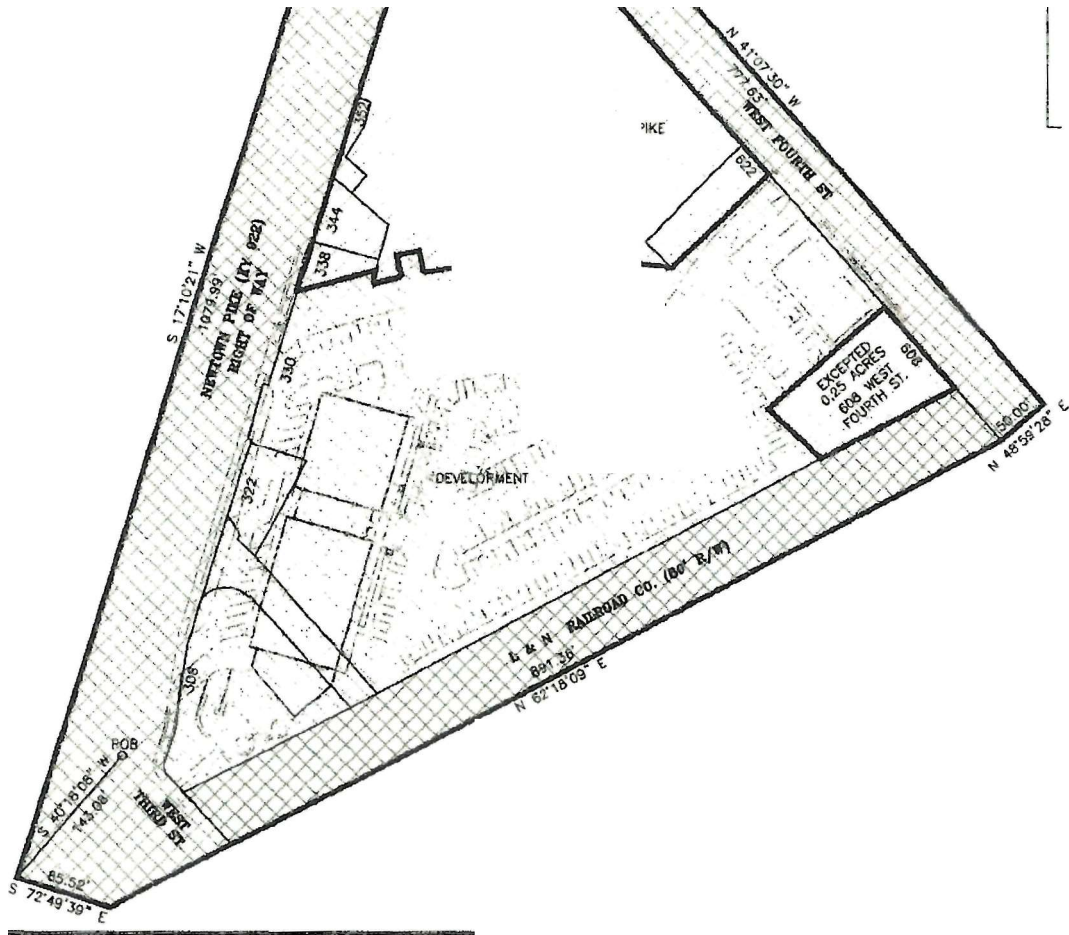


100'

300'

PROPOSED EXCHANGE FINANCING DEVELOPMENT AREA





Scale: 1 •

NEWTOWN PIKE, LEXINGTON, FAYETTE COUNTY KENTUCKY

EXHIBIT B
LOCAL PARTICIPATION AGREEMENT
EXHIBIT C DEVELOPMENT PLAN
EXHIBIT D