

35. O-074-24 AN ORDINANCE ESTABLISHING A DEVELOPMENT AREA PURSUANT TO PROVISIONS OF KRS 65.7041 - 65.7083 TO BE KNOWN AS THE URBAN GOVERNMENT CENTER DEVELOPMENT AREA, DESIGNATING THE METRO DEVELOPMENT AUTHORITY, INC. AS AN "AGENCY", ADOPTING A DEVELOPMENT PLAN, APPROVING ENTERING INTO A LOCAL PARTICIPATION AGREEMENT, AUTHORIZING THE PAYMENT OF THE "RELEASED AMOUNT" PURSUANT TO THE TERMS AND CONDITIONS OF THE LOCAL PARTICIPATION AGREEMENT, REQUIRING THE SUBMISSION OF REGULAR REPORTS TO LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS AND THE TAKING OF ANY OTHER ACTIONS NECESSARY TO ACCOMPLISH THE PURPOSES AUTHORIZED BY THIS ORDINANCE (AMENDMENT BY SUBSTITUTION).

9/10/24 Labor, Economic Development, and Appropriations Committee Amended; Recommended for Approval

8/27/24 Labor, Economic Development and Appropriations Committee Held

8/13/24 Labor, Economic Development, and Appropriations Committee Held

7/30/24 Labor, Economic Development, and Appropriations Committee Held

Action Required By: January 2025

7/25/24 Metro Council Recommitted

6/20/24 Metro Council Held

6/11/24 Labor, Economic Development, and Appropriations Committee Amended; Recommended for Disapproval

5/28/24 Labor, Economic Development, and Appropriations Committee Held

5/7/24 Labor, Economic Development, and Appropriations Committee Held

4/16/24 Labor, Economic Development, and Appropriations Committee Tabled

Action Required By: October 2024

Sponsors:

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”), entered into as of this ____ day of _____, 202_ (the “Effective Date”) by and among: **UPPT, LLC**, a Kentucky limited liability company, with its principal office at 731 Brent Street, Suite 3200, Louisville, Kentucky 40204, or an affiliate of same (“**UPPT**”); **PARISTOWN POINTE NEIGHBORHOOD ASSOCIATION, INC.**, a Kentucky non-profit corporation or their successors and assigns; **BATES COMMUNITY DEVELOPMENT CORPORATION**, a Kentucky non-profit corporation; **HIGHLANDS COMMUNITY MINISTRIES, INC.**, a Kentucky non-profit corporation;; and **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a Kentucky consolidated local government (“**METRO**”), acting by and through its **DEPARTMENT OF ECONOMIC DEVELOPMENT (“ED”)**, with an office located at 444 S. Fifth St., Suite 600, Louisville, Kentucky 40202.

WHEREAS, UPPT and METRO, acting by and through ED, entered into a certain development agreement, dated December 21, 2021 and restated on December 21, 2023 (“**Development Agreement**”), wherein UPPT and ED formalized negotiations for UPPT to be the developer of certain property METRO owns located at 810 Barret Avenue, 850 Barret Avenue and 1235 E. Breckinridge Street, known as the Urban Government Center (“**UGC**”) and as more particularly described in Exhibit A to the Development Agreement, together with that certain property the Louisville Metro Housing Authority Development Corp. (“**LMHA**”) owns located at 768 Barret Avenue, as more particularly described in Exhibit B to the Development Agreement (collectively, all four properties will be referred to herein as the “**Property**”); and

WHEREAS, pursuant to and Section 1.22 of the Development Agreement, UPPT agreed to use good faith efforts to work with a Project Advisory Group, as comprised of representatives from those certain surrounding neighborhood associations identified by ED; and

WHEREAS, pursuant to Section 1.02.D of the Development Agreement, UPPT is to enter into a Community Benefits Agreement with the same surrounding neighborhood associations the representatives of which comprise the Project Advisory Group; and

WHEREAS, not all of the members of the Project Advisory Group are willing to sign the MOU, but other community-based organizations are supportive of the project and willing to be party to this MOU and ED has determined that the condition of Section 1.02D of the Development Agreement is satisfied; and

WHEREAS, UPPT has always been supportive of its neighbors and the neighborhoods surrounding its project and desires to continue to do so in the form of this Memorandum of Understanding; and

WHEREAS, over the past two years UPPT and the Project Advisory Group have held meetings to identify various areas and issues in, surrounding and pertaining to the Property and development of the Property where certain community needs exist or will potentially exist, stemming from causes that are both pre-development and post-development of the Property, and can be addressed and mitigated by solutions agreed upon by the parties; and

WHEREAS, UPPT, in response to these community needs discussed with the Project Advisory Group, agrees to provide or participate in the funding of certain community benefits for the use and enjoyment of residents who live within the neighborhoods surrounding the Property and which are represented herein by the associated neighborhood associations herein identified and made parties to of the MOU.

NOW THEREFORE, for good and valuable consideration, the parties set forth their understanding as follows:

SECTION I. OBLIGATIONS OF UPPT.

UPPT agrees as follows:

A. UPPT Payments to the Neighborhood Associations. UPPT shall contribute to the Neighborhood Associations an amount of Twenty-Five Thousand Dollars (\$25,000.00) prior to the issuance of the first Certificate of Occupancy for the Project. The funding shall be distributed directly to the Neighborhood Associations in an agreed manner. Proof of payment shall be submitted to ED.

B. UPPT Funding for Green Spaces.

1. UPPT shall provide funding in the amount of Ten Thousand Dollars (\$10,000.00) for capital improvements to the Paristown Pointe Community Garden, which said amount may include fees necessary to design the Community Garden.

2. UPPT shall design the proposed courtyard on Vine Street with the Paristown Pointe Neighborhood Association to design the space in a manner that promotes public use.

3. UPPT shall design and construct a playground on the former Urban Government Center site. Specific design and location of the playground shall be presented to ED for approval, such approval shall not be unreasonably withheld by ED. UPPT shall be required to construct and maintain the facility at its sole expense.

C. Reuse of Building Materials Salvaged from Demolition of Urban Government Center Building and Other Buildings on the Property. UPPT will use commercially reasonable efforts to incorporate and reuse salvageable materials from the Urban Government Center building and other buildings on the Property – brick, stone, cornices, doors, wood, etc. – into its public spaces and amenities on the Property which may include walking pathways, steps, plazas, sitting areas, benches, walls, and public art, or other similar appurtenances. Additionally, UPPT will use reasonable efforts to make bricks available to the public in a manner that is safe and in accordance with federal, state and local regulations.

D. Traffic and Parking Studies. UPPT shall conduct independently administered traffic and parking studies for the area near the Property, the scope of which are to be determined in conjunction with the Project Advisory Group and Louisville Metro Public Works but, at minimum,

will include Brent Street, Swan Street and Vine Street rights-of-way. The traffic and parking studies shall both include the measurement of traffic counts and available parking spaces during times when Paristown Hall is operating performance events, which, when combined with traffic counts not attributable to Paristown Hall events, would give an estimate of the traffic impact to the surrounding neighborhoods during the periods of peak traffic volumes. UPPT shall work with the Kentucky Center for the Arts Corporation, an entity created by Kentucky legislative act d/b/a Kentucky Performing Arts ("KPA"), to obtain KPA's participation with the traffic and parking studies herein contemplated.

1. Devise and Implement Event Traffic Flow and Parking Plan. UPPT shall work with Louisville Metro Police Department ("LMPD"), METRO, PARC, and other associated entities, if necessary, to identify and implement strategic solutions and strategies for improving the current traffic flow and parking conditions during events held at Paristown Hall and that will help facilitate unimpeded parking for and by residents in the Paristown Pointe neighborhood.

2. Furnish Area for Rideshare Pickup/Drop-off Area. UPPT will provide for an area, located on or off the Property, where ridesharing participants (including but not limited to taxi, Lyft, Uber, shuttle and limo services) pick up and drop off passengers rather than those passengers driving vehicles themselves. The location of any Rideshare Pickup/Drop-off Area is intended to improve traffic flow and reduce parking demand on the Property and neighboring properties, as well as reduce impaired driving in the immediate area.

3. Updated Traffic and Parking Study. UPPT pledges to fund a review and update of the traffic study and parking study within one year of completion/full build-out of the Property's approved development. The updated traffic study and parking study will be conducted by an independent consultant and are intended to account for potential changing traffic and parking patterns on the Property and the area surrounding Paristown Hall. Prior to conducting updates to the traffic study and parking study contemplated in this provision, UPPT shall seek input from the Paristown Pointe Neighborhood Association, Inc. related to changes in the traffic and parking patterns observed since development of the Property.

E. Security. UPPT will provide reasonable security on all of its properties to provide for increased safety of all of its residents, visitors, guests and patrons. No perimeter-wide obstruction such as fencing, barbed wire, or other means shall be installed that is intended to keep the greater community out of the development, or otherwise deny public access to the amenities on the site.

F. Sidewalks and Street Lighting. UPPT will install all new sidewalks and street lighting on the Property in accordance with all approved development plans and applicable provisions of the adopted Pattern Book for development of the Property. UPPT will implement site design that encourages pedestrian access to safe, walkable areas throughout the Property. As part of the implemented design for street lighting, UPPT will use "cut-off" fixtures to direct lighting down and limit lighting from shining onto adjacent residential areas where practical. Additionally, UPPT agrees to install at least 10 banners along Vine Street, Breckenridge Street or Barrett Avenue that include identification for "Historic Paristown".

G. Land Usage. UPPT shall establish land uses on the Property only as permitted by the applicable development plan, binding elements, Pattern Book, local zoning regulations, and by the following:

1. Use of the Steam Plant. Subject to a comprehensive evaluation of the structure to determine its safety and feasibility of use, UPPT commits to retaining the Steam Plant Building, as the Steam Plant Building is defined by the parameters of the building envelope depicted in red on the Exhibit A attached hereto (except for necessary updates to bring the existing Steam Plant Building current with applicable building code and other regulations), so that a portion of the Steam Plant Building may be used as a Community Center with space available for neighborhood associations party to this Agreement at no cost for the public to use, subject to such reasonable rules and regulations as UPPT may adopt. In addition, UPPT agrees to have discussions with the Paristown Pointe Neighborhood Association about opportunities for placement of neighborhood identification on the smokestack. Any wording shall include "Paristown".

2. Short-term Rental of Dwelling Units Prohibited on the Property. UPPT shall not permit the short-term rental (as defined by the Land Development Code) of any residential dwelling unit located on the Property. UPPT commits to inserting language within apartment leases of residential units located on the Property that disallows the short-term rental of such dwelling unit.

3. Stand-alone Liquor Stores Prohibited on the Property. No land use where the sale of packaged spirits is the primary use of the premises shall be allowed on the Property. The sale of packaged spirits as an accessory use (e.g., in a hotel gift shop, small grocery market, local goods store, etc.) to the primary use of a premises is permitted on the Property.

4. Establish a Market/Small Grocer on the Property. UPPT will commit to use commercially reasonable efforts to attract a small market/grocer or general retail store or an equivalent user where the sale of food and daily necessities for area residents can be purchased on the Property.

5. Additional Affordable Housing Units on the Property. In addition to the 46 affordable housing units required by METRO through enacting the ordinance establishing the development area and Local Participation Agreement, UPPT shall dedicate five (5) additional housing units that will be rented to income eligible tenants at rates not to exceed the applicable 80% AMI Cap as that term is defined in the Local Participation Agreement, for that type of unit.

H. Environmental Remediation on the Property. UPPT commits to removing the hazardous materials from the buildings located on the Property during the demolition phase of the project. All demolition activities shall meet or exceed all applicable government standards for hazardous waste removal.

I. Tree and Landscape Plantings on the Property. UPPT shall add approximately 150 new trees and other landscape plantings of a species native to the area on the Property. Said tree and

landscape plantings will be appropriate for the area climate and specific locations on the Property where they will be planted. Prior to implementing the planting of trees and landscaping on the Property, UPPT shall coordinate review of the tree and landscape plantings list with those members from the Neighborhood Advisory Group who desire to participate in providing input and review of the plantings list for the Property. In addition, UPPT shall assess the health of the healthy mature tulip poplars along East Breckinridge Street. If the trees are healthy, they shall be preserved

SECTION II. OBLIGATIONS OF METRO.

METRO agrees as follows:

In good faith, METRO will work with the neighborhood association(s) adjacent to the Urban Government Center site and will work with UPPT to:

- A. Assist with the development of the Property;
- B. Assist with effectuating the regulatory aspects of the development that include but are not limited to the implementation of traffic mechanisms that improve pedestrian safety, traffic flow and parking issues, neighborhood security, streetscape and landscape improvements, signage/banners, and any other aspect of Section I of this MOU that would be under the jurisdiction of METRO.

SECTION III. TERM.

The Term of this MOU shall be twenty (20) years or the duration of any tax increment finance incentive approved for the site, whichever is less, commencing on the Effective Date unless terminated pursuant to Section V of this MOU.

SECTION IV. APPLICABLE LAW.

This MOU shall be interpreted under the laws of the Commonwealth of Kentucky.

SECTION V. ENTIRE UNDERSTANDING.

This MOU shall constitute the entire written understanding of the parties with respect to the subject matter hereof and shall supersede all oral and written understandings of the parties, all of which are deemed to be merged herein. This MOU may not be modified, amended or terminated except in writing, signed by UPPT, METRO and a majority of the five neighborhood associations parties hereto.

SECTION V. ASSIGNMENT.

This MOU may be assigned by UPPT to another entity upon written notice to the other parties.

IN WITNESS WHEREOF the authorized representatives of parties hereto have caused this MOU to be duly executed as of the date first above written.

UPPT, LLC

By: _____
Stephen Smith
Title: Authorized Member

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

By: _____
Title: _____

By: Paristown Pointe Neighborhood Association, Inc.

By: _____
Title: President

By: Bates Community Development Corporation

By: _____
Title: President

By: Highlands Community Ministries, Inc.

By: _____
Title: President

**APPROVED FOR FORM AND LEGALITY
MICHAEL J. O'CONNELL
JEFFERSON COUNTY ATTORNEY**

By: _____
Title: Assistant County Attorney

ORDINANCE NO. _____, SERIES 2024

AN ORDINANCE ESTABLISHING A DEVELOPMENT AREA PURSUANT TO PROVISIONS OF KRS 65.7041 - 65.7083 TO BE KNOWN AS THE URBAN GOVERNMENT CENTER DEVELOPMENT AREA, DESIGNATING THE METRO DEVELOPMENT AUTHORITY, INC. AS AN "AGENCY", ADOPTING A DEVELOPMENT PLAN, APPROVING ENTERING INTO A LOCAL PARTICIPATION AGREEMENT, AUTHORIZING THE PAYMENT OF THE "RELEASED AMOUNT" PURSUANT TO THE TERMS AND CONDITIONS OF THE LOCAL PARTICIPATION AGREEMENT, REQUIRING THE SUBMISSION OF REGULAR REPORTS TO LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS AND THE TAKING OF ANY OTHER ACTIONS NECESSARY TO ACCOMPLISH THE PURPOSES AUTHORIZED BY THIS ORDINANCE (AMENDMENT BY SUBSTITUTION).

SPONSORED BY: COUNCIL MEMBER PHILLIP BAKER

WHEREAS, the Kentucky General Assembly enacted KRS 65.7041 - 65.7083 (the "Act") relating to tax increment financing and urban redevelopment, which Act establishes development areas to increase property values, increase employment opportunities, and increase economic activity;

WHEREAS, UPPT, LLC, a Kentucky limited liability company, or an affiliate of same (the "Developer") plans to undertake a major renovation project within the Urban Government Center Development Area (the "Development Area") to complete the Urban Government Center Project (the "Project"), as more particularly described in the Development Plan attached hereto as Exhibit A;

WHEREAS, the Project, which qualifies as a development area under the Act, will involve new capital investment of approximately \$249 million when fully developed;

WHEREAS, in accordance with the provisions of the Act, a Development Plan for the Development Area has been prepared and a public hearing has been conducted to

seek public comment on the Development Plan;

WHEREAS, the Legislative Council of the Louisville/Jefferson County Metro Government (the “Council”) finds that the Project to be undertaken in the Development Area by the Developer will further the public purposes identified in the Act by increasing the value of property located in the Development Area, increasing employment within the Development Area, Louisville and the region and increasing the tax base of Louisville;

WHEREAS, it is therefore in the interest of Louisville/Jefferson County Metro Government (“Louisville Metro”) and Metro Development Authority, Inc. (the “Authority”) that there be a plan for the optimal revitalization and development of the Development Area in a most efficient manner;

WHEREAS, the redevelopment of previously developed land, within the meaning of the Act and as presented by the Developer and the Authority, enables Louisville Metro to use tax increment financing to encourage major economic development projects and is a worthy public purpose;

WHEREAS, Louisville Metro is authorized under the Act to execute a local participation agreement with an agency in acknowledgement of benefits to be derived by Louisville Metro within a development area in order to promote the public purpose of Louisville Metro;

WHEREAS, the Authority is organized and incorporated as a nonprofit, nonstock corporation pursuant to KRS Chapters 58 and 273 to act as an “Agency” under the Act; and

WHEREAS, Louisville Metro has determined that based on the benefits to be

derived from the Project that it is in furtherance of its public purposes to assist Developer, through the Authority, with the costs of the Project and agrees to enter into the Local Participation Agreement in order to pay to the Authority the Released Amount (as hereinafter defined) for use solely for purposes of the Project.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AS FOLLOWS:

SECTION I: The Development Plan, attached hereto as Exhibit A, is hereby adopted.

SECTION II: That the Council finds as follows:

A. All statements of fact set forth in the recitals to this Ordinance are found true and correct and are incorporated herein by reference.

B. The Development Area, as depicted in Exhibit B, is a contiguous parcel of property, approximately 11.6546 acres in size, and is less than three (3) square miles in area as required by the Act.

C. The Development Area constitutes previously developed land as required by KRS 65.7043(2).

D. The establishment of the Development Area shall not cause the assessed value of taxable real estate in all development areas located in Louisville Metro to exceed 20% of the assessed value of all taxable real property in Louisville. To date Louisville Metro has established several other development areas with a combined taxable real property assessment at the time they were established of approximately \$1.568 billion. The taxable real property assessment of the Development Area for calendar year 2023 is approximately \$2,660,600, and that amount combined with the previous development areas established by Louisville Metro totals \$1.571 billion, while

the total taxable real property assessment for Louisville exceeds \$71.6 billion, 20% of which is \$14.3 billion.

E. The conditions within the Development Area meet three (3) of the seven (7) factors of blight as set forth in KRS 65.7049 and are as follows:

1. **A substantial loss of residential, commercial, and industrial activity or use has occurred within the Development Area.** The Development Area consists of five parcels, and all of the structures on those parcels are currently vacant. The majority of the structures have been vacant for more than five years.

2. **Substantial abandonment of residential, commercial, or industrial structures.** The Development Area consists of five parcels, and all of the structures on those parcels are currently vacant. The majority of the structures have been vacant for more than five years.

3. **A combination of factors substantially impairs or arrests the growth and economic development of the city or county and impedes the development of commercial or industrial property due to the Development Area's present condition and use.** Development of the Project site without assistance as provided by the Act is not feasible due to the large-scale costs associated with the redevelopment of the proposed Project, including the public infrastructure required in connection with the redevelopment of the site, such as the parking garage. No other adequate funding mechanism affords the proposed improvements absent the incentives provided under the Act. These improvements cannot be facilitated with private investment alone. The aesthetic improvement resulting from the redevelopment of the

proposed Project will have a positive impact on Louisville Metro and the surrounding area, especially the impact on the Paristown Pointe, Original Highlands and Germantown neighborhoods.

F. The Development Area will not reasonably be redeveloped without public assistance, including incentives as provided by the Act. The high cost of site redevelopment expenses needed for the Project makes public incentives critical to the financing of the Project.

