

ORDINANCE NO. 7, 2022 SERIES

AN ORDINANCE OF THE CITY OF FRANKFORT, KENTUCKY (THE "CITY") ESTABLISHING A LOCAL DEVELOPMENT AREA FOR ECONOMIC DEVELOPMENT PURPOSES WITHIN THE CITY OF FRANKFORT, KENTUCKY, TO BE KNOWN AS THE PADDOCKS OF FRANKFORT LOCAL DEVELOPMENT AREA (THE "LOCAL DEVELOPMENT AREA"); APPROVING A LOCAL DEVELOPMENT AREA AGREEMENT; ESTABLISHING AN INCREMENTAL TAX SPECIAL FUND FOR PAYMENT OF REDEVELOPMENT ASSISTANCE; DESIGNATING THE DEPARTMENT OF FINANCE OF THE CITY OF FRANKFORT, KENTUCKY, AS THE AGENCY RESPONSIBLE FOR OVERSIGHT, ADMINISTRATION, AND IMPLEMENTATION OF THE LOCAL DEVELOPMENT AREA; 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 LOCAL DEVELOPMENT AREA.

WHEREAS, the City of Frankfort, Kentucky (the "City"), pursuant to KRS 65.7041 to 65.7083, as may be amended (the "Act"), is authorized to, among other things, (1) establish a local development area or development areas to encourage investment and development in the City, (2) enter into agreements in connection with the establishment of a development area or local development area, (3) establish a special fund for deposit of incremental revenues resulting from the development of a local development area or development area, and (4) designate an agency to oversee, administer and implement projects within a local development area or development area; and

WHEREAS, the Kentucky General Assembly has determined in KRS 65.7041 that the establishment of local development areas or development areas contribute to increased employment opportunities and increased economic development in communities across the Commonwealth and serves a public purpose; and

WHEREAS, the City desires to establish a "local development area" as defined in the Act, to be known as The Paddocks of Frankfort Local Development Area (the "Local Development Area") to encourage investment and development within such Local Development Area; and

WHEREAS, the City has agreed to support and encourage development within the Local Development Area by pledging Incremental Revenues [hereinafter defined] to pay for Public Infrastructure Costs [hereinafter defined] to promote the development of the Local Development Area under an Agreement and Master Development Agreement [hereinafter defined]; and

WHEREAS, the City, in accordance with the Act held a public hearing on April 11, 2022, after giving proper notice concerning the City's intention to establish the Local Development Area; and

WHEREAS, the establishment of the Local Development Area is for a public purpose and that the establishment and creation of the Local Development Area within the City is for the benefit and welfare of the City's citizens.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FRANKFORT, KENTUCKY:

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.

"Agency" means the Department of Finance of the City of Frankfort, Kentucky.

"Agreement" shall mean the Local Development Area Agreement among the City, the County and the Agency attached as Exhibit "B" hereto.

"County" shall mean the County of Franklin, Kentucky.

"Establishment Date" means the date that the Local Development Area is established pursuant to the Act and this Ordinance.

"Incremental Revenues" means the amount of revenues received by the City with respect to the Local Development Area by subtracting Old Revenues from New Revenues in a calendar year, and as more specifically defined in the Agreement.

"Local Development Area" means a contiguous geographic area of land being developed, located within the geographical boundaries of the City, which is created for economic development purposes by this Ordinance to support the Project proposed to be developed and consisting of approximately 127.651 acres, as more specifically described in Exhibit A attached hereto, to be known as "The Paddocks of Frankfort Local Development Area".

"Pledged Revenues" means the Incremental Revenues which are pledged by the City and County, as provided in the Agreement, to pay for Redevelopment Assistance related to the Local Development Area, as set forth in the Agreement.

"Project" means the development of the Local Development Area as a mixed-use commercial and residential development, known as The Paddocks of Frankfort Project, being undertaken by The Paddocks of Frankfort, LLC, a Kentucky limited liability company, or its assigns (the "Developer").

"Public Infrastructure Costs" means those costs as defined in the Agreement and Development Agreement that are eligible to be paid for or reimbursed by Incremental Revenues.

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 City hereby makes the following findings and determinations with respect to the Local Development Area:

2.1 The Local Development Area consists of a contiguous tract of land that is less than 1,000 acres. The actual size of the Local Development Area is approximately 127.651 acres;

2.2 The Local Development Area constitutes undeveloped land that is being developed;

2.3 The establishment of the Local Development Area will not cause the assessed taxable value of real property within the Local Development Area and within all “development areas” and “local development areas” established by the City (as those terms are defined in the Act) to exceed twenty percent (20%) of the total assessed taxable value of real property within the City. The assessed value of taxable real property within the Local Development Area for calendar year 2021 was \$1,666,111 and the total assessed value of taxable real property within the City for the calendar year 2021 was \$1,573,613,066. While the City has established other development areas, in addition to the Local Development Area, the total taxable real property assessment within all such areas, including the Local Development Area, is just a very small percentage of the City’s total taxable real property assessment. Therefore, the assessed value of taxable real property within the local development area is significantly less than twenty percent (20%) of the assessed value of taxable real property within the City.

