

What is the minimum investment needed for the developer to begin to access this TIF funding? Is this investment needed prior to April 1, 2026 or within two years of the start/activation of this TIF?

There is not a minimum investment required. The developer will not want to activate the TIF until they make a significant investment – as the TIF is a performance-based tool, the maximum cap can only be achieved if developer has made the proposed investment early in the project life cycle. If the TIF and surplus of the property are approved, the developer will begin demolition activities.

This TIF will not include a break on Sales or Occupational Tax? (Correct?)

Correct. Only Metro and Urban Service District ad valorem taxes are included.

What happens should the TIF not get started prior to the deadline for ACTIVATION (April 1, 2026) and what happens if it isn't concluded by the deadline?

As noted in the first question, the activation of the TIF can be extended two years beyond 2026. If it is not activated in that 4-year window, the project TIF will be deemed inactive and a new TIF would need to be secured.

The TIF will only go for 20 years after activation. The maximum cap is just that – it is the cap on the city's reimbursement, not a guaranteed return. If the developer does not make the full investment or if the full value of the project is not otherwise realized, the developer will not achieve the full value of the TIF.

This property has languished for about a decade. Partly because of Metro and partly because of developers trying to negotiate the best deal or amendment to a deal to develop this property. We need to do something with this, but we can't afford to go down a path that isn't certain to yield a finished product. Are we confident with the passage of this resolution that two years from now we will see movement and construction underway?

Yes, the developer is mobilized for demolition on site and is only awaiting final approvals to begin work.

There is talk about approximately this many units or this much investment. Why aren't there HARD and CLEAR numbers offered. Guardrails that can be pointed to rather than using the term APPROXIMATELY over and over again? This seems to be something that we could change and avoid future problems.

Developments change from planning to implementation. As such, we always provide some level of flexibility. The Pattern Book and binding elements that were approved with the rezoning will ultimately control density on the site.

What other government assistance will this project require or be asked to give? Will PARC be asked to participate? Will they be using any other methods for government funding for infrastructure or other changes?

No. The developer is using private equity and financing along with the TIF to construct the project. They have applied for and have preliminary approval to receive state tax credits for demolition and site remediation. The Metro incentives are the TIF and land.

What is the actual size and scope as well as investment in the public space? There is mention of \$10,000 towards a space, but little else to hold someone accountable once this document is accepted/passed. Will Metro be expected to pay for additional work on the public spaces/parks that are outlined as part of this project?

The final size is being determined. The developer is working with the neighborhood to include a public playground on the site – the cost of that amenity is expected to exceed \$50,000. At the moment the site has a minimum requirement of 20% open space per the zoning approval and 6,500 square feet of indoor community space for neighborhood use (the community benefits agreement governs that space is free to neighborhood associations). In addition, the Vine Street property will have public open space that is 0.65 acres (30% of the total site).

Metro will not be expected to pay for or maintain the public spaces included with this project.

Question to developer – What else in your portfolio is comparable to what you are planning to build? Do you have a track record we could refer to help us feel confident that you have the ability to follow through with the proposal before us?

The developer completed the Paristown development that includes the Old Forester Paristown Hall immediately north of the Urban Government Center site. Brian Forrest, one of the key principles in the Paristown phase 1, is also the managing partner of Sun Properties and Hoagland Commercial Real Estate. They own and manage over 1M square feet of properties in the Louisville Metro Area.

Hollenbach Oakley, a partner with Paristown Preservation Trust, has developed hundreds of millions of dollars in real estate development over the past several decades in the Louisville Metro Area.

To JCAO and/or Administration – What within the proposal can be changed by the developer without Metro Government agreeing to the changes? If changes were made, how would those changes be reviewed (by Executive Only or by Mayor and Metro Council).

Any significant change to the approved TIF development plan will require Metro Council approval. This includes failing to complete an aspect of the project or modifying land use mix. The approved zoning plan also governs mix and amount of uses.

To the Administration – Why is it in our best interest to be involved in this? Why didn't we simply sell this property off and see it developed years ago. We have concerns over the

ability of the developer to live up to our requirements and we have seen this site stall for years.

This site is likely not going to be developed without Metro investment. All three proposals that have been discussed have required public subsidy beyond the land. The TIF tool is the best method for the city to participate without putting cash at risk up front.

To the Administration – if this doesn't pass what happens next?

That is to be determined.

JCAO – would the passage of this end Metro's involvement in the case? Will this come back to us as a zoning case where we will have the opportunity to see better renderings and a more dedicated plan? If not – is there anything else we can add to this (binding elements or otherwise) to offer more protection to tax-payers? Could Metro use the failure to live up to our expectations (as outlined within this agreement) as reason to deny a zoning case?