G. The public benefits of redeveloping the Development Area justify the public costs proposed. The investment in the Development Area will result in significant returns through increased property valuations for the surrounding area and facilitate secondary and tertiary re-development within the area. The Development Area has a 2023 taxable assessment of approximately \$2,660,600 but currently generates \$3,042 in ad valorem real property taxes to Louisville Metro because all but one of the five parcels in the Development Area (the four are assessed at \$2,010,600) are exempted from ad valorem real property taxes because the owner of those parcels qualified for the property tax exemption pursuant to Section 170 of the Kentucky Constitution. The Project will increase capital investment by approximately \$249 million, which will provide significant new taxes to Louisville Metro and the other taxing districts. While Louisville Metro will pledge 80% of the incremental increase of the local ad valorem real property taxes from the Development Area, up to the Cap Amount (as that term is defined in the Local Participation Agreement) which determines the cap based on how much of the Project is constructed, but even if 100% of the Project is built, the cap will not exceed \$20,316,819, to provide redevelopment assistance to the project, it

will retain 20% of the new incremental increase of the local ad valorem real property taxes and 100% of the local occupational taxes from the Development Area. Therefore, even when considering the requested incentives for the Project from Louisville Metro, the Project will be financially beneficial to Louisville Metro. The Project will also serve as a catalyst for additional development in the area surrounding the Development Area. The Developer has also committed to a community benefits agreement, which will be memorialized in a Memorandum of Understanding (“MOU”) substantially similar to the draft MOU attached as Exhibit D.

H. The area immediately surrounding the Development Area has not been subject to growth and development through investment by private enterprise independent of public support. The proposed improvements within the Development Area will have a positive effect on the surrounding area, which faces stagnation in development without them.

I. The pledge and use of a portion of Louisville Metro’s incremental revenues, as defined in the Local Participation Agreement, derived from the Development Area to provide redevelopment assistance to the Project and the Development Area will increase capital investment in Louisville Metro, and therefore constitutes a public purpose.

SECTION III: The Development Area as illustrated and described in Exhibit B is designated as a development area pursuant to the Act and shall be named the Urban Government Center Development Area. The Development Area shall be established as of the effective date of this Ordinance and shall terminate on the earlier of (a) the termination of the Local Participation Agreement, attached hereto as Exhibit C, or (b) 25

years from the date hereof, provided that in no case will the termination date be more than twenty (20) years from the activation date.

SECTION IV: That the Metro Development Authority, Inc., a Kentucky nonprofit, nonstock corporation (the "Authority"), (a) is designated as the Agency, pursuant to the terms of the Act, (b) shall be the recipient of the Released Amount under the Local Participation Agreement and (c) shall be required to oversee and administer the implementation of the Project within the Development Area.

SECTION V: That the Mayor is authorized to negotiate and enter into a Local Participation Agreement, substantially in the form attached hereto as Exhibit C, with the Authority for the release to the Authority of a portion of the new ad valorem real property taxes expected to be derived by Louisville Metro from the Project to be constructed in the Development Area ("Released Amount").

SECTION VI: That the Office of Management and Budget is designated as the department in Louisville Metro to oversee the payment of the Released Amount and to review all documentation concerning the Project, its progress, costs and development. The Office of Management and Budget shall annually submit to the Council a report concerning the Development Area ("Report"). The Developer shall provide to the Office of Management and Budget, on a timely basis, all information required by the Office of Management and Budget to prepare the Report. The Report shall include but not be limited to:

A. An accounting of all payments made to the Authority pursuant to the Local Participation Agreement;

B. An analysis and review of development activity within the Development Area;

C. The progress made toward meeting the stated goals of the Development Area; and

D. An accounting of the Approved Project Costs and other Project Costs incurred by the Developer.

SECTION VII: That the Council authorizes Louisville Metro to pay annually to the Authority, the Released Amount which shall be calculated as provided in the Local Participation Agreement, not to exceed a sum equal to 80% of the Louisville Metro Ad Valorem Real Property Tax Increment, as that term is defined in the Local Participation Agreement subject to the following conditions:

A. Louisville Metro shall withhold payment until the Developer certifies to Louisville, pursuant to the terms of the Local Participation Agreement, that at least four (4) of the six (6) components of the Project have been (i) constructed to at least the minimum number of units/parking spaces/square footage as set forth in the Local Participation Agreement, and (ii) received certificates of occupancy (copies of the certificates of occupancy shall accompany the certification). Any adjustment to the required minimums shall require the approval of Council. Until such time that the certification has been made, the Office of Management and Budget shall deposit the Released Amount into an escrow account. Upon receipt of the certification, the Office of Management and Budget shall pay to the Authority the accumulated balance of the Released Amount in the escrow fund ("Escrowed Amount"). In the event that the certification is not received by a date ten (10) years from the Activation Date, as that

term is defined in the Local Participation Agreement, the Escrowed Amount shall be paid into the Louisville Metro General Fund.

B. In no event shall the total of the Released Amount paid to the Authority over the term of the Local Participation Agreement exceed the Cap Amount, as that term is defined in the Local Participation Agreement.

SECTION VIII: That the Authority shall establish a Special Fund pursuant to the Act for the Development Area as set forth in the Local Participation Agreement.

SECTION IX: That the Mayor and other appropriate Louisville Metro officials, and each of them, for and on behalf of Louisville Metro, are hereby authorized, empowered and directed to do and perform any and all things necessary to effect the execution of the Local Participation Agreement, the performance of all obligations of Louisville Metro under and pursuant to the Local Participation Agreement and related documents, and the performance of all other actions of whatever nature necessary to effect and carry out the authority conferred by this Ordinance and the Local Participation Agreement. The Mayor and other appropriate Louisville Metro officials, and each of them, are hereby further authorized, empowered and directed for and on behalf of Louisville Metro to execute all papers, letter, documents, undertakings, certificates, assignments, forms, instruments and closing papers that may be required for the carrying out and effectuation of the authority conferred by and for the purposes of this Ordinance and the Local Participation Agreement, or to evidence said authority and purposes, and to exercise and otherwise take all action necessary to the full realization of the rights and purposes of Louisville Metro under the Local Participation Agreement

and related documents and to perform all of the obligations of Louisville Metro under the Local Participation Agreement and related documents.

SECTION X: 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 XI: This Ordinance shall take effect upon its passage and approval or otherwise becoming law.

Sonya Harward
Metro Council Clerk

Markus Winkler
President of the Council

Craig Greenberg
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: _____

O-074-24 Establishing Urban Government Center Development Area and TIF (amended by substitution) 9-03-24 (lf)

Exhibits

- A. Development Plan
- B. Map of Development Area
- C. Local Participation Agreement
- D. Memorandum of Understanding

EXHIBIT A
DEVELOPMENT PLAN

EXHIBIT B
MAP OF DEVELOPMENT AREA

LEGAL DESCRIPTION

768 Barret Avenue

Being Tract 2 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

810 Barret Avenue

Being Tract 1 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

850 Barret Avenue

Beginning at a point where the North line of Breckinridge Street intersect with the East line of Vine Street; thence North 55 degrees 36 minutes 00 seconds East along the North line of Breckinridge Street 384.52 feet, more or less, to a point; thence North 33 degrees 58 minutes 45 seconds West along a line parallel to the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 5 feet to a point; thence South 33 degrees 58 minutes 45 seconds East 15 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 209.63 feet to the East line of Vine Street; thence South 33 degrees 59 minutes 30 seconds East along the East line of Vine Street, 167 feet to the point of beginning, and being Tract 1 on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

1235 E. Breckinridge Street

Beginning at a point where the North line of Breckinridge Street intersects with the West line of Barret Avenue: thence North 33 degrees 58 minutes 45 seconds West along the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 110 feet to a point; thence South 33 degrees 58 minutes 45 seconds East along a line parallel to the West line of Barret Avenue 167 feet to a point in the North line of Breckinridge Street; thence North 55 degrees 36 minutes 00 seconds East along the said North line of Breckinridge Street 110 feet to the point of beginning and being Tract 2 as shown on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

814 Vine Street

Being all of Lot 1 on the minor subdivision plat approved by the Land Development & Transportation Committee of the Louisville and Jefferson County Planning Commission, 19MinorPlat1007 on January 31, 2019, said plat being attached to a Deed recorded on July 3, 2019 in Deed Book 11447, Page 703 in the Office of the Clerk of Jefferson County, Kentucky.

EXHIBIT C
LOCAL PARTICIPATION AGREEMENT

EXHIBIT D
MEMORANDUM OF UNDERSTANDING

Development Plan For The Urban Government Center Development Area

1. Introduction.

1.1. Purpose. The Louisville/Jefferson County Metro Government (“Louisville Metro”) intends to establish the **Urban Government Center Development Area** (the “Development Area”) pursuant to the provisions of KRS 65.7041 to 65.7083, (collectively, the “Act”), to encourage a mixed use development project being undertaken by UPPT, LLC, a Kentucky limited liability company, or an affiliate of same (the “Developer”), to be located at and adjacent to 768, 810 and 850 Barret Avenue, 1235 E. Breckinridge Street and 814 Vine Street, Louisville, Kentucky. The Developer proposes to build a mixed-use redevelopment consisting of approximately ~~440~~440~~225~~ units of apartments or condominiums (with a minimum of 180 units unless no apartments or senior living units are built, in which case the minimum is 220 units), approximately 225 units of apartments or senior living (with a minimum of 180 units unless no apartments or condominiums units are built, in which case the minimum is 220 units), approximately 165,000 square feet of office and commercial space (with a minimum of 80,000 square feet), approximately 20 cottage homes (with a minimum of 16 homes), a hotel with approximately 100 rooms~~s~~ and five (5) rooftop condominiums (with a minimum of 80 rooms), a ~~parking garage(s)~~ containing approximately 850 parking spaces (with a minimum of 400 parking spaces), and public green space, all of which will cost approximately \$249 million (the “Project”). Louisville Metro proposes to support the Project and provide redevelopment assistance through a pledge of a portion of the incremental increase in local, Louisville Metro ad valorem real property taxes generated within the Development Area as a result of the Project.

1.2. The redevelopment plan for the Project will redevelop the former Urban Government site into an urban infill mixed-use redevelopment that provides housing, retail, office space, and a hotel, with a parking garage to support those uses. The Project will transform an important, but neglected and underutilized, block within Louisville’s Paristown Pointe neighborhood.

1.4 Size and Location. The Development Area is an approximate 11.6546 acre area in the Paristown Pointe neighborhood identified more specifically on the map attached as Exhibit “A”. This location, in Paristown Pointe, and adjacent to the Original Highlands and Germantown neighborhoods, is perfectly situated for the development of the Project, which is a key mixed use infill project that will support continued development in the surrounding areas.

2. The Development Area

2.1. Assurances Regarding the Size and Taxable Assessed Value of the Development Area and Other Matters. Louisville Metro finds in accordance with the Act that:

(a) The Development Area is a contiguous area consisting of approximately 11.6546 acres, which is less than three square miles in area;

(b) 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 Louisville Metro (as those terms are defined in the Act) to exceed twenty percent (20%) of the total assessed taxable value of real property within Louisville Metro. To date, Louisville Metro has established several other development areas with a combined taxable real property assessment of \$1.568 billion. The taxable real property within the Development Area for calendar year 2023 is approximately \$2,660,600, and that combined with the other development areas that have been established by Louisville Metro totals approximately \$1.571 billion in taxable real property assessment. The total assessed value of taxable real property within Louisville Metro for the calendar year 2022 exceeds \$71.6 billion, 20% of which is \$14.3 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 Louisville Metro; and

(c) That the Development Area constitutes previously developed land as required by KRS 65.7043(2).

2.2. Statement of Conditions and Findings Regarding the Development Area. Pursuant to KRS 65.7049(3), a development area shall exhibit at least two of the following conditions to qualify for designation as a “development area” under the Act.

(a) Substantial loss of residential, commercial, or industrial

activity or use;

(b) Forty percent (40%) or more of the households are low-income households;

(c) More than fifty percent (50%) of residential, commercial, or industrial structures are deteriorating or deteriorated;

(d) Substantial abandonment of residential, commercial, or industrial structures;

(e) Substantial presence of environmentally contaminated land;

(f) Inadequate public improvements or substantial deterioration in public infrastructure; or

(g) Any combination of factors that substantially impairs or arrests the growth and economic development of the city or county; impedes the provision of adequate housing; impedes the development of commercial or industrial property; or adversely affects public health, safety, or general welfare due to the development area's present condition and use.

Louisville Metro has reviewed and analyzed the conditions within the Development Area and finds that the Development Area meets three (3) of the seven (7) qualifying characteristics as follows:

1. A substantial loss of residential, commercial, and industrial

activity or use has occurred within the Development Area. The Development Area consists of five parcels, and all of the structures on those parcels are currently vacant. The majority of the structures have been vacant for more than five years.

2. Substantial abandonment of residential, commercial, or industrial structures. The Development Area consists of five parcels, and all of the structures are currently vacant. The majority of the structures have been vacant for more than five years and all of the vacant structures have been vacant for at least eight years.

3. A combination of factors substantially impairs or arrests the growth and economic development of the city or county and impedes the development of commercial or industrial property due to the Development Area's present condition and use. Development of the Project site without assistance as provided by the Act is not feasible due to the large-scale costs associated with the redevelopment of the proposed Project, including the public infrastructure required in connection with the redevelopment of the site, such as the parking garage. No other adequate funding mechanism affords the proposed improvements absent the incentives provided under the Act. These improvements cannot be facilitated with private investment alone. The aesthetic improvement resulting from the redevelopment of the proposed Project will have a positive impact on Louisville Metro and the surrounding area, especially

the impact on the Paristown Pointe, Original Highlands and Germantown neighborhoods.

3.1. Assurances the Development Area Is Not Reasonably Expected to Develop Without Public Assistance. Louisville Metro finds that the Development Area will not reasonably be redeveloped without public assistance, including incentives as provided by the Act. The high cost of site redevelopment expenses needed for the Project, make public incentives critical to the financing of the Project.

3.2. Assurances Regarding the Public Benefits of Redeveloping the Development Area as Proposed Justify the Public Costs Proposed. Louisville Metro finds that the public benefits of redeveloping the Development Area justify the public costs proposed. The investment in the Development Area will result in significant returns through increased property valuations for the surrounding area and will facilitate secondary and tertiary re-development within the area. The Development Area has a 2023 taxable assessment of approximately \$2,660,600 but currently generates \$3,042 in ad valorem real property taxes to Louisville Metro because all but one of the five parcels in the Development Area (the exempt parcels are assessed at \$2,010,600) were owned by a qualifying organization that was granted exemption from ad valorem real property taxes pursuant to Section 170 of the Kentucky Constitution. The Project will increase capital investment by approximately \$249 million, which will provide significant new taxes to Louisville Metro and the other taxing districts. While Louisville Metro will pledge 80% of the incremental increase of the local ad valorem real property taxes from the Development Area, up to the “Cap Amount” (as that term is defined in the Local

Participation Agreement) which determines the cap based on how much of the Project is constructed, but even if 100% of the Project is built, the cap will not exceed a cap of \$20,316,819, to provide redevelopment assistance to the project, it will retain 20% of the new incremental increase of the local ad valorem real property taxes from the Development Area, and 100% of all other taxes, such as local occupational taxes. The Project will have the following income restrictions on the residential units post-construction: 5146 units (approximately 10% of the total units) will be rented to income eligible tenants at rates not to exceed the applicable 80% AMI Cap, as that term is defined in the Local Participation Agreement, for that type of unit. It is expected that the 10% of the units will apply equally to the different size units: i.e, that 10% of one-bedroom units and 10% of two-bedroom units would be subject to this restriction, rather than 10% of the total units coming from one-bedroom units. Further, the Project will serve as a catalyst for additional development in the area surrounding the Development Area.

3.3. Assurances Regarding the Area Immediately Surrounding the Development Area. Pursuant to the Act, the establishment of a development area requires a finding that the area immediately surrounding the Development Area has not been subject to growth and development through investment by private enterprise or, if the area immediately surrounding the Development Area has been subject to growth and development through investment by private enterprise, that there are certain special circumstances within the Development Area that would prevent its development without public assistance. The area immediately surrounding the Development Area has not been subject to growth and development by private investment. The proposed

improvements within the Development Area will have a positive effect on the surrounding area, which faces stagnation in development without them.

3.4. Development Area Description. The Development Area includes the real property within the boundaries described on the site plan and legal description attached hereto as Exhibit “A.”

3.5. Existing Uses and Conditions. The Development Area consists of approximately 11.6546 acres at 768, 810 and 850 Barret Avenue, 1235 E. Breckinridge Street and 814 Vine Street in the Paristown Pointe neighborhood. The existing site consists of several vacant structures. One parcel is currently used as a parking lot.

3.6. Changes in the Zoning Ordinance, Zoning Map, Comprehensive Plan or Other Codes or Plans Necessary to Implement the Development Plan. No change is needed in zoning to implement the Development Plan.

3.7. Certification of Compliance with the Comprehensive Land-Use Plan. The Project complies with the Comprehensive Land-Use Plan for Louisville Metro.

3. The Development Program.

The Development is expected to be a mixed use redevelopment consisting of approximately ~~440440~~225 units of apartments or condominiums (with a minimum of 180 units unless no apartments or senior living units are built, in which

case the minimum is 220 units), approximately 225 units of apartments or senior living (with a minimum of 180 units unless no apartments or condominiums units are built, in which case the minimum is 220 units), approximately 165,000 square feet of office and commercial space (with a minimum of 80,000 square feet), approximately 20 cottage homes (with a minimum of 16 homes), a hotel with approximately 100 rooms and five (5) rooftop condominiums (with a minimum of 80 rooms), a parking garage(s) containing approximately 850 parking spaces (with a minimum of 400 parking spaces), and public green space, which will be a key urban infill project.

4. Redevelopment Assistance and Finance Plan.

Louisville Metro proposes to provide redevelopment assistance and pay for Project costs through a pledge of a portion of the incremental increases in tax revenues from local ad valorem real property taxes from the Development Area. Louisville Metro proposes to pay annually to the Agency, as defined in the Local Participation Agreement, the Released Amount which shall be calculated as provided in the Local Participation Agreement as follows: 80% of the Louisville Metro Ad Valorem Real Property Tax Increment, as that term is defined in the Local Participation Agreement, subject to the following condition: in no event shall the total of the Released Amount paid to the Agency over the term of the Local Participation Agreement exceed the Cap Amount ~~\$20,316,819~~ as more particularly set forth in the Local Participation Agreement. The projected incremental revenues and proposed time frame of the financial obligations is attached as Exhibit "B."

Louisville Metro will establish a special fund for the deposit of pledged incremental revenues as required by KRS 65.7061. Pledged incremental revenues deposited into this special fund will be used solely to reimburse the Developer for redevelopment assistance or pay for project costs in compliance with this Development Plan, the Act, and all agreements and documents entered into in connection therewith. Louisville will enact an ordinance establishing the Development Area and adopting this Development Plan. The development area ordinance will designate the Metro Development Authority, Inc. (the "Agency"), organized by Louisville Metro, as the entity in charge of overseeing, administering and implementing the terms of the development area ordinance.

5. Conclusions.

In conclusion, the Project will serve as an important catalyst to the further development of the Paristown Pointe, Original Highlands and Germantown neighborhoods and surrounding areas, will generate significant new tax revenues to Louisville Metro, and will facilitate an urban infill project needed to support the growth and development of Louisville Metro. The incentives proposed to be provided under the Act are reasonable and critical to the overall financing for the Project.

Exhibit A

Map and Description of Development Area

768 Barret Avenue

Being Tract 2 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

810 Barret Avenue

Being Tract 1 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

850 Barret Avenue

Beginning at a point where the North line of Breckinridge Street intersect with the East line of Vine Street; thence North 55 degrees 36 minutes 00 seconds East along the North line of Breckinridge Street 384.52 feet, more or less, to a point; thence North 33 degrees 58 minutes 45 seconds West along a line parallel to the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 5 feet to a point; thence South 33 degrees 58 minutes 45 seconds East 15 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 209.63 feet to the East line of Vine Street; thence South 33 degrees 59 minutes 30 seconds East along the East line of Vine Street, 167 feet to the point of beginning, and being Tract 1 on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

1235 E. Breckinridge Street

Beginning at a point where the North line of Breckinridge Street intersects with the West line of Barret Avenue: thence North 33 degrees 58 minutes 45 seconds West along the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 110 feet to a point; thence South 33 degrees 58 minutes 45 seconds East along a line parallel to the West line of Barret Avenue 167 feet to a point in the North line of Breckinridge Street; thence North 55 degrees 36 minutes 00 seconds East along the said North line of Breckinridge Street 110 feet to the point of beginning and being Tract 2 as shown on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

814 Vine Street

Being all of Lot 1 on the minor subdivision plat approved by the Land Development & Transportation Committee of the Louisville and Jefferson County Planning Commission, 19MinorPlat1007 on January 31, 2019, said plat being attached to a Deed recorded on July 3, 2019 in Deed Book 11447, Page 703 in the Office of the Clerk of Jefferson County, Kentucky.