SECTION 3. Establishment, Name, Boundaries. All that area described herein by Exhibit A attached hereto and made a part hereof, is located within the City and is hereby established and designated as the “The Paddocks of Frankfort Local Development Area”. At the time of the enactment of this Ordinance the Local Development Area is less than 1,000 acres, being approximately 127.651 acres in size.

SECTION 4. Establishment Date, Commencement Date, Termination date. The Establishment Date is the effective date of this Ordinance. The Commencement Date of the Local Development Area is the date of execution of the Local Development Area Agreement and the Termination Date shall be exactly twenty (20) years subsequent to the Activation Date of the Agreement relating to the Local Development Area. However, the Termination Date for the Local Development Area shall in no event be more than forty (40) years from the Establishment Date.

SECTION 5. Agreement. The Mayor of the City is hereby authorized and directed to execute, acknowledge and deliver on behalf of the City an Agreement, a form of which is attached as Exhibit B and made a part hereof, among the City, the County and the Agency, authorizing the pledge of the Incremental Revenues of the City and County from the Local Development Area to the payment of Public Infrastructure Costs, but not to exceed the amounts as set forth in the Agreement. The form of the Agreement to be signed by the Mayor on behalf of the City 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 City. The approval of such changes by said officers, and that such changes are not substantially adverse to the City, shall be conclusively evidenced by the execution of such Agreement by such officials.

SECTION 6. Special Fund. There is hereby established a Special Fund of the City to be known as The Paddocks of Frankfort Local Development Area Tax Increment Fund, into which the City covenants to deposit, and into which the City officials are hereby authorized and directed to deposit all Pledged Revenues. The City shall maintain the Special Fund unencumbered except for the purposes set forth in Section 7 hereof. Funds deposited in the Special Fund shall be disbursed in accordance with the Act, this Ordinance, the Agreement, and related documents to pay for Public Infrastructure Costs within the Local Development Area.

SECTION 7. Use of Pledged Revenues. Pledged Revenues shall be deposited by the City and County into the Special Fund created under Section 6 hereof and shall be used solely to pay Public Infrastructure Costs in accordance with the Agreement, as the same may be amended from time to time.

SECTION 8. Periodic Accounting/Analysis. Any entity, other than the City and County, that receives financial assistance pursuant to the provisions of this Ordinance, whether in the form of a grant or loan or loan guarantee, shall make a periodic accounting to the governing body of the City and County in accordance with the Act and the documents controlling such grant, loan or loan guarantee. The governing body of the City and County shall be required to review and analyze the progress of the development activity in the Local Development Area on an annual basis. Such review and analysis shall at a minimum include a review of the progress in meeting the stated goals of the Local Development Area. The Mayor and other officials of the City shall report to the governing body of the City 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 Local Development Area.

SECTION 9. Designation of Oversight Agency. Pursuant to the Act, the City hereby designates the Department of Finance of the City of Frankfort, Kentucky, as the Agency for purposes of oversight, administration and review responsibility of this Local Development Area Ordinance, the Agreement, and the Local Development Area established hereby. The Agency shall act on behalf of the City in administering the Local Development Area, entering into the Agreement, and other related agreements, with respect to the development of the Local Development Area.

SECTION 10. 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 11. 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 12. 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.

SECTION 13.

GIVEN FIRST-READING APPROVAL AT A DULY CONVENEED MEETING OF THE BOARD OF COMMISSIONERS OF THE CITY OF FRANKFORT, KENTUCKY, held on the 11 day of April, 2022.

GIVEN SECOND READING AND ADOPTED AT A DULY CONVENEED MEETING OF THE BOARD OF COMMISSIONERS OF THE CITY OF FRANKFORT, KENTUCKY, held on the 25 day of April, 2022 and on the same occasion signed by the Mayor as evidence of his approval, attested by the City Clerk, 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:

S/Layne Wilkerson
T/Mayor

ATTEST:

S/Chermie Maxwell
T/City Clerk

Summary: This ordinance a) establishes the Paddocks of Frankfort Local Development Area for economic development purposes within the City of Frankfort; b) approves a Local Development Area Agreement; c) establishes an incremental tax special fund for payment of redevelopment assistance; d) designates the City Finance Department as the agency responsible for oversight, administration, and implementation; and e) authorizes the Mayor and other officials to take appropriate action connected with the Development Area.

Note: Exhibits on file in the City Clerk's Office.

S/Laura Milam Ross
T/City Solicitor

Published by title and summary May 1, 2022.