The rezoning of the property was approved in 2023. The Pattern Book (linked [here](#) for UGC site and [here](#) for Vine St site) governs what can be built and provides more specific renderings. The zoning district that was approved allows flexibility within reason. If the developer goes outside of that approval, they are required to go back to the Planning Commission and Metro Council for those changes.

If the TIF is approved there will be a surplus resolution to follow to allow the sale of the property.

The project, as contained in the TIF documents, consists of 440 units of apartments or condominiums, approximately 165,000 square feet of office and commercial space, approximately 20 cottage homes, a hotel with approximately 100 room and five (5) rooftop condominiums, a parking garage containing approximately 850 parking spaces, and public green space. If they wish to change the scope of the project in any material fashion, the TIF will have to come back to Metro Council for approval of those changes. Depending on the nature of those changes, a change to the Pattern book may also be required, which would also require going back to Metro Council for approval.

The failure to live up to expectations is something that carries more weight if the TIF was coming back to Metro Council for approval of any changes, as that is a purely discretionary action. Any change to the pattern book or rezoning is grounded in the Land Development Code and Comprehensive Plan, rather than the specific developer, unless there is a concern the developer will not comply with the law, or cannot mitigate the impact of a waiver, or some other action that has more of an effect on the zoning/land use itself.

Topic: Status of Land

Once the Metro Council approves the TIF and the surplus of the land to the developer, is there any “claw back” provisions that would allow Metro to regain ownership of the property if aspects of the agreement aren’t met? Can the transfer of this property be contingent of the completion of the project as specified within our TIF/Development Agreements/etc?

Historically, claw back provisions make it difficult for a developer to obtain financing necessary to complete the project. It is also possible to have the transfer be contingent on completion, but again, that may be problematic from a financing perspective. It’s worth noting that Paristown already owns one of the parcels (on parking lot at 814 Vine St), and 768 Barrett is owned by LMHA, the developer has a purchase agreement in place with LMHA to buy that parcel.

Topic: Use of the word “Approximately”

The lack of clarity due to the use of the word “approximately” is of great concern to some members of the council including myself. Is the administration unwilling to amend this to for example use the term “approximately ##, but no fewer than” or simply changing to using only the term “no fewer than ## units” for this agreement. This would give us more clarity of what is acceptable. We would also be interested if an acceptable range was given because the definition of approximate can vary greatly from one person to the next.

Additional Note: This issue is probably 1 of the 2 biggest hurdles causing concern by members of the Minority Caucus.

We can certainly add language that says, “but no fewer than” as long as the developer agrees to that. We generally use a range in case the developer desires to expand uses, the developer may want to come back and see if the cap can be raised to reflect that additional development.

Topic: Metro Tax Dollars / Incentives and Quasi-Governmental Funding for Project

Just to be clear. Should this TIF receive its approval, there will be no other Metro funds expended on this project. This would include any costs associated but not limited to the demolition or cleaning of the property, construction of buildings, sidewalks or other infrastructure, the construction and/or maintenance of parking structures of parks/public spaces etc.? The are no additional Metro funds being requested or offered for this project – just the land and the TIF. The developer is working with the state to receive a demolition tax credit for remediation of the site, which will assist with clean up and demolition of the site. The developer is assigning the public spaces to one of their entities. Metro will not be responsible for maintaining.

Topic: Development Changes from What is proposed

The language in the reply to our previous questions leads to more concern rather than confidence. While it is understood that developments do change and adjustments are sometimes necessary, the continued reliance on using terms that leave things open to

interpretation. The ability of the developer to for example eliminate or sizably reduce one aspect of the development, even if they are increasing another is concerning. For example – if the number of hotel rooms moves down by 25% and the number of apartments are reduced by 25% and the number of condos are decreased by 25% would that fit into the developer's definition of approximate because the amount of cottages and commercial are untouched and the movement of the three identified types of housing are close enough? If everything is build to the short size of a reasonable definition of approximate, how much less will we see invested into this?

If the developer decided to build the apartments last and doesn't include the affordable housing aspect of the agreement, what happens?

We typically say a change of 10% or more goes beyond staff's ability to approve. If Council wants to add, or you want to suggest adding, a provision of the ordinance that a change of 10% or more to one or more of the proposed uses (either square footage or number of units), requires an amendment to the TIF, we don't have any legal concerns or issues. We would want to present this info to the developer if Council wants to add this provision.

If the affordable units aren't built/rented, then the developer is in default of the TIF agreement. Housing and Community Development reviews and verifies the reports we receive from developers for compliance. If they are not in compliances they are in default of the TIF agreement and funds will be withheld.