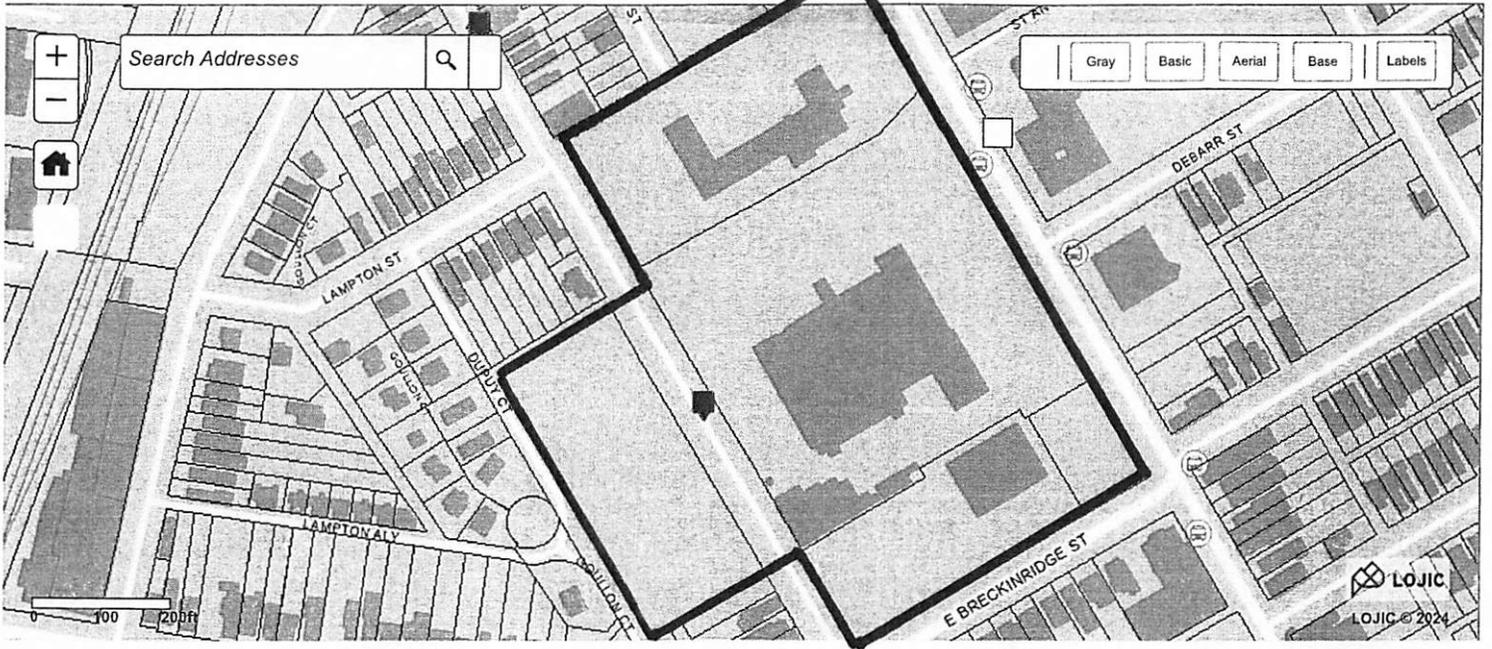
Exhibit B

PROJECTED NEW REAL ESTATE TAX REVENUES

2026	1,045,217
2027	1,066,121
2028	1,087,444
2029	1,109,193
2030	1,131,376
2031	1,154,004
2032	1,177,084
2033	1,200,626
2034	1,224,638
2035	1,249,131
2036	1,274,114
2037	1,299,596
2038	1,325,588
2039	1,352,100
2040	1,379,142
2041	1,406,724
2042	1,434,859
2043	1,463,556
2044	1,492,827
2045	1,522,684

URBAN GOVERNMENT CENTER DEVELOPMENT AREA

LOJIC
Growing Needs of Louisville, KY



LOCAL PARTICIPATION AGREEMENT

This **LOCAL PARTICIPATION AGREEMENT** (the "Agreement") effective as of the ____ day of _____, 2024, by and between (i) **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a Kentucky consolidated local government ("Louisville") and (ii) the **METRO DEVELOPMENT AUTHORITY, INC.**, a Kentucky non-profit, nonstock corporation ("Authority").

RECITALS:

WHEREAS, UPPT, LLC, a Kentucky limited liability company, or an affiliate of same ("Developer"), desires to redevelop the former Urban Government Center into a mixed-use redevelopment consisting of approximately ~~440~~225 units of apartments or condominiums (with a minimum of 180 units unless no apartments or senior living units are built, in which case the minimum is 220 units), approximately 225 units of apartments or senior living (with a minimum of 180 units unless no apartments or condominiums units are built, in which case the minimum is 220 units), approximately 165,000 square feet of office and commercial space (with a minimum of 80,000 square feet), approximately 20 cottage homes (with a minimum of 16 homes), a hotel with approximately 100 rooms and five (5) rooftop condominiums (with a minimum of 80 rooms), a ~~parking garage(s)~~ containing approximately 850 parking spaces (with a minimum of 400 parking spaces), and public green space, all of which will cost approximately \$249 million, and known as the Urban Government Center Project more specifically described in Exhibit A (the "Project");

WHEREAS, Louisville and the Authority, to induce Developer to undertake the Project, agree to provide certain tax increment financing incentives to the Developer as set forth in this Agreement and the TIF Disbursement Agreement to be entered into among the Developer, the Authority and Louisville ("TIF Agreement");

WHEREAS, pursuant to KRS 65.7041-65.7083 (the "Act"), the Legislative Council of Louisville/Jefferson County Metro Government ("Metro Council"), by Ordinance No ____, Series 2024 (the "Ordinance"), enacted on _____, 2024, has established the Urban Government Center Development Area (the "Development Area"), as more specifically described in Exhibit B;

WHEREAS, the Project represents new economic development in Louisville;

WHEREAS, the Project, located within the Development Area, as presented to Louisville and the Authority by Developer in preliminary planning papers, will result in the increase in the value of real property located in the Development Area, increasing the tax base of Louisville;

WHEREAS, it is therefore in the interest of Louisville and the Authority that there be a plan for the optimal revitalization and development of the Development Area in the most efficient manner;

WHEREAS, Louisville is authorized by the Act to enter into a local participation agreement with an agency in acknowledgement of benefits to be derived by Louisville within a development area in order to promote the public purposes of Louisville;

WHEREAS, the Ordinance declares the Development Area to be a "development area" within the meaning of the Act, and the Project constitutes a "project" within the meaning of the Act; therefore, the Project is eligible to receive a portion of incremental local ad valorem real property taxes as provided in the Act;

WHEREAS, the Authority, pursuant to Chapters 58 and 273 of the Kentucky Revised Statutes, is organized and incorporated by Louisville as a not-for-profit, nonstock corporation, and pursuant to the Ordinance, the Authority has been designated as the "agency," within the meaning of the Act for the purposes of receiving and distributing incremental local tax revenues generated within the Development Area; and

WHEREAS, Louisville desires to assist the Developer, through the Authority, with the costs of the Project and agrees to enter into this Agreement in order to release to the Authority a portion of the Real Estate Tax Increment (as hereinafter defined) for use solely for purposes of the Project;

NOW THEREFORE, in consideration of the premises and the additional consideration provided herein, Louisville and the Authority agree as follows:

Section 1. Definitions.

In addition to the terms defined in the above recitals, the following terms used in this Agreement shall have the meanings assigned in this Section 1 unless the context clearly indicates that a contrary meaning is intended.

(a) **"Activation Date"** means on or before April 1, 2026, being within two (2) years of the Commencement Date which, upon the written notice of the Authority to Metro Council, may be extended, but in no event more than four (4) years from the Commencement Date.

(b) **"Base Year"** means January 1, 2023 through December 31, 2023, the last full year prior to the Commencement Date.

(c) **"Calendar Year"** means January 1 through and including December 31.

(d) **"Cap Amount"** means a maximum of \$20,316,819 if the entire Project is built out, and adjusted as follows if less than the entire Project is constructed: the amount of the cap attributable to the (i) cottage homes is a maximum of \$1,101,322; (ii) hotel is a maximum of \$2,502,469; (iii) apartments/condos is a maximum of \$5,426,661; (iv) apartments/senior living is \$5,426,661 (v) garage(s) is \$1,993,364 (notwithstanding the foregoing, if the spaces in the garage(s) are reduced from 850 spaces to 500 spaces, the cap attributable to the garage(s) will be proportionately reduced to \$1,172,567) and (vi) office and commercial space is \$3,866,151

(notwithstanding the foregoing, if the square footage is reduced from 165,000 square feet to 80,000 square feet, the cap attributable to the office and commercial space will be proportionately reduced to \$1,933,119. Notwithstanding the previously described maximum caps for each component of the Project, if the number of units/parking spaces/square footage constructed is built to a number between the minimum number listed in the description of the Project, above and 110% of that minimum number, the cap for the component will be proportionately reduced. For purposes of illustration, if the hotel is reduced from 100 units to 85 units, the maximum cap for the hotel will be reduced from \$2,502,469 to \$2,127,029. Also, for purposes of illustration, if only the cottage homes, garage(s) (with 500 spaces) and apartments/condos are constructed, the maximum cap would be \$7,770,550, not \$20,316,819.

(e) **"Commencement Date"** shall mean the later of (i) the effective date hereof or (ii) the effective date of the Local Participation Agreement.

(f) **"New Real Estate Tax Revenue"** means the amount of Real Estate Taxes received by Louisville after the Activation Date has occurred through the term of this Agreement.

(g) **"Office of Management and Budget"** means the department of Louisville with that name.

(h) **"Old Real Estate Tax Revenue"** means the amount of Real Estate Taxes assumed to have been received by Louisville in the Base Year, as calculated in Section 4.1 of this Agreement.

(i) **"Real Estate Tax"** means the local ad valorem real property taxes received annually by Louisville from real property located within the Development Area.

(j) **"Real Estate Tax Increment"** means the incremental amount of Real Estate Taxes collected in each Calendar Year following the Activation Date, during the term hereof, determined by subtracting the amount of Old Real Estate Tax Revenue from the amount of New Real Tax Revenue.

(k) **"Released Amount"** means the amount payable in each Calendar Year from Louisville to the Authority pursuant to Section 4.4 of this Agreement.

(l) **"Termination Date"** means the date ending twenty (20) years from the Activation Date, unless terminated earlier pursuant to Section 3.1 of this Agreement.

Section 2. Representations and Warranties.

2.1 Representations and Warranties of the Authority. The Authority represents and warrants to Louisville as follows:

(a) Existence. The Authority is a duly organized and validly existing non-profit corporation created under and in conformity with the laws of the Commonwealth of Kentucky.

(b) Authority to Act. The Authority has the requisite power, capacity and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Agreement, in accordance with its terms and conditions. The officers and officials executing and delivering this Agreement on behalf of the Authority have been or are otherwise duly authorized to enter into this Agreement on behalf of the Authority.

(c) Validity of Agreement; Compliance with Law. This Agreement is the legal, valid, and binding obligation of the Authority enforceable in accordance with its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by the Authority of the terms and conditions thereof do not and will not materially violate any of the provisions of the Authority's Articles of Incorporation or any laws applicable to the Authority.

(d) Litigation. No litigation or proceeding involving the Authority is pending or, to the best of the knowledge of the Authority, is threatened in any court or administrative agency which, if determined adversely to the Authority could have a materially adverse impact on the ability of the Authority to perform any of its obligations under this Agreement.

(e) Conflicting Transactions. The culmination of the transactions contemplated hereby and the performance of the obligations of the Authority under and by virtue of this Agreement shall not result in any material breach of, or constitute a default under, any contract, agreement, lease, indenture, bond, note, loan or credit agreement to which it is a party or by which it is bound.

2.2 Designation of Subsidiary or Related Entity. Notwithstanding the provisions of Subsection 2.1, the Authority shall have the right to designate as the "Agency" a subsidiary or related entity of the Authority provided that such subsidiary or related entity (i) qualifies as an agency pursuant to the Act, (ii) such subsidiary entity can make to Louisville the representations and warranties required pursuant to subsection 2.1, (iii) such subsidiary or related entity is reasonably acceptable to Louisville, and (iv) such subsidiary is able to perform those obligations required in the Ordinance.

2.3 Representations and Warranties of Louisville. Louisville represents and warrants to the Authority as follows:

(a) Authority to Act. Louisville has the requisite power, capacity and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Agreement in accordance with its terms and conditions. Each of the officials executing and delivering this Agreement on behalf of Louisville has been and is duly authorized to enter into this Agreement on behalf of Louisville.

(b) Validity of Agreement; Compliance with Law. This Agreement is the legal, valid and binding obligation of Louisville enforceable in accordance with its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by Louisville of the terms and conditions thereof, do not and will not violate any provisions of any laws applicable to Louisville.

Section 3. Released Amount.

3.1 Term. Louisville agrees to pay to the Authority, and the Authority does accept from Louisville, the Released Amount for each calendar year beginning in the year including the Activation Date, with payment to be made beginning in the year following the Activation Date, and for successive calendar years continuing automatically thereafter until the earlier of the following: (i) that date nineteen (19) years following the initial payment to the Authority; (ii) Louisville's election to terminate this Agreement pursuant to Kentucky Constitution sections 157(b), 162, and 179, and KRS Chapters 67C and 91A at the end of any current calendar year following written notice to the Authority delivered at least sixty (60) days prior to such calendar year end; or (iii) the aggregate of the total of the Released Amount paid to the Authority by Louisville equals ~~\$20,316,819~~ the Cap Amount.

3.2 Certification of Project Completion. Prior to any Released Amount being paid by Louisville to the Authority for the Project, the Developer shall certify to Louisville that at least four (4) of the six (6) components of the Project have been (a) constructed to at least the minimum number of units/parking spaces/square footage set forth in this Agreement and (b) received certificates of occupancy (copies of the certificates of occupancy shall accompany the certification). Any amount of the Released Amount received after the Activation Date but prior to certification that at least four (4) of the six (6) components of the Project has been made shall be held in a non-interest bearing escrow account by Louisville until certified by the Office. All accumulated amounts of the Released Amount shall be released to the Authority upon certification. If the certification is not provided within ten (10) years from the Activation Date, the escrow shall be forfeited to Louisville and this Agreement shall be void.

3.23 The Authority Reporting. The Developer has agreed in the TIF Agreement, at its sole expense, to submit a report to the Authority and the Office of Management and Budget on or before July 1 of each year during the term of this Agreement including but not limited to:

(a) A notarized certification by the Developer accounting for the use and expenditure of the Released Amount by the Developer in the preceding Calendar Year, including any Released Amount carried forward from earlier Calendar Years;

(b) A certification submitted by the Developer evidencing that the ~~4651~~ units were rented out at rates that (i) for the leases that began in the preceding Calendar Year, did not exceed the applicable rent rate for that year for that type of unit, and (ii) for leases that began in the year prior to the preceding Calendar Year, did not exceed the applicable rent rate for that year. The applicable rent rate shall mean that the

contract rent for the unit and the applicable utility allowance cannot exceed the 80% gross rent limit for a studio, one-bedroom unit, two-bedroom unit or three-bedroom unit, as applicable, for the Louisville, KY-IN HUD Metro FMR Area (“80% AMI Cap”);

(c) A certification submitted by the Developer evidencing that it made a good faith effort to verify that the tenants for the units described in Section 3.43(b) above, were income eligible to rent those units. Income eligibility shall be based on the Louisville Area Median Household Income as released annually by the United States Department of Housing and Urban Development and shall be equal to or less than 80% of the Louisville Area Median Household Income. Incomes shall be verified at the time the lease is initially executed, and re-verified upon renewal, or if the term of the lease is for more than one year, annually;

(d) An analysis and review of all development activities within the Development Area during the prior Calendar Year;

(e) A progress report on the current status of achieving the stated goals of the Project and the Development Area;

(f) A proposed spending plan for the Released Amount for the current Calendar Year; and

(g) The Authority shall submit the Request for the Released Amount each year following Activation for the term of this Agreement to the Office of Management and Budget on or after July 1, but no later than December 31 following the calendar year for which the Released Amount is requested. No more than one request shall be submitted in any calendar year.

3.34 Louisville Monitoring, Tracking and Reporting. The Office of Management and Budget shall oversee the payment of the Released Amount to the Authority. The Office of Management and Budget shall review all reports received from the Authority pursuant to Section 3.23 or otherwise and shall annually submit to the Metro Council a report concerning the Project and the Development Area including but not limited to:

(a) An accounting of all payments made to the Authority pursuant to this Agreement in the prior fiscal year;

(b) An analysis and review of development activity within the Development Area as reported to Louisville by the Authority;

(c) The progress made by the Authority toward the stated goals of the Development Area as reported to Louisville by the Authority; and

The Developer has agreed to submit to the Authority and Louisville all information required to make the report.

3.45 Time of Payment. By no sooner than (i) December 31st of each Calendar Year beginning in the year after the year of the Activation Date or (ii) thirty (30) days after the submission by the Authority of a request for the Released Amount under this Agreement, Louisville agrees to pay to the Authority the Released Amount. In no event shall Louisville agree to pay to the Authority the Released Amount if a submitted request is not received by December 31 of the calendar year after the applicable tax year, unless mutually agreed to by both Louisville and the Authority. No more than one request shall be submitted in any one calendar year

3.56 Use of Released Amount. Consistent with the Act, the Authority covenants and agrees that the Released Amount will be deposited in a special fund and it will use the Released Amount solely for the benefit of the Project, pursuant to the requirements of the Act.

Section 4. Determination of Released Amount.

4.1 Calculation of Old Real Estate Tax Revenue. The taxable value of all real property within the Development Area in the Base Year is assumed to be **SIX HUNDRED FIFTY THOUSAND DOLLARS (\$650,000)**, as all but one of the five parcels in the Development Area are owned by a qualifying organization that is exempt from ad valorem real property taxes pursuant to Section 170 of the Kentucky Constitution (the four exempt parcels are assessed at \$2,010,600). The applicable ad valorem real property tax rate in the Base Year, including the Urban Services District tax and the county tax was .468 per hundred dollars of assessed value. It is stipulated therefore that the amount of Old Real Estate Tax Revenue shall equal the assumed assessment in the Base Year times the applicable county and Urban Services tax rates in the Base Year, for the sum equal to \$3,042. The Old Real Estate Tax Revenue shall be adjusted each calendar year after the Base Year by adding the Old Real Estate Tax Revenue calculated for the previous calendar year, multiplied by two percent (2.0%), to the amount of Old Real Estate Tax Revenue for the previous calendar year. This adjusted amount is the Old Real Estate Tax Revenue for the current calendar year.

4.2 New Real Estate Tax Revenue. The Office of Management and Budget shall calculate the amount of New Real Estate Tax Revenue each year after the Activation Date, prior to the Time of Payment pursuant to Section 3.45 of this Agreement. The Office of Management and Budget shall calculate the New Real Estate Tax Revenue by aggregating the Real Estate Taxes received from within the Development Area. An estimate of the New Real Estate Tax Revenue is attached as Exhibit C.

4.3 Calculation of the Real Estate Tax Increment. The Office of Management and Budget in each year following the Activation Date, prior to the Time of Payment pursuant to Section 3.4 of this Agreement, shall calculate the Real Estate Tax Increment, which shall be an amount equal to the New Real Estate Tax Revenue

calculated pursuant to Section 4.2 of this Agreement minus the Old Real Estate Tax Revenue calculated pursuant to Section 4.1 of this Agreement.