EXHIBIT A

LOCAL DEVELOPMENT AREA DESCRIPTION

AND MAP

Being a tract of land lying in Franklin County in the northeast quadrant of the I-64 and US 127 interchange and extending to portions of US 127, Vandalay Dr., and Westridge Dr., and more particularly described as follows:

Beginning at a point N 3947293.75 E 5167466.27 thence S 78°22'36" E a distance of 375.64 feet to a point N 3947218.07 E 5167834.20 thence S 59°45'59" E a distance of 250.04 feet to a point N 3947092.17 E 5168050.23 thence S 37°20'22" E a distance of 158.51 feet to a point N 3946966.14 E 5168146.37 thence S 25°24'18" E a distance of 219.04 feet to a point N 3946768.29 E 5168240.34 thence S 65°42'49" E a distance of 367.31 feet to a point N 3946617.21 E 5168575.14 thence S 84°02'09" E a distance of 276.59 feet to a point N 3946588.48 E 5168850.23 thence N 84°50'33" E a distance of 1927.50 feet to a point N 3946761.74 E 5170769.93 thence N 20°39'33" E a distance of 591.75 feet to a point N 3947315.44 E 5170978.71 thence N 3°54'33" E a distance of 769.52 feet to a point N 3948083.17 E 5171031.17 thence N 57°41'11" W a distance of 677.18 feet to a point N 3948445.16 E 5170458.86 thence S 71°11'13" W a distance of 445.28 feet to a point N 3948301.57 E 5170037.37 thence N 67°48'08" W a distance of 262.86 feet to a point N 3948400.88 E 5169793.99 thence S 59°23'00" W a distance of 206.43 feet to a point N 3948295.75 E 5169616.34 thence N 46°55'52" W a distance of 106.39 feet to a point N 3948368.40 E 5169538.62 thence N 86°41'46" W a distance of 359.63 feet to a point N 3948389.13 E 5169179.58 thence S 49°47'19" W a distance of 233.85 feet to a point N 3948238.15 E 5169001.00 thence S 84°19'25" W a distance of 239.58 feet to a point N 3948214.46 E 5168762.60 thence N 46°10'45" W a distance of 131.81 feet to a point N 3948305.72 E 5168667.50 thence N 80°16'27" W a distance of 161.39 feet to a point N 3948332.98 E 5168508.43 thence S 37°48'54" W a distance of 363.19 feet to a point N 3948046.06 E 5168285.75 thence S 51°09'53" W a distance of 153.64 feet to a point N 3947949.72 E 5168166.08 thence S 88°49'06" W a distance of 414.69 feet to a point N 3947941.17 E 5167751.47 thence N 4°56'55" W a distance of 100.69 feet to a point N 3948041.48 E 5167742.79 thence N 10°38'23" W a distance of 118.84 feet to a point N 3948158.28 E 5167720.85 thence N 19°00'09" W a distance of 134.81 feet to a point N 3948285.74 E 5167676.95 thence N 24°33'52" W a distance of 99.31 feet to a point N 3948376.06 E 5167635.67 thence N 31°10'43" W a distance of 147.73 feet to a point N 3948502.45 E 5167559.19 thence N 32°01'41" W a distance of 99.35 feet to a point N 3948586.68 E 5167506.50 thence N 26°56'39" W a distance of 82.46 feet to a point N 3948660.18 E 5167469.14 thence N 32°01'41" W a distance of 397.11 feet to a point N 3948996.85 E 5167258.54 thence S 57°55'08" W a distance of 423.19 feet to a point N 3948772.08 E 5166899.97 thence S 32°04'52" E a distance of 94.56 feet to a point N 3948691.96 E 5166950.19 thence N 57°55'08" E a distance of 356.03 feet to a point N 3948881.06 E 5167251.85 thence S 32°04'52" E a distance of 527.25 feet to a point N 3948434.32 E 5167531.89 thence S 15°29'57" W a distance of 191.11 feet to a point N 3948250.16 E 5167480.82 thence N 75°01'19" W a distance of 420.17 feet to a point N 3948358.75 E 5167074.93 thence S 37°38'36" W a distance of 214.43 feet to a point N 3948188.96 E 5166943.97 thence N 31°15'19" W a distance of 421.62 feet to a point N 3948549.39 E 5166725.21 thence S 58°47'15" W a distance of 86.39 feet to a point N 3948504.62 E 5166651.33 thence S 31°12'45" E a distance of 406.60 feet to a point N 3948156.88 E 5166862.03 thence S 33°08'57" E a distance of 351.71 feet to a point N 3947862.41 E 5167054.35 thence N 58°28'00" E a distance of 97.58 feet N 3947913.45 E 5167137.52 thence S 31°32'00" E a distance of 423.42 feet N 3947552.55 E 5167358.96 thence S 22°31'12" E a distance of 280.16 feet and the POINT OF BEGINNING.

The above described parcel contains 127.651 acres (5560461.043 sq. ft.)

The above coordinates referenced in the description are in NAD83 Kentucky Single Zone SPCS, US Feet (FIPS: 1600)



EXHIBIT B

LOCAL DEVELOPMENT AREA AGREEMENT