4.4 Calculation of Released Amount. The Office of Management and Budget in each year following the Activation Date, prior to the Time of Payment pursuant to Section 3.4 of this Agreement, shall calculate the Released Amount, which shall be a sum equal to eighty percent (80%) of the Real Estate Tax Increment.

Section 5. Pledge of Incremental Revenues Superior to Ordinances and Statutes.

As provided in the Act, any pledge of the Released Amount in this Agreement shall be superior to any other pledge of revenues for any other purpose and shall, from the Activation Date to the Termination Date, supersede any statute or ordinance regarding the application or use of incremental revenues.

Section 6. Miscellaneous.

6.1 Notices. All notices or other communications hereunder from any party shall be sufficiently given, and shall be deemed given, when delivered or mailed by first class mail or overnight delivery to the other parties at their respective addresses as follows:

If to Louisville: Louisville/Jefferson County Metro Government
Department of Economic Development
444 S. 5th St., Ste. 600
Louisville, Kentucky 40202
Attn: _____

If to the Authority: Metro Development Authority, Inc.
444 S. 5th St., Ste. 600
Louisville, Kentucky 40202

Section 7. Default.

7.1 Default by the Authority. If the Authority materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein or in the reasonable judgment of Louisville there has been a substantial decrease in the Authority's capacity to undertake the obligations required by this Agreement, Louisville may give written notice (with a copy of said notice being given to the Office) that remedial action must be taken within thirty (30) calendar days. The Authority shall correct such breach or default within thirty (30) days after receipt of such notice. However, if the default is not reasonably curable within thirty (30) days, then the Authority may continue to cure the default or breach so long as Louisville is reasonably satisfied that sufficient progress is being made toward a cure. If such corrective action is not taken, Louisville may terminate the Agreement by giving written notice to the Authority at least

ten (10) days prior to the effective date of termination and shall and be entitled to any remedy and damages available to it at law or in equity, including specific performance.

7.2 Default by Louisville. If Louisville materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein, the Authority may give written notice to Louisville that remedial action must be taken within thirty (30) days after Louisville's receipt of such written notice. However, if the default is not reasonably curable within thirty (30) days, Louisville may continue to cure the default or breach so long as the Authority is satisfied that sufficient progress is being made toward a cure. If such action is not taken, the Authority shall be entitled to enforce the provisions of this Agreement.

Section 8. Miscellaneous Provisions.

8.1 Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns.

8.2 Severability. If any clause, provision, or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision, or section shall not affect any of the remaining clauses, provisions or sections hereof.

8.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky and enforceable in courts of competent jurisdiction.

8.4 Entire Agreement; Modifications. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement. This Agreement shall not be modified, amended, cancelled or terminated except by an agreement in writing signed by the parties hereto.

8.5 Counterparts. This Agreement may be executed in any number of counterparts by some or all of the parties hereto, each of which shall be an original and all of which shall together constitute one and the same instrument.

8.6 Relationship of the Parties. Except as expressly stated and provided for herein, neither anything contained in this Agreement nor any acts of the parties hereto shall be deemed or construed by the Parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of association among any of the Parties of this Agreement.

8.7 Further Assurances. Each of the parties hereto shall use reasonable efforts and cooperate fully with each other in order to promptly and fully carry out the terms and provisions of this Agreement. Each party hereto shall from time to time execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably necessary or desirable to effectuate the terms of this Agreement.

8.8 Mutual Termination. In addition to any other provisions relating to termination of this Agreement contained herein, this Agreement shall terminate upon the written agreement of all the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers and officials thereunto duly authorized as of the date first written above.

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT**

By: _____
Craig Greenberg, Mayor

Approved as to Form and Legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____

**METRO DEVELOPMENT AUTHORITY,
INC.**

By: _____
_____, President

EXHIBIT A

PROJECT DESCRIPTION

The project will involve new capital investment of approximately \$249 million and will be a mixed-use redevelopment consisting of approximately ~~440~~440~~225~~ units of apartments or condominiums (with a minimum of 180 units unless no apartments or senior living units are built, in which case the minimum is 220 units), approximately 225 units of apartments or senior living (with a minimum of 180 units unless no apartments or condominiums units are built, in which case the minimum is 220 units), approximately 165,000 square feet of office and commercial space (with a minimum of 80,000 square feet), approximately 20 cottage homes (with a minimum of 16 homes), a hotel with approximately 100 rooms and five (5) rooftop condominiums (with a minimum of 80 rooms), a parking garage(s) containing approximately 850 parking spaces (with a minimum of 400 parking spaces), and public green space. Any adjustments to the required minimums shall require the approval of Metro Council.

EXHIBIT B

DESCRIPTION OF DEVELOPMENT AREA

768 Barret Avenue

Being Tract 2 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

810 Barret Avenue

Being Tract 1 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

850 Barret Avenue

Beginning at a point where the North line of Breckinridge Street intersect with the East line of Vine Street; thence North 55 degrees 36 minutes 00 seconds East along the North line of Breckinridge Street 384.52 feet, more or less, to a point; thence North 33 degrees 58 minutes 45 seconds West along a line parallel to the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 5 feet to a point; thence South 33 degrees 58 minutes 45 seconds East 15 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 209.63 feet to the East line of Vine Street; thence South 33 degrees 59 minutes 30 seconds East along the East line of Vine Street, 167 feet to the point of beginning, and being Tract 1 on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

1235 E. Breckinridge Street

Beginning at a point where the North line of Breckinridge Street intersects with the West line of Barret Avenue: thence North 33 degrees 58 minutes 45 seconds West along the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 110 feet to a point; thence South 33 degrees 58 minutes 45 seconds East along a line parallel to the West line of Barret Avenue 167 feet to a point in the North line of Breckinridge Street; thence North 55 degrees 36 minutes 00 seconds East along the said North line of Breckinridge Street 110 feet to the point of beginning and being Tract 2 as shown on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

814 Vine Street

Being all of Lot 1 on the minor subdivision plat approved by the Land Development & Transportation Committee of the Louisville and Jefferson County Planning Commission, 19MinorPlat1007 on January 31, 2019, said plat being attached to a Deed recorded on July 3, 2019 in Deed Book 11447, Page 703 in the Office of the Clerk of Jefferson County, Kentucky.

EXHIBIT C

ESTIMATE OF NEW REAL ESTATE TAX REVENUE

2026	1,045,217
2027	1,066,121
2028	1,087,444
2029	1,109,193
2030	1,131,376
2031	1,154,004
2032	1,177,084
2033	1,200,626
2034	1,224,638
2035	1,249,131
2036	1,274,114
2037	1,299,596
2038	1,325,588
2039	1,352,100
2040	1,379,142
2041	1,406,724
2042	1,434,859
2043	1,463,556
2044	1,492,827
2045	1,522,684

ORDINANCE NO. _____, SERIES 2024

AN ORDINANCE ESTABLISHING A DEVELOPMENT AREA PURSUANT TO PROVISIONS OF KRS 65.7041 - 65.7083 TO BE KNOWN AS THE URBAN GOVERNMENT CENTER DEVELOPMENT AREA, DESIGNATING THE METRO DEVELOPMENT AUTHORITY, INC. AS AN "AGENCY", ADOPTING A DEVELOPMENT PLAN, APPROVING ENTERING INTO A LOCAL PARTICIPATION AGREEMENT, AUTHORIZING THE PAYMENT OF THE "RELEASED AMOUNT" PURSUANT TO THE TERMS AND CONDITIONS OF THE LOCAL PARTICIPATION AGREEMENT, REQUIRING THE SUBMISSION OF REGULAR REPORTS TO LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS AND THE TAKING OF ANY OTHER ACTIONS NECESSARY TO ACCOMPLISH THE PURPOSES AUTHORIZED BY THIS ORDINANCE (AMENDMENT BY SUBSTITUTION).

SPONSORED BY: COUNCIL MEMBER PHILLIP BAKER

WHEREAS, the Kentucky General Assembly enacted KRS 65.7041 - 65.7083 (the "Act") relating to tax increment financing and urban redevelopment, which Act establishes development areas to increase property values, increase employment opportunities, and increase economic activity;

WHEREAS, UPPT, LLC, a Kentucky limited liability company, or an affiliate of same (the "Developer") plans to undertake a major renovation project within the Urban Government Center Development Area (the "Development Area") to complete the Urban Government Center Project (the "Project"), as more particularly described in the Development Plan attached hereto as Exhibit A;

WHEREAS, the Project, which qualifies as a development area under the Act, will involve new capital investment of approximately \$249 million when fully developed;

WHEREAS, in accordance with the provisions of the Act, a Development Plan for the Development Area has been prepared and a public hearing has been conducted to

seek public comment on the Development Plan;

WHEREAS, the Legislative Council of the Louisville/Jefferson County Metro Government (the “Council”) finds that the Project to be undertaken in the Development Area by the Developer will further the public purposes identified in the Act by increasing the value of property located in the Development Area, increasing employment within the Development Area, Louisville and the region and increasing the tax base of Louisville;

WHEREAS, it is therefore in the interest of Louisville/Jefferson County Metro Government (“Louisville Metro”) and Metro Development Authority, Inc. (the “Authority”) that there be a plan for the optimal revitalization and development of the Development Area in a most efficient manner;

WHEREAS, the redevelopment of previously developed land, within the meaning of the Act and as presented by the Developer and the Authority, enables Louisville Metro to use tax increment financing to encourage major economic development projects and is a worthy public purpose;

WHEREAS, Louisville Metro is authorized under the Act to execute a local participation agreement with an agency in acknowledgement of benefits to be derived by Louisville Metro within a development area in order to promote the public purpose of Louisville Metro;

WHEREAS, the Authority is organized and incorporated as a nonprofit, nonstock corporation pursuant to KRS Chapters 58 and 273 to act as an “Agency” under the Act; and

WHEREAS, Louisville Metro has determined that based on the benefits to be

derived from the Project that it is in furtherance of its public purposes to assist Developer, through the Authority, with the costs of the Project and agrees to enter into the Local Participation Agreement in order to pay to the Authority the Released Amount (as hereinafter defined) for use solely for purposes of the Project.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (“COUNCIL”) AS FOLLOWS:

SECTION I: The Development Plan, attached hereto as Exhibit A, is hereby adopted.

SECTION II: That the Council finds as follows:

A. All statements of fact set forth in the recitals to this Ordinance are found true and correct and are incorporated herein by reference.

B. The Development Area, as depicted in Exhibit B, is a contiguous parcel of property, approximately 11.6546 acres in size, and is less than three (3) square miles in area as required by the Act.

C. The Development Area constitutes previously developed land as required by KRS 65.7043(2).

D. The establishment of the Development Area shall not cause the assessed value of taxable real estate in all development areas located in Louisville Metro to exceed 20% of the assessed value of all taxable real property in Louisville. To date Louisville Metro has established several other development areas with a combined taxable real property assessment at the time they were established of approximately \$1.568 billion. The taxable real property assessment of the Development Area for calendar year 2023 is approximately \$2,660,600, and that amount combined with the

previous development areas established by Louisville Metro totals \$1.571 billion, while the total taxable real property assessment for Louisville exceeds \$71.6 billion, 20% of which is \$14.3 billion.

E. The conditions within the Development Area meet three (3) of the seven (7) factors of blight as set forth in KRS 65.7049 and are as follows:

1. **A substantial loss of residential, commercial, and industrial activity or use has occurred within the Development Area.** The Development Area consists of five parcels, and all of the structures on those parcels are currently vacant. The majority of the structures have been vacant for more than five years.

2. **Substantial abandonment of residential, commercial, or industrial structures.** The Development Area consists of five parcels, and all of the structures on those parcels are currently vacant. The majority of the structures have been vacant for more than five years.

3. **A combination of factors substantially impairs or arrests the growth and economic development of the city or county and impedes the development of commercial or industrial property due to the Development Area's present condition and use.** Development of the Project site without assistance as provided by the Act is not feasible due to the large-scale costs associated with the redevelopment of the proposed Project, including the public infrastructure required in connection with the redevelopment of the site, such as the parking garage. No other adequate funding mechanism affords the proposed improvements absent the incentives provided under the Act. These improvements cannot be facilitated with private investment alone. The aesthetic improvement resulting from the redevelopment of the

proposed Project will have a positive impact on Louisville Metro and the surrounding area, especially the impact on the Paristown Pointe, Original Highlands and Germantown neighborhoods.

F. The Development Area will not reasonably be redeveloped without public assistance, including incentives as provided by the Act. The high cost of site redevelopment expenses needed for the Project makes public incentives critical to the financing of the Project.

G. The public benefits of redeveloping the Development Area justify the public costs proposed. The investment in the Development Area will result in significant returns through increased property valuations for the surrounding area and facilitate secondary and tertiary re-development within the area. The Development Area has a 2023 taxable assessment of approximately \$2,660,600 but currently generates \$3,042 in ad valorem real property taxes to Louisville Metro because all but one of the five parcels in the Development Area (the four are assessed at \$2,010,600) are exempted from ad valorem real property taxes because the owner of those parcels qualified for the property tax exemption pursuant to Section 170 of the Kentucky Constitution. The Project will increase capital investment by approximately \$249 million, which will provide significant new taxes to Louisville Metro and the other taxing districts. While Louisville Metro will pledge 80% of the incremental increase of the local ad valorem real property taxes from the Development Area, up to a cap of \$20,316,819, to provide redevelopment assistance to the project, it will retain 20% of the new incremental increase of the local ad valorem real property taxes and 100% of the local occupational taxes from the Development Area. Therefore, even when considering the requested

incentives for the Project from Louisville Metro, the Project will be financially beneficial to Louisville Metro. The Project will also serve as a catalyst for additional development in the area surrounding the Development Area. The Developer has also committed to a community benefits agreement, which will be memorialized in a Memorandum of Understanding (“MOU”) substantially similar to the draft MOU attached as Exhibit D.

H. The area immediately surrounding the Development Area has not been subject to growth and development through investment by private enterprise independent of public support. The proposed improvements within the Development Area will have a positive effect on the surrounding area, which faces stagnation in development without them.

I. The pledge and use of a portion of Louisville Metro’s incremental revenues, as defined in the Local Participation Agreement, derived from the Development Area to provide redevelopment assistance to the Project and the Development Area will increase capital investment in Louisville Metro, and therefore constitutes a public purpose.

SECTION III: The Development Area as illustrated and described in Exhibit B is designated as a development area pursuant to the Act and shall be named the Urban Government Center Development Area. The Development Area shall be established as of the effective date of this Ordinance and shall terminate on the earlier of (a) the termination of the Local Participation Agreement, attached hereto as Exhibit C, or (b) 25 years from the date hereof, provided that in no case will the termination date be more than twenty (20) years from the activation date.

SECTION IV: That the Metro Development Authority, Inc., a Kentucky nonprofit, nonstock corporation (the “Authority”), (a) is designated as the Agency, pursuant to the terms of the Act, (b) shall be the recipient of the Released Amount under the Local Participation Agreement and (c) shall be required to oversee and administer the implementation of the Project within the Development Area.

SECTION V: That the Mayor is authorized to negotiate and enter into a Local Participation Agreement, substantially in the form attached hereto as Exhibit C, with the Authority for the release to the Authority of a portion of the new ad valorem real property taxes expected to be derived by Louisville Metro from the Project to be constructed in the Development Area (“Released Amount”).

SECTION VI: That the Office of Management and Budget is designated as the department in Louisville Metro to oversee the payment of the Released Amount and to review all documentation concerning the Project, its progress, costs and development. The Office of Management and Budget shall annually submit to the Council a report concerning the Development Area (“Report”). The Developer shall provide to the Office of Management and Budget, on a timely basis, all information required by the Office of Management and Budget to prepare the Report. The Report shall include but not be limited to:

- A. An accounting of all payments made to the Authority pursuant to the Local Participation Agreement;
- B. An analysis and review of development activity within the Development Area;

C. The progress made toward meeting the stated goals of the Development Area; and

D. An accounting of the Approved Project Costs and other Project Costs incurred by the Developer.

SECTION VII: That the Council authorizes Louisville Metro to pay annually to the Authority, the Released Amount which shall be calculated as provided in the Local Participation Agreement, not to exceed a sum equal to 80% of the Louisville Metro Ad Valorem Real Property Tax Increment, as that term is defined in the Local Participation Agreement subject to the following condition: in no event shall the total of the Released Amount paid to the Authority over the term of the Local Participation Agreement exceed \$20,316,819 as set forth in the Local Participation Agreement.

SECTION VIII: That the Authority shall establish a Special Fund pursuant to the Act for the Development Area as set forth in the Local Participation Agreement.

SECTION IX: That the Mayor and other appropriate Louisville Metro officials, and each of them, for and on behalf of Louisville Metro, are hereby authorized, empowered and directed to do and perform any and all things necessary to effect the execution of the Local Participation Agreement, the performance of all obligations of Louisville Metro under and pursuant to the Local Participation Agreement and related documents, and the performance of all other actions of whatever nature necessary to effect and carry out the authority conferred by this Ordinance and the Local Participation Agreement. The Mayor and other appropriate Louisville Metro officials, and each of them, are hereby further authorized, empowered and directed for and on behalf of Louisville Metro to execute all papers, letter, documents, undertakings, certificates,

assignments, forms, instruments and closing papers that may be required for the carrying out and effectuation of the authority conferred by and for the purposes of this Ordinance and the Local Participation Agreement, or to evidence said authority and purposes, and to exercise and otherwise take all action necessary to the full realization of the rights and purposes of Louisville Metro under the Local Participation Agreement and related documents and to perform all of the obligations of Louisville Metro under the Local Participation Agreement and related documents.

SECTION X: 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 XI: This Ordinance shall take effect upon its passage and approval or otherwise becoming law.

Sonya Harward
Metro Council Clerk

Markus Winkler
President of the Council

Craig Greenberg
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: _____
O-074-24 Establishing Urban Government Center Development Area and TIF(If)

Exhibits

- A. Development Plan
- B. Map of Development Area
- C. Local Participation Agreement
- D. Memorandum of Understanding

EXHIBIT A

DEVELOPMENT PLAN

The Project is a mixed-use redevelopment consisting of approximately 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.

EXHIBIT B
MAP OF DEVELOPMENT AREA

LEGAL DESCRIPTION

768 Barret Avenue

Being Tract 2 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

810 Barret Avenue

Being Tract 1 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

850 Barret Avenue

Beginning at a point where the North line of Breckinridge Street intersect with the East line of Vine Street; thence North 55 degrees 36 minutes 00 seconds East along the North line of Breckinridge Street 384.52 feet, more or less, to a point; thence North 33 degrees 58 minutes 45 seconds West along a line parallel to the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 5 feet to a point; thence South 33 degrees 58 minutes 45 seconds East 15 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 209.63 feet to the East line of Vine Street; thence South 33 degrees 59 minutes 30 seconds East along the East line of Vine Street, 167 feet to the point of beginning, and being Tract 1 on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

1235 E. Breckinridge Street

Beginning at a point where the North line of Breckinridge Street intersects with the West line of Barret Avenue: thence North 33 degrees 58 minutes 45 seconds West along the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 110 feet to a point; thence South 33 degrees 58 minutes 45 seconds East along a line parallel to the West line of Barret Avenue 167 feet to a point in the North line of Breckinridge Street; thence North 55 degrees 36 minutes 00 seconds East along the said North line of Breckinridge Street 110 feet to the point of beginning and being Tract 2 as shown on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

814 Vine Street

Being all of Lot 1 on the minor subdivision plat approved by the Land Development & Transportation Committee of the Louisville and Jefferson County Planning Commission, 19MinorPlat1007 on January 31, 2019, said plat being attached to a Deed recorded on July 3, 2019 in Deed Book 11447, Page 703 in the Office of the Clerk of Jefferson County, Kentucky.

EXHIBIT C
LOCAL PARTICIPATION AGREEMENT

EXHIBIT D
MEMORANDUM OF UNDERSTANDING

Development Plan For The Urban Government Center Development Area

1. Introduction.

1.1. Purpose. The Louisville/Jefferson County Metro Government (“Louisville Metro”) intends to establish the **Urban Government Center Development Area** (the “Development Area”) pursuant to the provisions of KRS 65.7041 to 65.7083, (collectively, the “Act”), to encourage a mixed use development project being undertaken by UPPT, LLC, a Kentucky limited liability company, or an affiliate of same (the “Developer”), to be located at and adjacent to 768, 810 and 850 Barret Avenue, 1235 E. Breckinridge Street and 814 Vine Street, Louisville, Kentucky. The Developer proposes build a mixed-use redevelopment consisting of approximately 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, all of which will cost approximately \$249 million (the “Project”). Louisville Metro proposes to support the Project and provide redevelopment assistance through a pledge of a portion of the incremental increase in local, Louisville Metro ad valorem real property taxes generated within the Development Area as a result of the Project.

1.2. The redevelopment plan for the Project will redevelop the former Urban Government site into an urban infill mixed-use redevelopment that provides housing, retail, office space, and a hotel, with a parking garage to support those uses.

The Project will transform an important, but neglected and underutilized, block within Louisville's Paristown Pointe neighborhood.

1.4 Size and Location. The Development Area is an approximate 11.6546 acre area in the Paristown Pointe neighborhood identified more specifically on the map attached as Exhibit "A". This location, in Paristown Pointe, and adjacent to the Original Highlands and Germantown neighborhoods, is perfectly situated for the development of the Project, which is a key mixed use infill project that will support continued development in the surrounding areas.

2. The Development Area

2.1. Assurances Regarding the Size and Taxable Assessed Value of the Development Area and Other Matters. Louisville Metro finds in accordance with the Act that:

(a) The Development Area is a contiguous area consisting of approximately 11.6546 acres, which is less than three square miles in area;

(b) 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 Louisville Metro (as those terms are defined in the Act) to exceed twenty percent (20%) of the total assessed taxable value of real property within Louisville Metro. To date,

Louisville Metro has established several other development areas with a combined taxable real property assessment of \$1.568 billion. The taxable real property within the Development Area for calendar year 2023 is approximately \$2,660,600, and that combined with the other development areas that have been established by Louisville Metro totals approximately \$1.571 billion in taxable real property assessment. The total assessed value of taxable real property within Louisville Metro for the calendar year 2022 exceeds \$71.6 billion, 20% of which is \$14.3 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 Louisville Metro; and

(c) That the Development Area constitutes previously developed land as required by KRS 65.7043(2).

2.2. Statement of Conditions and Findings Regarding the Development Area. Pursuant to KRS 65.7049(3), a development area shall exhibit at least two of the following conditions to qualify for designation as a “development area” under the Act.

(a) Substantial loss of residential, commercial, or industrial activity or use;

(b) Forty percent (40%) or more of the households are low-income households;

- (c) More than fifty percent (50%) of residential, commercial, or industrial structures are deteriorating or deteriorated;
- (d) Substantial abandonment of residential, commercial, or industrial structures;
- (e) Substantial presence of environmentally contaminated land;
- (f) Inadequate public improvements or substantial deterioration in public infrastructure; or
- (g) Any combination of factors that substantially impairs or arrests the growth and economic development of the city or county; impedes the provision of adequate housing; impedes the development of commercial or industrial property; or adversely affects public health, safety, or general welfare due to the development area's present condition and use.

Louisville Metro has reviewed and analyzed the conditions within the Development Area and finds that the Development Area meets three (3) of the seven (7) qualifying characteristics as follows:

1. **A substantial loss of residential, commercial, and industrial activity or use has occurred within the Development Area.** The Development Area consists of five parcels, and all of the structures on those parcels are currently vacant. The majority of the structures have been vacant for more than five years.

2. Substantial abandonment of residential, commercial, or industrial structures. The Development Area consists of five parcels, and all of the structures are currently vacant. The majority of the structures have been vacant for more than five years and all of the vacant structures have been vacant for at least eight years.

3. A combination of factors substantially impairs or arrests the growth and economic development of the city or county and impedes the development of commercial or industrial property due to the Development Area's present condition and use. Development of the Project site without assistance as provided by the Act is not feasible due to the large-scale costs associated with the redevelopment of the proposed Project, including the public infrastructure required in connection with the redevelopment of the site, such as the parking garage. No other adequate funding mechanism affords the proposed improvements absent the incentives provided under the Act. These improvements cannot be facilitated with private investment alone. The aesthetic improvement resulting from the redevelopment of the proposed Project will have a positive impact on Louisville Metro and the surrounding area, especially the impact on the Paristown Pointe, Original Highlands and Germantown neighborhoods.

3.1. Assurances the Development Area Is Not Reasonably Expected to Develop Without Public Assistance. Louisville Metro finds that the Development Area will not reasonably be redeveloped without public assistance,

including incentives as provided by the Act. The high cost of site redevelopment expenses needed for the Project, make public incentives critical to the financing of the Project.

3.2. Assurances Regarding the Public Benefits of Redeveloping the Development Area as Proposed Justify the Public Costs Proposed. Louisville Metro finds that the public benefits of redeveloping the Development Area justify the public costs proposed. The investment in the Development Area will result in significant returns through increased property valuations for the surrounding area and will facilitate secondary and tertiary re-development within the area. The Development Area has a 2023 taxable assessment of approximately \$2,660,600 but currently generates \$3,042 in ad valorem real property taxes to Louisville Metro because all but one of the five parcels in the Development Area (the exempt parcels are assessed at \$2,010,600) were owned by a qualifying organization that was granted exemption from ad valorem real property taxes pursuant to Section 170 of the Kentucky Constitution. The Project will increase capital investment by approximately \$249 million, which will provide significant new taxes to Louisville Metro and the other taxing districts. While Louisville Metro will pledge 80% of the incremental increase of the local ad valorem real property taxes from the Development Area, up to a cap of \$20,316,819, to provide redevelopment assistance to the project, it will retain 20% of the new incremental increase of the local ad valorem real property taxes from the Development Area, and 100% of all other taxes, such as local occupational taxes. The Project will have the following income restrictions on the residential units post-construction: 46 units (10% of the total units) will be rented to income eligible tenants at rates not to exceed the applicable 80% AMI Cap, as that

term is defined in the Local Participation Agreement, for that type of unit. It is expected that the 10% of the units will apply equally to the different size units: i.e, that 10% of one- bedroom units and 10% of two-bedroom units would be subject to this restriction, rather than 10% of the total units coming from one-bedroom units. Further, the Project will serve as a catalyst for additional development in the area surrounding the Development Area.

3.3. Assurances Regarding the Area Immediately Surrounding the Development Area. Pursuant to the Act, the establishment of a development area requires a finding that the area immediately surrounding the Development Area has not been subject to growth and development through investment by private enterprise or, if the area immediately surrounding the Development Area has been subject to growth and development through investment by private enterprise, that there are certain special circumstances within the Development Area that would prevent its development without public assistance. The area immediately surrounding the Development Area has not been subject to growth and development by private investment. The proposed improvements within the Development Area will have a positive effect on the surrounding area, which faces stagnation in development without them.

3.4. Development Area Description. The Development Area includes the real property within the boundaries described on the site plan and legal description attached hereto as Exhibit "A."

3.5. Existing Uses and Conditions. The Development Area consists of approximately 11.6546 acres at 768, 810 and 850 Barret Avenue, 1235 E. Breckinridge Street and 814 Vine Street in the Paristown Pointe neighborhood. The

existing site consists of several vacant structures. One parcel is currently used as a parking lot.

3.6. Changes in the Zoning Ordinance, Zoning Map, Comprehensive Plan or Other Codes or Plans Necessary to Implement the Development Plan. No change is needed in zoning to implement the Development Plan.

3.7. Certification of Compliance with the Comprehensive Land-Use Plan. The Project complies with the Comprehensive Land-Use Plan for Louisville Metro.

3. The Development Program.

The Development is expected to be a mixed use redevelopment consisting of approximately 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, which will be a key urban infill project.

4. Redevelopment Assistance and Finance Plan.

Louisville Metro proposes to provide redevelopment assistance and pay for Project costs through a pledge of a portion of the incremental increases in tax revenues from local ad valorem real property taxes from the Development Area. Louisville Metro proposes to pay annually to the Agency, as defined in the Local

Participation Agreement, the Released Amount which shall be calculated as provided in the Local Participation Agreement as follows: 80% of the Louisville Metro Ad Valorem Real Property Tax Increment, as that term is defined in the Local Participation Agreement, subject to the following condition: in no event shall the total of the Released Amount paid to the Agency over the term of the Local Participation Agreement exceed \$20,316,819 as more particularly set forth in the Local Participation Agreement. The projected incremental revenues and proposed time frame of the financial obligations is attached as Exhibit "B."

Louisville Metro will establish a special fund for the deposit of pledged incremental revenues as required by KRS 65.7061. Pledged incremental revenues deposited into this special fund will be used solely to reimburse the Developer for redevelopment assistance or pay for project costs in compliance with this Development Plan, the Act, and all agreements and documents entered into in connection therewith. Louisville will enact an ordinance establishing the Development Area and adopting this Development Plan. The development area ordinance will designate the Metro Development Authority, Inc. (the "Agency"), organized by Louisville Metro, as the entity in charge of overseeing, administering and implementing the terms of the development area ordinance.

5. Conclusions.

In conclusion, the Project will serve as an important catalyst to the further development of the Paristown Pointe, Original Highlands and Germantown neighborhoods and surrounding areas, will generate significant new tax revenues to Louisville Metro, and will facilitate an urban infill project needed to support the growth

and development of Louisville Metro. The incentives proposed to be provided under the Act are reasonable and critical to the overall financing for the Project.

Exhibit A

Map and Description of Development Area

768 Barret Avenue

Being Tract 2 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

810 Barret Avenue

Being Tract 1 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

850 Barret Avenue

Beginning at a point where the North line of Breckinridge Street intersect with the East line of Vine Street; thence North 55 degrees 36 minutes 00 seconds East along the North line of Breckinridge Street 384.52 feet, more or less, to a point; thence North 33 degrees 58 minutes 45 seconds West along a line parallel to the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 5 feet to a point; thence South 33 degrees 58 minutes 45 seconds East 15 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 209.63 feet to the East line of Vine Street; thence South 33 degrees 59 minutes 30 seconds East along the East line of Vine Street, 167 feet to the point of beginning, and being Tract 1 on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

1235 E. Breckinridge Street

Beginning at a point where the North line of Breckinridge Street intersects with the West line of Barret Avenue: thence North 33 degrees 58 minutes 45 seconds West along the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 110 feet to a point; thence South 33 degrees 58 minutes 45 seconds East along a line parallel to the West line of Barret Avenue 167 feet to a point in the North line of Breckinridge Street; thence North 55 degrees 36 minutes 00 seconds East along the said North line of Breckinridge Street 110 feet to the point of beginning and being Tract 2 as shown on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

814 Vine Street

Being all of Lot 1 on the minor subdivision plat approved by the Land Development & Transportation Committee of the Louisville and Jefferson County Planning Commission, 19MinorPlat1007 on January 31, 2019, said plat being attached to a Deed recorded on July 3, 2019 in Deed Book 11447, Page 703 in the Office of the Clerk of Jefferson County, Kentucky.

Exhibit B

PROJECTED NEW REAL ESTATE TAX REVENUES

2026	1,045,217
2027	1,066,121
2028	1,087,444
2029	1,109,193
2030	1,131,376
2031	1,154,004
2032	1,177,084
2033	1,200,626
2034	1,224,638
2035	1,249,131
2036	1,274,114
2037	1,299,596
2038	1,325,588
2039	1,352,100
2040	1,379,142
2041	1,406,724
2042	1,434,859
2043	1,463,556
2044	1,492,827
2045	1,522,684

LOCAL PARTICIPATION AGREEMENT

This **LOCAL PARTICIPATION AGREEMENT** (the "Agreement") effective as of the ____ day of _____, 2024, by and between (i) **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a Kentucky consolidated local government ("Louisville") and (ii) the **METRO DEVELOPMENT AUTHORITY, INC.**, a Kentucky non-profit, nonstock corporation ("Authority").

RECITALS:

WHEREAS, UPPT, LLC, a Kentucky limited liability company, or an affiliate of same ("Developer"), desires to redevelop the former Urban Government Center into a mixed-use redevelopment consisting of approximately 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, all of which will cost approximately \$249 million, and known as the Urban Government Center Project more specifically described in Exhibit A (the "Project");

WHEREAS, Louisville and the Authority, to induce Developer to undertake the Project, agree to provide certain tax increment financing incentives to the Developer as set forth in this Agreement and the TIF Disbursement Agreement to be entered into among the Developer, the Authority and Louisville ("TIF Agreement");

WHEREAS, pursuant to KRS 65.7041-65.7083 (the "Act"), the Legislative Council of Louisville/Jefferson County Metro Government ("Metro Council"), by Ordinance No ____, Series 2024 (the "Ordinance"), enacted on _____, 2024, has established the Urban Government Center Development Area (the "Development Area"), as more specifically described in Exhibit B;

WHEREAS, the Project represents new economic development in Louisville;

WHEREAS, the Project, located within the Development Area, as presented to Louisville and the Authority by Developer in preliminary planning papers, will result in the increase in the value of real property located in the Development Area, increasing the tax base of Louisville;

WHEREAS, it is therefore in the interest of Louisville and the Authority that there be a plan for the optimal revitalization and development of the Development Area in the most efficient manner;

WHEREAS, Louisville is authorized by the Act to enter into a local participation agreement with an agency in acknowledgement of benefits to be derived by Louisville within a development area in order to promote the public purposes of Louisville;

WHEREAS, the Ordinance declares the Development Area to be a "development area" within the meaning of the Act, and the Project constitutes a "project" within the

meaning of the Act; therefore, the Project is eligible to receive a portion of incremental local ad valorem real property taxes as provided in the Act;

WHEREAS, the Authority, pursuant to Chapters 58 and 273 of the Kentucky Revised Statutes, is organized and incorporated by Louisville as a not-for-profit, nonstock corporation, and pursuant to the Ordinance, the Authority has been designated as the "agency," within the meaning of the Act for the purposes of receiving and distributing incremental local tax revenues generated within the Development Area; and

WHEREAS, Louisville desires to assist the Developer, through the Authority, with the costs of the Project and agrees to enter into this Agreement in order to release to the Authority a portion of the Real Estate Tax Increment (as hereinafter defined) for use solely for purposes of the Project;

NOW THEREFORE, in consideration of the premises and the additional consideration provided herein, Louisville and the Authority agree as follows:

Section 1. Definitions.

In addition to the terms defined in the above recitals, the following terms used in this Agreement shall have the meanings assigned in this Section 1 unless the context clearly indicates that a contrary meaning is intended.

(a) **"Activation Date"** means on or before April 1, 2026, being within two (2) years of the Commencement Date which, upon the written notice of the Authority to Metro Council, may be extended, but in no event more than four (4) years from the Commencement Date.

(b) **"Base Year"** means January 1, 2023 through December 31, 2023, the last full year prior to the Commencement Date.

(c) **"Calendar Year"** means January 1 through and including December 31.

(d) **"Commencement Date"** shall mean the later of (i) the effective date hereof or (ii) the effective date of the Local Participation Agreement.

(e) **"New Real Estate Tax Revenue"** means the amount of Real Estate Taxes received by Louisville after the Activation Date has occurred through the term of this Agreement.

(f) **"Office of Management and Budget"** means the department of Louisville with that name.

(g) **"Old Real Estate Tax Revenue"** means the amount of Real Estate Taxes assumed to have been received by Louisville in the Base Year, as calculated in Section 4.1 of this Agreement.

(h) **“Real Estate Tax”** means the local ad valorem real property taxes received annually by Louisville from real property located within the Development Area.

(i) **“Real Estate Tax Increment”** means the incremental amount of Real Estate Taxes collected in each Calendar Year following the Activation Date, during the term hereof, determined by subtracting the amount of Old Real Estate Tax Revenue from the amount of New Real Tax Revenue.

(j) **“Released Amount”** means the amount payable in each Calendar Year from Louisville to the Authority pursuant to Section 4.4 of this Agreement.

(k) **“Termination Date”** means the date ending twenty (20) years from the Activation Date, unless terminated earlier pursuant to Section 3.1 of this Agreement.

Section 2. Representations and Warranties.

2.1 Representations and Warranties of the Authority. The Authority represents and warrants to Louisville as follows:

(a) **Existence.** The Authority is a duly organized and validly existing non-profit corporation created under and in conformity with the laws of the Commonwealth of Kentucky.

(b) **Authority to Act.** The Authority has the requisite power, capacity and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Agreement, in accordance with its terms and conditions. The officers and officials executing and delivering this Agreement on behalf of the Authority have been or are otherwise duly authorized to enter into this Agreement on behalf of the Authority.

(c) **Validity of Agreement; Compliance with Law.** This Agreement is the legal, valid, and binding obligation of the Authority enforceable in accordance with its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by the Authority of the terms and conditions thereof do not and will not materially violate any of the provisions of the Authority’s Articles of Incorporation or any laws applicable to the Authority.

(d) **Litigation.** No litigation or proceeding involving the Authority is pending or, to the best of the knowledge of the Authority, is threatened in any court or administrative agency which, if determined adversely to the Authority could have a materially adverse impact on the ability of the Authority to perform any of its obligations under this Agreement.

(e) **Conflicting Transactions.** The culmination of the transactions contemplated hereby and the performance of the obligations of the Authority under and by virtue of this Agreement shall not result in any material breach of, or

constitute a default under, any contract, agreement, lease, indenture, bond, note, loan or credit agreement to which it is a party or by which it is bound.

2.2 Designation of Subsidiary or Related Entity. Notwithstanding the provisions of Subsection 2.1, the Authority shall have the right to designate as the "Agency" a subsidiary or related entity of the Authority provided that such subsidiary or related entity (i) qualifies as an agency pursuant to the Act, (ii) such subsidiary entity can make to Louisville the representations and warranties required pursuant to subsection 2.1, (iii) such subsidiary or related entity is reasonably acceptable to Louisville, and (iv) such subsidiary is able to perform those obligations required in the Ordinance.

2.3 Representations and Warranties of Louisville. Louisville represents and warrants to the Authority as follows:

(a) Authority to Act. Louisville has the requisite power, capacity and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Agreement in accordance with its terms and conditions. Each of the officials executing and delivering this Agreement on behalf of Louisville has been and is duly authorized to enter into this Agreement on behalf of Louisville.

(b) Validity of Agreement; Compliance with Law. This Agreement is the legal, valid and binding obligation of Louisville enforceable in accordance with its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by Louisville of the terms and conditions thereof, do not and will not violate any provisions of any laws applicable to Louisville.

Section 3. Released Amount.

3.1 Term. Louisville agrees to pay to the Authority, and the Authority does accept from Louisville, the Released Amount for each calendar year beginning in the year including the Activation Date, with payment to be made beginning in the year following the Activation Date, and for successive calendar years continuing automatically thereafter until the earlier of the following: (i) that date nineteen (19) years following the initial payment to the Authority; (ii) Louisville's election to terminate this Agreement pursuant to Kentucky Constitution sections 157(b), 162, and 179, and KRS Chapters 67C and 91A at the end of any current calendar year following written notice to the Authority delivered at least sixty (60) days prior to such calendar year end; or (iii) the aggregate of the total of the Released Amount paid to the Authority by Louisville equals \$20,316,819.

3.2 The Authority Reporting. The Developer has agreed in the TIF Agreement, at its sole expense, to submit a report to the Authority and the Office of Management and Budget on or before July 1 of each year during the term of this Agreement including but not limited to:

(a) A notarized certification by the Developer accounting for the use and expenditure of the Released Amount by the Developer in the preceding Calendar Year, including any Released Amount carried forward from earlier Calendar Years;

(b) A certification submitted by the Developer evidencing that the 46 units were rented out at rates that (i) for the leases that began in the preceding Calendar Year, did not exceed the applicable rent rate for that year for that type of unit, and (ii) for leases that began in the year prior to the preceding Calendar Year, did not exceed the applicable rent rate for that year. The applicable rent rate shall mean that the contract rent for the unit and the applicable utility allowance cannot exceed the 80% gross rent limit for a studio, one-bedroom unit, two-bedroom unit or three-bedroom unit, as applicable, for the Louisville, KY-IN HUD Metro FMR Area (“80% AMI Cap”);

(c) A certification submitted by the Developer evidencing that it made a good faith effort to verify that the tenants for the units described in Section 3.4(b) above, were income eligible to rent those units. Income eligibility shall be based on the Louisville Area Median Household Income as released annually by the United States Department of Housing and Urban Development and shall be equal to or less than 80% of the Louisville Area Median Household Income. Incomes shall be verified at the time the lease is initially executed, and re-verified upon renewal, or if the term of the lease is for more than one year, annually;

(d) An analysis and review of all development activities within the Development Area during the prior Calendar Year;

(e) A progress report on the current status of achieving the stated goals of the Project and the Development Area;

(f) A proposed spending plan for the Released Amount for the current Calendar Year; and

(g) The Authority shall submit the Request for the Released Amount each year following Activation for the term of this Agreement to the Office of Management and Budget on or after July 1, but no later than December 31 following the calendar year for which the Released Amount is requested. No more than one request shall be submitted in any calendar year.

3.3 Louisville Monitoring, Tracking and Reporting. The Office of Management and Budget shall oversee the payment of the Released Amount to the Authority. The Office of Management and Budget shall review all reports received from the Authority pursuant to Section 3.2 or otherwise and shall annually submit to the Metro Council a report concerning the Project and the Development Area including but not limited to:

(a) An accounting of all payments made to the Authority pursuant to this Agreement in the prior fiscal year;

(b) An analysis and review of development activity within the Development Area as reported to Louisville by the Authority;

(c) The progress made by the Authority toward the stated goals of the Development Area as reported to Louisville by the Authority; and

The Developer has agreed to submit to the Authority and Louisville all information required to make the report.

3.4 Time of Payment. By no sooner than (i) December 31st of each Calendar Year beginning in the year after the year of the Activation Date or (ii) thirty (30) days after the submission by the Authority of a request for the Released Amount under this Agreement, Louisville agrees to pay to the Authority the Released Amount. In no event shall Louisville agree to pay to the Authority the Released Amount if a submitted request is not received by December 31 of the calendar year after the applicable tax year, unless mutually agreed to by both Louisville and the Authority. No more than one request shall be submitted in any one calendar year

3.5 Use of Released Amount. Consistent with the Act, the Authority covenants and agrees that the Released Amount will be deposited in a special fund and it will use the Released Amount solely for the benefit of the Project, pursuant to the requirements of the Act.

Section 4. Determination of Released Amount.

4.1 Calculation of Old Real Estate Tax Revenue. The taxable value of all real property within the Development Area in the Base Year is assumed to be **SIX HUNDRED FIFTY THOUSAND DOLLARS (\$650,000)**, as all but one of the five parcels in the Development Area are owned by a qualifying organization that is exempt from ad valorem real property taxes pursuant to Section 170 of the Kentucky Constitution (the four exempt parcels are assessed at \$2,010,600). The applicable ad valorem real property tax rate in the Base Year, including the Urban Services District tax and the county tax was .468 per hundred dollars of assessed value. It is stipulated therefore that the amount of Old Real Estate Tax Revenue shall equal the assumed assessment in the Base Year times the applicable county and Urban Services tax rates in the Base Year, for the sum equal to \$3,042. The Old Real Estate Tax Revenue shall be adjusted each calendar year after the Base Year by adding the Old Real Estate Tax Revenue calculated for the previous calendar year, multiplied by two percent (2.0%), to the amount of Old Real Estate Tax Revenue for the previous calendar year. This adjusted amount is the Old Real Estate Tax Revenue for the current calendar year.

4.2 New Real Estate Tax Revenue. The Office of Management and Budget shall calculate the amount of New Real Estate Tax Revenue each year after the Activation Date, prior to the Time of Payment pursuant to Section 3.4 of this Agreement. The Office of Management and Budget shall calculate the New Real Estate Tax Revenue by aggregating the Real Estate Taxes received from within the Development Area. An estimate of the New Real Estate Tax Revenue is attached as Exhibit C.

4.3 Calculation of the Real Estate Tax Increment. The Office of Management and Budget in each year following the Activation Date, prior to the Time of Payment pursuant to Section 3.4 of this Agreement, shall calculate the Real Estate Tax Increment, which shall be an amount equal to the New Real Estate Tax Revenue

calculated pursuant to Section 4.2 of this Agreement minus the Old Real Estate Tax Revenue calculated pursuant to Section 4.1 of this Agreement.

4.4 Calculation of Released Amount. The Office of Management and Budget in each year following the Activation Date, prior to the Time of Payment pursuant to Section 3.4 of this Agreement, shall calculate the Released Amount, which shall be a sum equal to eighty percent (80%) of the Real Estate Tax Increment.

Section 5. Pledge of Incremental Revenues Superior to Ordinances and Statutes.

As provided in the Act, any pledge of the Released Amount in this Agreement shall be superior to any other pledge of revenues for any other purpose and shall, from the Activation Date to the Termination Date, supersede any statute or ordinance regarding the application or use of incremental revenues.

Section 6. Miscellaneous.

6.1 Notices. All notices or other communications hereunder from any party shall be sufficiently given, and shall be deemed given, when delivered or mailed by first class mail or overnight delivery to the other parties at their respective addresses as follows:

If to Louisville: Louisville/Jefferson County Metro Government
Department of Economic Development
444 S. 5th St., Ste. 600
Louisville, Kentucky 40202
Attn: _____

If to the Authority: Metro Development Authority, Inc.
444 S. 5th St., Ste. 600
Louisville, Kentucky 40202

Section 7. Default.

7.1 Default by the Authority. If the Authority materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein or in the reasonable judgment of Louisville there has been a substantial decrease in the Authority's capacity to undertake the obligations required by this Agreement, Louisville may give written notice (with a copy of said notice being given to the Office) that remedial action must be taken within thirty (30) calendar days. The Authority shall correct such breach or default within thirty (30) days after receipt of such notice. However, if the default is not reasonably curable within thirty (30) days, then the Authority may continue to cure the default or breach so long as Louisville is reasonably satisfied that sufficient progress is being made toward a cure. If such corrective action is not taken, Louisville may terminate the Agreement by giving written notice to the Authority at least

ten (10) days prior to the effective date of termination and shall and be entitled to any remedy and damages available to it at law or in equity, including specific performance.

7.2 Default by Louisville. If Louisville materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein, the Authority may give written notice to Louisville that remedial action must be taken within thirty (30) days after Louisville's receipt of such written notice. However, if the default is not reasonably curable within thirty (30) days, Louisville may continue to cure the default or breach so long as the Authority is satisfied that sufficient progress is being made toward a cure. If such action is not taken, the Authority shall be entitled to enforce the provisions of this Agreement.

Section 8. Miscellaneous Provisions.

8.1 Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns.

8.2 Severability. If any clause, provision, or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision, or section shall not affect any of the remaining clauses, provisions or sections hereof.

8.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky and enforceable in courts of competent jurisdiction.

8.4 Entire Agreement; Modifications. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement. This Agreement shall not be modified, amended, cancelled or terminated except by an agreement in writing signed by the parties hereto.

8.5 Counterparts. This Agreement may be executed in any number of counterparts by some or all of the parties hereto, each of which shall be an original and all of which shall together constitute one and the same instrument.

8.6 Relationship of the Parties. Except as expressly stated and provided for herein, neither anything contained in this Agreement nor any acts of the parties hereto shall be deemed or construed by the Parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of association among any of the Parties of this Agreement.

8.7 Further Assurances. Each of the parties hereto shall use reasonable efforts and cooperate fully with each other in order to promptly and fully carry out the terms and provisions of this Agreement. Each party hereto shall from time to time execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably necessary or desirable to effectuate the terms of this Agreement.

8.8 Mutual Termination. In addition to any other provisions relating to termination of this Agreement contained herein, this Agreement shall terminate upon the written agreement of all the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers and officials thereunto duly authorized as of the date first written above.

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT**

By: _____
Craig Greenberg, Mayor

Approved as to Form and Legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____

**METRO DEVELOPMENT AUTHORITY,
INC.**

By: _____
_____, President

EXHIBIT A

PROJECT DESCRIPTION

The project will involve new capital investment of approximately \$249 million and will be a mixed-use redevelopment consisting of approximately 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,

EXHIBIT B

DESCRIPTION OF DEVELOPMENT AREA

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Being Tract 2 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

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1235 E. Breckinridge Street

Beginning at a point where the North line of Breckinridge Street intersects with the West line of Barret Avenue: thence North 33 degrees 58 minutes 45 seconds West along the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 110 feet to a point; thence South 33 degrees 58 minutes 45 seconds East along a line parallel to the West line of Barret Avenue 167 feet to a point in the North line of Breckinridge Street; thence North 55 degrees 36 minutes 00 seconds East along the said North line of Breckinridge Street 110 feet to the point of beginning and being Tract 2 as shown on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

814 Vine Street

Being all of Lot 1 on the minor subdivision plat approved by the Land Development & Transportation Committee of the Louisville and Jefferson County Planning Commission, 19MinorPlat1007 on January 31, 2019, said plat being attached to a Deed recorded on July 3, 2019 in Deed Book 11447, Page 703 in the Office of the Clerk of Jefferson County, Kentucky.

EXHIBIT C

ESTIMATE OF NEW REAL ESTATE TAX REVENUE

2026	1,045,217
2027	1,066,121
2028	1,087,444
2029	1,109,193
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2039	1,352,100
2040	1,379,142
2041	1,406,724
2042	1,434,859
2043	1,463,556
2044	1,492,827
2045	1,522,684

DRAFT - MEMORANDUM OF UNDERSTANDING - DRAFT

This Memorandum of Understanding (“MOU”), entered into as of this ____ day of _____, 202_ (the “Effective Date”) by and among: **UPPT, LLC**, a Kentucky limited liability company, with its principal office at 731 Brent Street, Suite 3200, Louisville, Kentucky 40204, or an affiliate of same (“**UPPT**”); **PARISTOWN POINTE NEIGHBORHOOD ASSOCIATION, INC.**, a Kentucky non-profit corporation; **SMOKETOWN NEIGHBORHOOD ASSOCIATION, INC.**, a Kentucky non-profit corporation; **GERMAN-PARISTOWN NEIGHBORHOOD ASSOCIATION, INC.**, a Kentucky non-profit corporation; **HIGHLAND NEIGHBORHOOD ASSOCIATION, INC.**, a Kentucky non-profit corporation d/b/a Original Highlands Neighborhood Association; **PHOENIX HILL NEIGHBORHOOD ASSOCIATION, INC.**, a Kentucky non-profit corporation; and **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a Kentucky consolidated local government (“**METRO**”), acting by and through its agency **ECONOMIC DEVELOPMENT (“ED”)**, with an office located at 444 S. Fifth St., Suite 600, Louisville, Kentucky 40202.

Deleted: LOUISVILLE FORWARD

Deleted: LF

WHEREAS, UPPT and METRO, acting by and through **ED**, entered into a certain development agreement, dated December 21, 2021 (“**Development Agreement**”), wherein UPPT and **ED** formalized negotiations for UPPT to be the developer of certain property METRO owns located at 810 Barret Avenue, 850 Barret Avenue and 1235 E. Breckinridge Street, known as the Urban Government Center (“**UGC**”) and as more particularly described in **Exhibit A** to the Development Agreement, together with that certain property the Louisville Metro Housing Authority Development Corp. (“**LMHA**”) owns located at 768 Barret Avenue, as more particularly described in **Exhibit B** to the Development Agreement (collectively, all four properties will be referred to herein as the “**Property**”); and

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WHEREAS, pursuant to and Section 1.22 of the Development Agreement, UPPT agreed to use good faith efforts to work with a Project Advisory Group, as identified by Louisville Forward and comprised of representatives from those certain neighborhoods surrounding the Property and identified as parties to this MOU; and

WHEREAS, pursuant to Section 1.02.D of the Development Agreement, UPPT is to enter into a Community Benefits Agreement with the same surrounding neighborhood associations the representatives of which comprise the Project Advisory Group; and

WHEREAS, UPPT has always been supportive of its neighbors and the neighborhoods surrounding its project and desires to continue to do so in the form of this Memorandum of Understanding; and

WHEREAS, over the past year UPPT and the Project Advisory Group have held numerous meetings to identify various areas and issues in, surrounding and pertaining to the Property and development of the Property where certain community needs exist or will potentially exist, stemming from causes that are both pre-development and post-development of the Property, and can be addressed and mitigated by solutions agreed upon by the parties; and

WHEREAS, UPPT, in response to these community needs discussed with the Project Advisory Group, agrees to provide or participate in the funding of certain community benefits for

the use and enjoyment of residents who live within the neighborhoods surrounding the Property and which are represented herein by the associated neighborhood associations herein identified and made parties to of the MOU.

NOW THEREFORE, for good and valuable consideration, the parties set forth their understanding as follows:

SECTION I. OBLIGATIONS OF UPPT.

UPPT agrees as follows:

A. UPPT Payments to the Neighborhood Associations UPPT shall contribute to the ~~Neighborhood Associations an amount of Twenty-Five Thousand Dollars (\$25,000.00) prior to the issuance of the first Certificate of Occupancy for the Project. The funding shall be distributed directly to the Neighborhood Associations in an agreed manner. Proof of payment shall be submitted to METRO through ED.~~

- Deleted:** Paristown Pointe
- Deleted:** , Inc.
- Deleted:** Paristown Pointe Neighborhood Association, Inc
- Deleted:** : (1)
- Deleted:** Two Thousand Dollars (\$2,000.00)

B. UPPT Funding for Green Spaces.

1. UPPT shall provide funding in the amount of Ten Thousand Dollars (\$10,000.00) for capital improvements to either: (1) the Paristown Pointe Community Garden, which said amount may include fees necessary to design the Community Garden; or (2) a donation to the Louisville Parks Alliance for the improvement of an existing playground within the Paristown Pointe, Original Highlands, Germantown, Phoenix Hill or Smoketown Neighborhoods.

Deleted: annually for a term of twenty years or the duration of time the TIF Incentive is active and benefitting UPPT (or its assignee of the TIF Incentive benefit), whichever is of lesser duration; or (2) a one-time payment equal to at least the amount calculated to represent the present value of money of the payments contemplated in Section I.A.(1) of this MOU

Deleted: of Garden or Playground

Deleted: construction

2. UPPT shall design the proposed court yard on Vine Street with the Paristown Pointe Neighborhood Association to design the space in a manner that promotes public use.

Deleted: on property the location of which is to be determined by UPPT and the Project Advisory Group so long as the location of the playground is not on the Property

C. Reuse of Building Materials Salvaged from Demolition of Urban Government Center Building and Other Buildings on the Property. UPPT will use commercially reasonable efforts to incorporate and reuse salvageable materials from the Urban Government Center building and other buildings on the Property – brick, stone, cornices, doors, wood, etc. – into its public spaces and amenities on the Property which may include walking pathways, steps, plazas, sitting areas, benches, walls, and public art, or other similar appurtenances. Additionally, UPPT will use reasonable efforts to make bricks available to public in a manner that is safe and in accordance with federal, state and local regulations.

D. Traffic and Parking Studies. UPPT shall conduct independently-administered traffic and parking studies for the area near the Property, the scope of which are to be determined in conjunction with the Project Advisory Group and Louisville Metro Public Works but, at minimum, will include Brent Street, Swan Street and Vine Street rights-of-way. The traffic and parking studies shall both include the measurement of traffic counts and available parking spaces during times when Paristown Hall is operating performance events, which, when combined with traffic counts not attributable to Paristown Hall events, would give an estimate of the traffic impact to the surrounding neighborhoods during the periods of peak traffic volumes. UPPT shall work with the Kentucky Center for the Arts Corporation, an entity created by Kentucky legislative act d/b/a

Kentucky Performing Arts ("KPA"), to obtain KPA's participation with the traffic and parking studies herein contemplated.

1. Devise and Implement Event Traffic Flow and Parking Plan. UPPT shall work with Louisville Metro Police Department ("LMPD"), Louisville Metro Government, PARC, and other associated entities, if necessary, to identify and implement strategic solutions and strategies for improving the current traffic flow and parking conditions during events held at Paristown Hall and that will help facilitate unimpeded parking for and by residents in the Paristown Pointe neighborhood;

2. Furnish Area for Rideshare Pickup/Drop-off Area. UPPT will provide for an area, located on or off the Property, where ridesharing participants (including but not limited to taxi, Lyft, Uber, shuttle and limo services) pick up and drop off passengers rather than those passengers driving vehicles themselves. The location of any Rideshare Pickup/Drop-off Area is intended to improve traffic flow and reduce parking demand on the Property and neighboring properties, as well as reduce impaired driving in the immediate area.

Deleted: Mobility Hub

Deleted: mobility hub area

3. Updated Traffic and Parking Study. UPPT pledges to fund a review and update of the traffic study and parking study within one year of completion/full build-out of the Property's approved development. The updated traffic study and parking study will be conducted by an independent consultant and are intended to account for potential changing traffic and parking patterns on the Property and the area surrounding Paristown Hall. Prior to conducting updates to the traffic study and parking study contemplated in this provision, UPPT shall seek input from the Paristown Pointe Neighborhood Association, Inc. related to changes in the traffic and parking patterns observed since development of the Property.

E. Security. UPPT will provide reasonable security on all of its properties to provide for increased safety of all of its residents, visitors, guests and patrons. No perimeter-wide obstruction such as fencing, barbed wire, or other means shall be installed that is intended to keep the greater community out of the development, or otherwise deny public access to the amenities on the site.

F. Sidewalks and Street Lighting. UPPT will install all new sidewalks and street lighting on the Property in accordance with all approved development plans and applicable provisions of the adopted Pattern Book for development of the Property. UPPT will implement site design that encourages pedestrian access to safe, walkable areas throughout the Property. As part of the implemented design for street lighting, UPPT will use "cut-off" fixtures to direct lighting down and limit lighting from shining onto adjacent residential areas where practical. Additionally, UPPT agrees to install at least 10 banners along Vine Street, Breckenridge Street or Barrett Avenue that include identification for "Historic Paristown Pointe".

G. Land Usage. UPPT shall establish land uses on the Property only as permitted by the applicable development plan, binding elements, Pattern Book, local zoning regulations, and by the following:

1. Use of the Steam Plant. Subject to a comprehensive evaluation of the structure to determine its safety and feasibility of use, UPPT commits to retaining the Steam Plant Building, as the Steam Plant Building is defined by the parameters of the building envelope depicted in red on the Exhibit A attached hereto (except for necessary updates to bring the existing Steam Plant Building current with applicable building code and other regulations), so that a portion of the Steam Plant Building may be used as a Community Center with space available for neighborhood associations party to this Agreement at no cost for the public to use, subject to such reasonable rules and regulations as UPPT may adopt. In addition, UPPT agrees to have discussions with the Paristown Pointe Neighborhood Association about opportunities for placement of neighborhood identification on the smokestack. Any wording shall include "Paristown Pointe".

2. Short-term Rental of Dwelling Units Prohibited on the Property. UPPT shall not permit the short-term rental (as defined by the Land Development Code) of any residential dwelling unit located on the Property. UPPT commits to inserting language within apartment leases of residential units located on the Property that disallows the short term rental of such dwelling unit.

3. Stand-alone Liquor Stores Prohibited on the Property. No land use where the sale of packaged spirits is the primary use of the premises shall be allowed on the Property. The sale of packaged spirits as an accessory use (e.g., in a hotel gift shop, small grocery market, local goods store, etc.) to the primary use of a premises is permitted on the Property.

4. Establish a Market/Small Grocer on the Property. UPPT will commit to use commercially reasonable efforts to attract a small market/grocer or general retail store or an equivalent user where the sale of food and daily necessities for area residents can be purchased on the Property.

H. Environmental Remediation on the Property. UPPT commits to removing the hazardous materials from the buildings located on the Property during the demolition phase of the project. All demolition activities shall meet or exceed all applicable government standards for hazardous waste removal.

Deleted: 5. Dog Park. UPPT will incorporate an area on or near the Property for public use as a dog park area for pets.¶

I. Tree and Landscape Plantings on the Property. UPPT shall cause approximately 150 new trees and other landscape plantings of a species native to the area on the Property. Said tree and landscape plantings will be appropriate for the area climate and specific locations on the Property where they will be planted. Prior to implementing the planting of trees and landscaping on the Property, UPPT shall coordinate review of the tree and landscape plantings list with those members from the Neighborhood Advisory Group who desire to participate in providing input and review of the plantings list for the Property. In addition, UPPT shall assess the health of the as well as the healthy mature tulip poplars along East Breckinridge Street. If the trees are healthy, they shall be preserved

Deleted: As an example of responsible, cooperative stewardship of Louisville Metro's urban environment, UPPT pledges its willingness to participate with Louisville Metro Government, the Metropolitan Sewer District (MSD), Germantown-Paristown Neighborhood Association, Inc. and any other neighborhood willing to participate in transforming the Logan Street Basin into an urban wildlife, bird, and pollinator refuge.¶

SECTION II. OBLIGATIONS OF LOUISVILLE METRO.

Louisville Metro Government agrees as follows:

In good faith, Louisville Metro Government will work with the neighborhood association(s) adjacent to the Urban Government Center site and will work with UPPT to:

- A. Assist with the development of the Property;
- B. Assist with effectuating the regulatory aspects of the development that include but are not limited to the implementation of traffic mechanisms that improve pedestrian safety, traffic flow and parking issues, neighborhood security, streetscape and landscape improvements, signage/banners, and any other aspect of Section I of this MOU that would be under the jurisdiction of Louisville Metro Government.

SECTION III. TERM.

The Term of this MOU shall be twenty (20) years or the duration of any tax increment finance incentive approved for the site, whichever is less, commencing on the Effective Date unless terminated pursuant to Section V of this MOU.

SECTION IV. APPLICABLE LAW.

This MOU shall be interpreted under the laws of the Commonwealth of Kentucky.

SECTION V. ENTIRE UNDERSTANDING.

This MOU shall constitute the entire written understanding of the parties with respect to the subject matter hereof and shall supersede all oral and written understandings of the parties, all of which are deemed to be merged herein. This MOU may not be modified, amended or terminated except in writing, signed by UPPT, METRO and a majority of the five neighborhood associations parties hereto.

SECTION V. ASSIGNMENT.

This MOU may be assigned by UPPT to another entity upon written notice to the other parties.

IN WITNESS WHEREOF the authorized representatives of parties hereto have caused this MOU to be duly executed as of the date first above written.

UPPT, LLC

By: _____
Stephen Smith
Title: Authorized Member

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

By: _____

Title: _____

URBAN GOVERNMENT CENTER ADVISORY GROUP

By: Paristown Pointe Neighborhood Association, Inc.

By: _____

Title: President

By: Germantown-Paristown Neighborhood Association, Inc.

By: _____

Title: President

By: Highland Neighborhood Association, Inc.

By: _____

Title: President

By: Phoenix Hill Neighborhood Association, Inc.

By: _____

Title: President

By: Smoketown Neighborhood Association, Inc.

By: _____

Title: President

APPROVED FOR FORM AND LEGALITY

MICHAEL J. O'CONNELL

JEFFERSON COUNTY ATTORNEY

By: _____

Title: Assistant County Attorney

101013462.2

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”), entered into as of this ____ day of _____, 202_ (the “Effective Date”) by and among: **UPPT, LLC**, a Kentucky limited liability company, with its principal office at 731 Brent Street, Suite 3200, Louisville, Kentucky 40204, or an affiliate of same (“**UPPT**”); **PARISTOWN POINTE NEIGHBORHOOD ASSOCIATION, INC.**, a Kentucky non-profit corporation or their successors and assigns; **BATES COMMUNITY DEVELOPMENT CORPORATION**, a Kentucky non-profit corporation; **HIGHLANDS COMMUNITY MINISTRIES, INC.**, a Kentucky non-profit corporation;; and **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a Kentucky consolidated local government (“**METRO**”), acting by and through its **DEPARTMENT OF ECONOMIC DEVELOPMENT (“ED”)**, with an office located at 444 S. Fifth St., Suite 600, Louisville, Kentucky 40202.

WHEREAS, UPPT and METRO, acting by and through ED, entered into a certain development agreement, dated December 21, 2021 and restated on December 21, 2023 (“**Development Agreement**”), wherein UPPT and ED formalized negotiations for UPPT to be the developer of certain property METRO owns located at 810 Barret Avenue, 850 Barret Avenue and 1235 E. Breckinridge Street, known as the Urban Government Center (“**UGC**”) and as more particularly described in Exhibit A to the Development Agreement, together with that certain property the Louisville Metro Housing Authority Development Corp. (“**LMHA**”) owns located at 768 Barret Avenue, as more particularly described in Exhibit B to the Development Agreement (collectively, all four properties will be referred to herein as the “**Property**”); and

WHEREAS, pursuant to and Section 1.22 of the Development Agreement, UPPT agreed to use good faith efforts to work with a Project Advisory Group, as comprised of representatives from those certain surrounding neighborhood associations identified by ED; and

WHEREAS, pursuant to Section 1.02.D of the Development Agreement, UPPT is to enter into a Community Benefits Agreement with the same surrounding neighborhood associations the representatives of which comprise the Project Advisory Group; and

WHEREAS, not all of the members of the Project Advisory Group are willing to sign the MOU, but other community-based organizations are supportive of the project and willing to be party to this MOU and ED has determined that the condition of Section 1.02D of the Development Agreement is satisfied; and

WHEREAS, UPPT has always been supportive of its neighbors and the neighborhoods surrounding its project and desires to continue to do so in the form of this Memorandum of Understanding; and

WHEREAS, over the past two years UPPT and the Project Advisory Group have held meetings to identify various areas and issues in, surrounding and pertaining to the Property and development of the Property where certain community needs exist or will potentially exist, stemming from causes that are both pre-development and post-development of the Property, and can be addressed and mitigated by solutions agreed upon by the parties; and

WHEREAS, UPPT, in response to these community needs discussed with the Project Advisory Group, agrees to provide or participate in the funding of certain community benefits for the use and enjoyment of residents who live within the neighborhoods surrounding the Property and which are represented herein by the associated neighborhood associations herein identified and made parties to of the MOU.

NOW THEREFORE, for good and valuable consideration, the parties set forth their understanding as follows:

SECTION I. OBLIGATIONS OF UPPT.

UPPT agrees as follows:

A. UPPT Payments to the Neighborhood Associations. UPPT shall contribute to the Neighborhood Associations an amount of Twenty-Five Thousand Dollars (\$25,000.00) prior to the issuance of the first Certificate of Occupancy for the Project. The funding shall be distributed directly to the Neighborhood Associations in an agreed manner. Proof of payment shall be submitted to ED.

B. UPPT Funding for Green Spaces.

1. UPPT shall provide funding in the amount of Ten Thousand Dollars (\$10,000.00) for capital improvements to the Paristown Pointe Community Garden, which said amount may include fees necessary to design the Community Garden.

2. UPPT shall design the proposed courtyard on Vine Street with the Paristown Pointe Neighborhood Association to design the space in a manner that promotes public use.

3. UPPT shall design and construct a playground on the former Urban Government Center site. Specific design and location of the playground shall be presented to ED for approval, such approval shall not be unreasonably withheld by ED. UPPT shall be required to construct and maintain the facility at its sole expense.

C. Reuse of Building Materials Salvaged from Demolition of Urban Government Center Building and Other Buildings on the Property. UPPT will use commercially reasonable efforts to incorporate and reuse salvageable materials from the Urban Government Center building and other buildings on the Property – brick, stone, cornices, doors, wood, etc. – into its public spaces and amenities on the Property which may include walking pathways, steps, plazas, sitting areas, benches, walls, and public art, or other similar appurtenances. Additionally, UPPT will use reasonable efforts to make bricks available to the public in a manner that is safe and in accordance with federal, state and local regulations.

D. Traffic and Parking Studies. UPPT shall conduct independently administered traffic and parking studies for the area near the Property, the scope of which are to be determined in conjunction with the Project Advisory Group and Louisville Metro Public Works but, at minimum,

will include Brent Street, Swan Street and Vine Street rights-of-way. The traffic and parking studies shall both include the measurement of traffic counts and available parking spaces during times when Paristown Hall is operating performance events, which, when combined with traffic counts not attributable to Paristown Hall events, would give an estimate of the traffic impact to the surrounding neighborhoods during the periods of peak traffic volumes. UPPT shall work with the Kentucky Center for the Arts Corporation, an entity created by Kentucky legislative act d/b/a Kentucky Performing Arts ("KPA"), to obtain KPA's participation with the traffic and parking studies herein contemplated.

1. Devise and Implement Event Traffic Flow and Parking Plan. UPPT shall work with Louisville Metro Police Department ("LMPD"), METRO, PARC, and other associated entities, if necessary, to identify and implement strategic solutions and strategies for improving the current traffic flow and parking conditions during events held at Paristown Hall and that will help facilitate unimpeded parking for and by residents in the Paristown Pointe neighborhood.

2. Furnish Area for Rideshare Pickup/Drop-off Area. UPPT will provide for an area, located on or off the Property, where ridesharing participants (including but not limited to taxi, Lyft, Uber, shuttle and limo services) pick up and drop off passengers rather than those passengers driving vehicles themselves. The location of any Rideshare Pickup/Drop-off Area is intended to improve traffic flow and reduce parking demand on the Property and neighboring properties, as well as reduce impaired driving in the immediate area.

3. Updated Traffic and Parking Study. UPPT pledges to fund a review and update of the traffic study and parking study within one year of completion/full build-out of the Property's approved development. The updated traffic study and parking study will be conducted by an independent consultant and are intended to account for potential changing traffic and parking patterns on the Property and the area surrounding Paristown Hall. Prior to conducting updates to the traffic study and parking study contemplated in this provision, UPPT shall seek input from the Paristown Pointe Neighborhood Association, Inc. related to changes in the traffic and parking patterns observed since development of the Property.

E. Security. UPPT will provide reasonable security on all of its properties to provide for increased safety of all of its residents, visitors, guests and patrons. No perimeter-wide obstruction such as fencing, barbed wire, or other means shall be installed that is intended to keep the greater community out of the development, or otherwise deny public access to the amenities on the site.

F. Sidewalks and Street Lighting. UPPT will install all new sidewalks and street lighting on the Property in accordance with all approved development plans and applicable provisions of the adopted Pattern Book for development of the Property. UPPT will implement site design that encourages pedestrian access to safe, walkable areas throughout the Property. As part of the implemented design for street lighting, UPPT will use "cut-off" fixtures to direct lighting down and limit lighting from shining onto adjacent residential areas where practical. Additionally, UPPT agrees to install at least 10 banners along Vine Street, Breckenridge Street or Barrett Avenue that include identification for "Historic Paristown".

G. Land Usage. UPPT shall establish land uses on the Property only as permitted by the applicable development plan, binding elements, Pattern Book, local zoning regulations, and by the following:

1. Use of the Steam Plant. Subject to a comprehensive evaluation of the structure to determine its safety and feasibility of use, UPPT commits to retaining the Steam Plant Building, as the Steam Plant Building is defined by the parameters of the building envelope depicted in red on the Exhibit A attached hereto (except for necessary updates to bring the existing Steam Plant Building current with applicable building code and other regulations), so that a portion of the Steam Plant Building may be used as a Community Center with space available for neighborhood associations party to this Agreement at no cost for the public to use, subject to such reasonable rules and regulations as UPPT may adopt. In addition, UPPT agrees to have discussions with the Paristown Pointe Neighborhood Association about opportunities for placement of neighborhood identification on the smokestack. Any wording shall include "Paristown".

2. Short-term Rental of Dwelling Units Prohibited on the Property. UPPT shall not permit the short-term rental (as defined by the Land Development Code) of any residential dwelling unit located on the Property. UPPT commits to inserting language within apartment leases of residential units located on the Property that disallows the short-term rental of such dwelling unit.

3. Stand-alone Liquor Stores Prohibited on the Property. No land use where the sale of packaged spirits is the primary use of the premises shall be allowed on the Property. The sale of packaged spirits as an accessory use (e.g., in a hotel gift shop, small grocery market, local goods store, etc.) to the primary use of a premises is permitted on the Property.

4. Establish a Market/Small Grocer on the Property. UPPT will commit to use commercially reasonable efforts to attract a small market/grocer or general retail store or an equivalent user where the sale of food and daily necessities for area residents can be purchased on the Property.

5. Additional Affordable Housing Units on the Property. In addition to the 46 affordable housing units required by METRO through enacting the ordinance establishing the development area and Local Participation Agreement, UPPT shall dedicate five (5) additional housing units that will be rented to income eligible tenants at rates not to exceed the applicable 80% AMI Cap as that term is defined in the Local Participation Agreement, for that type of unit.

H. Environmental Remediation on the Property. UPPT commits to removing the hazardous materials from the buildings located on the Property during the demolition phase of the project. All demolition activities shall meet or exceed all applicable government standards for hazardous waste removal.

I. Tree and Landscape Plantings on the Property. UPPT shall add approximately 150 new trees and other landscape plantings of a species native to the area on the Property. Said tree and

landscape plantings will be appropriate for the area climate and specific locations on the Property where they will be planted. Prior to implementing the planting of trees and landscaping on the Property, UPPT shall coordinate review of the tree and landscape plantings list with those members from the Neighborhood Advisory Group who desire to participate in providing input and review of the plantings list for the Property. In addition, UPPT shall assess the health of the healthy mature tulip poplars along East Breckinridge Street. If the trees are healthy, they shall be preserved

SECTION II. OBLIGATIONS OF METRO.

METRO agrees as follows:

In good faith, METRO will work with the neighborhood association(s) adjacent to the Urban Government Center site and will work with UPPT to:

- A. Assist with the development of the Property;
- B. Assist with effectuating the regulatory aspects of the development that include but are not limited to the implementation of traffic mechanisms that improve pedestrian safety, traffic flow and parking issues, neighborhood security, streetscape and landscape improvements, signage/banners, and any other aspect of Section I of this MOU that would be under the jurisdiction of METRO.

SECTION III. TERM.

The Term of this MOU shall be twenty (20) years or the duration of any tax increment finance incentive approved for the site, whichever is less, commencing on the Effective Date unless terminated pursuant to Section V of this MOU.

SECTION IV. APPLICABLE LAW.

This MOU shall be interpreted under the laws of the Commonwealth of Kentucky.

SECTION V. ENTIRE UNDERSTANDING.

This MOU shall constitute the entire written understanding of the parties with respect to the subject matter hereof and shall supersede all oral and written understandings of the parties, all of which are deemed to be merged herein. This MOU may not be modified, amended or terminated except in writing, signed by UPPT, METRO and a majority of the five neighborhood associations parties hereto.

SECTION V. ASSIGNMENT.

This MOU may be assigned by UPPT to another entity upon written notice to the other parties.

IN WITNESS WHEREOF the authorized representatives of parties hereto have caused this MOU to be duly executed as of the date first above written.

UPPT, LLC

By: _____
Stephen Smith
Title: Authorized Member

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

By: _____
Title: _____

By: Paristown Pointe Neighborhood Association, Inc.

By: _____
Title: President

By: Bates Community Development Corporation

By: _____
Title: President

By: Highlands Community Ministries, Inc.

By: _____
Title: President

**APPROVED FOR FORM AND LEGALITY
MICHAEL J. O'CONNELL
JEFFERSON COUNTY ATTORNEY**

By: _____
Title: Assistant County Attorney

ORDINANCE NO. _____, SERIES 2024

AN ORDINANCE ESTABLISHING A DEVELOPMENT AREA PURSUANT TO PROVISIONS OF KRS 65.7041 - 65.7083 TO BE KNOWN AS THE URBAN GOVERNMENT CENTER DEVELOPMENT AREA, DESIGNATING THE METRO DEVELOPMENT AUTHORITY, INC. AS AN "AGENCY", ADOPTING A DEVELOPMENT PLAN, APPROVING ENTERING INTO A LOCAL PARTICIPATION AGREEMENT, AUTHORIZING THE PAYMENT OF THE "RELEASED AMOUNT" PURSUANT TO THE TERMS AND CONDITIONS OF THE LOCAL PARTICIPATION AGREEMENT, REQUIRING THE SUBMISSION OF REGULAR REPORTS TO LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS AND THE TAKING OF ANY OTHER ACTIONS NECESSARY TO ACCOMPLISH THE PURPOSES AUTHORIZED BY THIS ORDINANCE.

SPONSORED BY: COUNCIL MEMBER PHILLIP BAKER

WHEREAS, the Kentucky General Assembly enacted KRS 65.7041 - 65.7083 (the "Act") relating to tax increment financing and urban redevelopment, which Act establishes development areas to increase property values, increase employment opportunities, and increase economic activity;

WHEREAS, UPPT, LLC, a Kentucky limited liability company, or an affiliate of same (the "Developer") plans to undertake a major renovation project within the Urban Government Center Development Area (the "Development Area") to complete the Urban Government Center Project (the "Project"), as more particularly described in the Development Plan attached hereto as Exhibit A;

WHEREAS, the Project, which qualifies as a development area under the Act, will involve new capital investment of approximately \$249 million when fully developed;

WHEREAS, in accordance with the provisions of the Act, a Development Plan for the Development Area has been prepared and a public hearing has been conducted to seek public comment on the Development Plan;

WHEREAS, the Legislative Council of the Louisville/Jefferson County Metro Government (the “Council”) finds that the Project to be undertaken in the Development Area by the Developer will further the public purposes identified in the Act by increasing the value of property located in the Development Area, increasing employment within the Development Area, Louisville and the region and increasing the tax base of Louisville;

WHEREAS, it is therefore in the interest of Louisville/Jefferson County Metro Government (“Louisville Metro”) and Metro Development Authority, Inc. (the “Authority”) that there be a plan for the optimal revitalization and development of the Development Area in a most efficient manner;

WHEREAS, the redevelopment of previously developed land, within the meaning of the Act and as presented by the Developer and the Authority, enables Louisville Metro to use tax increment financing to encourage major economic development projects and is a worthy public purpose;

WHEREAS, Louisville Metro is authorized under the Act to execute a local participation agreement with an agency in acknowledgement of benefits to be derived by Louisville Metro within a development area in order to promote the public purpose of Louisville Metro;

WHEREAS, the Authority is organized and incorporated as a nonprofit, nonstock corporation pursuant to KRS Chapters 58 and 273 to act as an “Agency” under the Act; and

WHEREAS, Louisville Metro has determined that based on the benefits to be derived from the Project that it is in furtherance of its public purposes to assist

Developer, through the Authority, with the costs of the Project and agrees to enter into the Local Participation Agreement in order to pay to the Authority the Released Amount (as hereinafter defined) for use solely for purposes of the Project.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (“COUNCIL”) AS FOLLOWS:

SECTION I: The Development Plan, attached hereto as Exhibit A, is hereby adopted.

SECTION II: That the Council finds as follows:

A. All statements of fact set forth in the recitals to this Ordinance are found true and correct and are incorporated herein by reference.

B. The Development Area, as depicted in Exhibit B, is a contiguous parcel of property, approximately 11.6546 acres in size, and is less than three (3) square miles in area as required by the Act.

C. The Development Area constitutes previously developed land as required by KRS 65.7043(2).

D. The establishment of the Development Area shall not cause the assessed value of taxable real estate in all development areas located in Louisville Metro to exceed 20% of the assessed value of all taxable real property in Louisville. To date Louisville Metro has established several other development areas with a combined taxable real property assessment at the time they were established of approximately \$1.568 billion. The taxable real property assessment of the Development Area for calendar year 2023 is approximately \$2,660,600, and that amount combined with the previous development areas established by Louisville Metro totals \$1.571 billion, while

the total taxable real property assessment for Louisville exceeds \$71.6 billion, 20% of which is \$14.3 billion.

E. The conditions within the Development Area meet three (3) of the seven (7) factors of blight as set forth in KRS 65.7049 and are as follows:

1. **A substantial loss of residential, commercial, and industrial activity or use has occurred within the Development Area.** The Development Area consists of five parcels, and all of the structures on those parcels are currently vacant. The majority of the structures have been vacant for more than five years.

2. **Substantial abandonment of residential, commercial, or industrial structures.** The Development Area consists of five parcels, and all of the structures on those parcels are currently vacant. The majority of the structures have been vacant for more than five years.

3. **A combination of factors substantially impairs or arrests the growth and economic development of the city or county and impedes the development of commercial or industrial property due to the Development Area's present condition and use.** Development of the Project site without assistance as provided by the Act is not feasible due to the large-scale costs associated with the redevelopment of the proposed Project, including the public infrastructure required in connection with the redevelopment of the site, such as the parking garage. No other adequate funding mechanism affords the proposed improvements absent the incentives provided under the Act. These improvements cannot be facilitated with private investment alone. The aesthetic improvement resulting from the redevelopment of the proposed Project will have a positive impact on Louisville Metro and the surrounding

area, especially the impact on the Paristown Pointe, Original Highlands and Germantown neighborhoods.

F. The Development Area will not reasonably be redeveloped without public assistance, including incentives as provided by the Act. The high cost of site redevelopment expenses needed for the Project makes public incentives critical to the financing of the Project.

G. The public benefits of redeveloping the Development Area justify the public costs proposed. The investment in the Development Area will result in significant returns through increased property valuations for the surrounding area and facilitate secondary and tertiary re-development within the area. The Development Area has a 2023 taxable assessment of approximately \$2,660,600 but currently generates \$3,042 in ad valorem real property taxes to Louisville Metro because all but one of the five parcels in the Development Area (the four are assessed at \$2,010,600) are exempted from ad valorem real property taxes because the owner of those parcels qualified for the property tax exemption pursuant to Section 170 of the Kentucky Constitution. The Project will increase capital investment by approximately \$249 million, which will provide significant new taxes to Louisville Metro and the other taxing districts. While Louisville Metro will pledge 80% of the incremental increase of the local ad valorem real property taxes from the Development Area, up to a cap of \$20,316,819, to provide redevelopment assistance to the project, it will retain 20% of the new incremental increase of the local ad valorem real property taxes and 100% of the local occupational taxes from the Development Area. Therefore, even when considering the requested incentives for the Project from Louisville Metro, the Project will be financially beneficial

to Louisville Metro. The Project will also serve as a catalyst for additional development in the area surrounding the Development Area. The Developer has also committed to a community benefits agreement, which will be memorialized in a Memorandum of Understanding (“MOU”) substantially similar to the draft MOU attached as Exhibit D.

H. The area immediately surrounding the Development Area has not been subject to growth and development through investment by private enterprise independent of public support. The proposed improvements within the Development Area will have a positive effect on the surrounding area, which faces stagnation in development without them.

I. The pledge and use of a portion of Louisville Metro’s incremental revenues, as defined in the Local Participation Agreement, derived from the Development Area to provide redevelopment assistance to the Project and the Development Area will increase capital investment in Louisville Metro, and therefore constitutes a public purpose.

SECTION III: The Development Area as illustrated and described in Exhibit B is designated as a development area pursuant to the Act and shall be named the Urban Government Center Development Area. The Development Area shall be established as of the effective date of this Ordinance and shall terminate on the earlier of (a) the termination of the Local Participation Agreement, attached hereto as Exhibit C, or (b) 25 years from the date hereof, provided that in no case will the termination date be more than twenty (20) years from the activation date.

SECTION IV: That the Metro Development Authority, Inc., a Kentucky nonprofit, nonstock corporation (the “Authority”), (a) is designated as the Agency, pursuant to the

terms of the Act, (b) shall be the recipient of the Released Amount under the Local Participation Agreement and (c) shall be required to oversee and administer the implementation of the Project within the Development Area.

SECTION V: That the Mayor is authorized to negotiate and enter into a Local Participation Agreement, substantially in the form attached hereto as Exhibit C, with the Authority for the release to the Authority of a portion of the new ad valorem real property taxes expected to be derived by Louisville Metro from the Project to be constructed in the Development Area ("Released Amount").

SECTION VI: That the Office of Management and Budget is designated as the department in Louisville Metro to oversee the payment of the Released Amount and to review all documentation concerning the Project, its progress, costs and development. The Office of Management and Budget shall annually submit to the Council a report concerning the Development Area ("Report"). The Developer shall provide to the Office of Management and Budget, on a timely basis, all information required by the Office of Management and Budget to prepare the Report. The Report shall include but not be limited to:

- A. An accounting of all payments made to the Authority pursuant to the Local Participation Agreement;
- B. An analysis and review of development activity within the Development Area;
- C. The progress made toward meeting the stated goals of the Development Area; and

D. An accounting of the Approved Project Costs and other Project Costs incurred by the Developer.

SECTION VII: That the Council authorizes Louisville Metro to pay annually to the Authority, the Released Amount which shall be calculated as provided in the Local Participation Agreement, not to exceed a sum equal to 80% of the Louisville Metro Ad Valorem Real Property Tax Increment, as that term is defined in the Local Participation Agreement subject to the following condition: in no event shall the total of the Released Amount paid to the Authority over the term of the Local Participation Agreement exceed \$20,316,819 as set forth in the Local Participation Agreement.

SECTION VIII: That the Authority shall establish a Special Fund pursuant to the Act for the Development Area as set forth in the Local Participation Agreement.

SECTION IX: That the Mayor and other appropriate Louisville Metro officials, and each of them, for and on behalf of Louisville Metro, are hereby authorized, empowered and directed to do and perform any and all things necessary to effect the execution of the Local Participation Agreement, the performance of all obligations of Louisville Metro under and pursuant to the Local Participation Agreement and related documents, and the performance of all other actions of whatever nature necessary to effect and carry out the authority conferred by this Ordinance and the Local Participation Agreement. The Mayor and other appropriate Louisville Metro officials, and each of them, are hereby further authorized, empowered and directed for and on behalf of Louisville Metro to execute all papers, letter, documents, undertakings, certificates, assignments, forms, instruments and closing papers that may be required for the carrying out and effectuation of the authority conferred by and for the purposes of this

Ordinance and the Local Participation Agreement, or to evidence said authority and purposes, and to exercise and otherwise take all action necessary to the full realization of the rights and purposes of Louisville Metro under the Local Participation Agreement and related documents and to perform all of the obligations of Louisville Metro under the Local Participation Agreement and related documents.

SECTION X: 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 XI: This Ordinance shall take effect upon its passage and approval or otherwise becoming law.

Sonya Harward
Metro Council Clerk

Markus Winkler
President of the Council

Craig Greenberg
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: _____

Exhibits

- A. Development Plan
- B. Map of Development Area
- C. Local Participation Agreement
- D. Memorandum of Understanding

EXHIBIT A

DEVELOPMENT PLAN

The Project is a mixed-use redevelopment consisting of approximately 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.

EXHIBIT B
MAP OF DEVELOPMENT AREA

LEGAL DESCRIPTION

768 Barret Avenue

Being Tract 2 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

810 Barret Avenue

Being Tract 1 as shown on the plat approved by the Louisville and Jefferson County Planning Commission and recorded in Deed Book 6143, Page 554, in the Office of the Clerk of Jefferson County, Kentucky.

850 Barret Avenue

Beginning at a point where the North line of Breckinridge Street intersect with the East line of Vine Street; thence North 55 degrees 36 minutes 00 seconds East along the North line of Breckinridge Street 384.52 feet, more or less, to a point; thence North 33 degrees 58 minutes 45 seconds West along a line parallel to the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 5 feet to a point; thence South 33 degrees 58 minutes 45 seconds East 15 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 209.63 feet to the East line of Vine Street; thence South 33 degrees 59 minutes 30 seconds East along the East line of Vine Street, 167 feet to the point of beginning, and being Tract 1 on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

1235 E. Breckinridge Street

Beginning at a point where the North line of Breckinridge Street intersects with the West line of Barret Avenue: thence North 33 degrees 58 minutes 45 seconds West along the West line of Barret Avenue 167 feet to a point; thence South 55 degrees 36 minutes 00 seconds West 110 feet to a point; thence South 33 degrees 58 minutes 45 seconds East along a line parallel to the West line of Barret Avenue 167 feet to a point in the North line of Breckinridge Street; thence North 55 degrees 36 minutes 00 seconds East along the said North line of Breckinridge Street 110 feet to the point of beginning and being Tract 2 as shown on the plat attached to Deed of record in Deed Book 5170, Page 755 in the Office of the Clerk of Jefferson County, Kentucky.

814 Vine Street

Being all of Lot 1 on the minor subdivision plat approved by the Land Development & Transportation Committee of the Louisville and Jefferson County Planning Commission, 19MinorPlat1007 on January 31, 2019, said plat being attached to a Deed recorded on July 3, 2019 in Deed Book 11447, Page 703 in the Office of the Clerk of Jefferson County, Kentucky.

EXHIBIT C
LOCAL PARTICIPATION AGREEMENT

EXHIBIT D
MEMORANDUM OF UNDERSTANDING

Urban Government Center TIF Public Hearing – April 18, 2024
Meeting Summary

Meeting started at 5:30pm.

Jeff O'Brien, Executive Director of Economic Development, presented an overview of the project and the TIF request. He indicated the Metro Council's Labor, Economics and Appropriations Committee will discuss the project again at their May 7, 2024 meeting.

Speakers:

1. Thomas Woodcock, 1375 S Brook St, stated he is opposed to the TIF as it's a bad deal for the city. He stated concerns about delays and secretive meetings over the past 2 years, that there were no binding elements in the TIF itself, no track record for the developer and that other city subsidies would be sought as part of this project. He indicated there were alternative plans that could be implemented on this site.

Mr. O'Brien clarified the "secretive" meetings over the past two years were the public meetings required for the rezoning process and the neighborhood advisory group. No other Metro subsidies, other than TIF and the property transfer, were being requested.

2. Steve Wiser, 2812 Reidling Ave, stated he was opposed to the TIF. He was concerned the TIF set a bad precedent as other housing, office, parking garages and hotels were being built without tax incentives. He stated the project was incompatible with the surrounding land uses. The buildings didn't need to be demolished and the redevelopment of the site could be more compatible with the surrounding neighborhood. He was also concerned the developer did not have a track record.
3. Al Cornish, 10241 Dorsey Point, stated he supports the project and the TIF. He noted TIFs were good tools for cities to use to encourage redevelopment. He was presenting on behalf of the Bates CDC as its Vice President. He noted that Bates CDC would be benefitting from the project as it would provide job opportunities. He stated the properties are currently a blight on the community.
4. Brian Forrest, 1041 Fulham Ct, stated he was representing the developer and noted the same group that developed the northern areas of Paristown Pointe, that includes the Paristown Hall. He stated the previous Saturday there were 4,000 people in Paristown Pointe – so the developer does have track record in the neighborhood. The Urban Government Center site is catalytic for the surrounding neighborhood and adjacent neighborhoods. He also noted the developer already owns 814 Vine St.
5. John Gonder, 1000 Swan St, stated the project and process lacks vision and it should be an asset for the entire community versus for private development. He noted the administration's policy for the site is the same as the previous administration's. He stated the public land should be kept public.

6. Steve Magre, German Paristown Neighborhood Administration (**Please Note:** The below comments were taken from a written document he provided and the emphasis was added by Mr. Magre).

I want next to speak to each of you as one who understands your role and pressures, as I spent 24 years of my life as a City Legislator. You all together are 1 of the 2 remaining branches of City Government that by your charge should never accept as OK what can only be defined as the lead branch via out Mayor is being obvious in its move to say it wants you give the OK to single out 1 specific CBC member, dump the other 4 members as having a vote; and we all know the one that is wanted! If this does end up being the actual play out then all of you are tied to a strategy that was implemented to purposely mute 4 neighborhoods out of the blue, and silence four neighborhood areas that care greatly and it will have been done in a way that frankly equates breach! I'm not here to mince words!

What I have seen playing out over many months now is an intentional action by the Mayor to fully negate what needs to be the rightful influence coming from all but his NOT choosing to support this approach but to rather accent input as needing to come from one neighborhood only. What must be recommended next by the City to gain a CBA must come via the full community benefits committee that has been in place for years. Its having ability as a representative committee to influence should be on the basis of a public blessing by the Mayor and if not the Mayor then it certainly must come via the Council! What we need you all to help assure is the Mayor and his administration in bringing forth a final form of an agreement to you has an agreement in hand that has all 5 of the representatives of the CBC fully involved and not one of them are made to be muted.

So WHO IS LEFT TO CHECK ALL AND STEP UP TO ASSURE ALL PROCEEDS in THE RIGHT way. Well, IT IS CLEARLY NOW UP TO the second branch of City Government and you all as a body DO have that power and YES- YOU HAVE THE duty.

IN CLOSING, I WILL SHARE that from my Civic Courses taken as a student eons ago at Bellarmine; and from my 23 years as a city legislator WHAT HIGH QUALITY LEGISLATORS ARE CALLED ON TO DO MOST OFTEN IS THEIR administering checks and balances by IT IS THIS branch of City Government CAN ASSURE good government HAPPENS WHEN IT LOOK LIKE IT CAN NOT. As Council members each of you have the power MAKE THE DIFFERENCE HERE, and I pray you do. Thank you for allowing me to speak.

7. Deanne O'Daniel, 2211 Dearing Ct, stated she is concerned with demolition of the buildings and noted the buildings can be cleaned up and re-used. She noted that tourism is a major component of Louisville's economy and historic buildings are major attractions. She also noted her concern with the loss of green space. She noted if the developer is seeking a TIF, they should be required to include a library.
8. Cindy Pablo, 1039 Lampton, stated she lives in Paristown Pointe. She noted that the neighborhood worked in 1997-1998 with Alderman Steve Magre to become an official neighborhood association. She indicated the current developer was chosen because of the failure of previous groups. She noted the neighborhood advisory groups have been working for 2 years and had only been negotiating for their own special interests. She stated the

neighborhood didn't need a park as there were only 20 kids. She stated the community wants its garden improved. She stated she supported the project.

9. Derek Pedolzky, Limerick Neighborhood Association, stated he was opposed to the TIF as the city has many other needs including housing, funding for the Office of Safe and Healthy Neighborhoods. City tax dollars should not go to one developer. He indicated concern with the developer's track record and noted there were alternatives plans for the site.
10. Valerie Magnus, Soil and Water Conservation District, 2015 W Main St, stated she was opposed to the TIF. She indicated the plan needed more green space and affordable housing. She also indicated the paw paw trees on site should be preserved. She stated the project is designed for a world that no longer exists and is not helping the city prepare for the climate emergency.
11. Amy Lockett, Original Highlands Advisory Group Member, 1427 Christie, stated the public property is priceless. The project needs to have sustainable landscaping and more affordable housing. She stated the developer has not been willing to negotiate on these issues and the land will be sold after the TIF is approved. She stated the city could do better.
12. Gail Howard, 807 Guillion Court, President of Paristown Pointe Neighborhood Association, stated that she agrees with Cindy Pablo's comments. She stated the Paristown Pointe Neighborhood Association would sign the community benefits agreement. She also stated she was concerned with the condition of the buildings and supports the project.
13. Frank Ford, 1038 Lampton, stated that he was opposed to the project. He stated the community should only grant TIFs if the community gets something it wants.
14. Glen Dentinger, 1939 Payne Street, stated the public land should be designed to benefit the public. He stated he is opposed to the TIF. He stated he is concerned with the growing urban heat island and thought the property should be developed more responsibly.
15. Rebecca Minnick, German-Paristown Advisory Group Member, 1038 Breckinridge St, indicated the project will impact neighborhoods surrounding the site – not just Paristown Pointe. She agreed with many of the previous speakers and noted the property is the same size as Tyler Park. She stated she had been following the process since 2017. She said the primary issues for the Neighborhood Advisory Group were – providing more green space with a playground and affordable housing. She stated the project should adhere to LEED standards and the rent thresholds should be lower than 80% AMI. She stated the land is an opportunity for the community. She stated her concern about the developer's capacity and is opposed to the TIF.
16. Joanne Robinson, 854 Vine St, stated she loves the lower Paristown development. She stated the immediate neighbors wanted the development. She stated the neighborhood needs balance between affordable housing and market rate housing. She noted the developer has a track record in the neighborhood and supports the TIF.
17. James Heck, 1134 Breckinridge St, could stand to benefit from the project because he owns Seidenfaden's. He stated the neighborhood does not seem to want the project and the city should take that into account.

18. Chris Wells, Vice Present, German Paristown Neighborhood Association, stated that the neighborhood doesn't want the project. He stated the project does not address climate change and the city is not really getting any benefit from the project. He said the city is cutting a deal with one neighborhood association.
19. Ameerah Granger, Chickasaw Neighborhood, stated her neighborhood was in the West End Opportunity Partnership TIF. She stated it seems that TIFs are going longer and that she does not recall TIFs running for 20 years. She stated the process should be restarted and that she is opposed to the TIF.
20. Michael Zuckerman, Greystone, Northbrook, IL, stated he walked the property and is an advocate for affordable housing and historic preservation. He stated that development is hard to finance. He stated that the buildings should be preserved and would be an opportunity for affordable senior housing.
21. Selena Filichia (via WebEx), 1926 Swan St, stated that she works in an office building that is 40% occupied and is concerned that the office use is not viable. She stated she lives three blocks away from the site. She said she has concerns about the developer and does want to see the opportunity to create more green space be wasted. She noted the building should be preserved.
22. Shannon Musselman (via WebEx), Lampton St, stated she has concerns about the community benefits agreement. She stated the agreement should be signed by all neighborhood associations. She said the building can be saved and is opposed to the proposed hotel location.

Meeting concluded at 7:30pm.

Respectfully submitted,

Jeff O'Brien
Executive Director
Economic Development

Harward, Sonya

From: O'Brien, Jeff
Sent: Friday, April 26, 2024 4:01 PM
To: Baker, Phillip; Engel, Robin; Purvis, Donna; Mulvihill, Patrick; Seum JR, Dan; Flood, Madonna; Batshon, Khalil; Ackerson, Brent
Cc: Hardin, Tony; Wohl, Geoff; Ammon, Lisa E; Derouen, Andrea; Goodman, Steven; Harward, Sonya; Morrow, Keturah; Mulloy, Pat; Washington, Carmen; Lewis, Christopher; Weathers, Chuck
Subject: UGC Public Hearing Video and Notes
Attachments: UGC TIF Public Hearing Notes_04.18.2024.pdf

Hello Committee Members –

I am sharing the video and notes (attached) from the TIF Hearing that was held last Thursday (4/18). The direct link to the video is <https://www.youtube.com/watch?v=1eaTzsmR6Zc>. That link is also on Metro's Urban Government Center web page.

Additionally, I've been in discussions with the developer and several of the neighborhood associations this past week. Mr. Smith and his team are willing to add a requirement for a playground and additional affordable units for the site. I'm reaching out to get a meeting with the Advisory Group to discuss the Community Benefits Agreement further, which will address several of the comments made at the public hearing.

Please let me know should you have any questions. I will stay in communication with Chair Baker on progress understanding our next scheduled appearance on this matter is May 7.

I hope you all have a wonderful Derby!

Jeff

Jeff O'Brien

Executive Director

Cabinet of Economic Development

Louisville Metro Government

444 S. Fifth St. #600, Louisville, KY 40202

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CABINET FOR
**ECONOMIC
DEVELOPMENT**

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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.

COMMUNITY FORUM



Urban Government Center project needs community input

Urban Government Center advisory panel
Guest columnists

The Urban Government Center advisory panel has attempted to negotiate a community benefits agreement with Upper Paristown Preservation Trust to offset the impact of UPPT's proposed redevelopment of the subject property since 2021. The development is slated to include luxury apartments, houses, an office building, a parking garage and a boutique hotel. UPPT provided a cost estimate of about \$249 million, which includes the \$1 that UPPT would pay Metro to purchase the property.

Tax increment financing would provide a partial offset of the development cost as well. Because of these public subsidies, the panel was tasked by Metro's executive branch to represent the adjacent neighborhoods in these negotiations. Because we were unsuccessful in negotiating adequate measures to mitigate these impacts, we were unable to sign the Community Benefits Agreement. Despite our committee's investment of years of time attempting to negotiate benefits to our neighborhoods, Metro has accepted a new committee — appointed by UPPT involving members of the development team — as a valid substitute for the grassroots efforts with which Metro tasked us.

The advisory panel wants to see the next chapter for the Urban Government Center: The vacant building is a scourge upon all of the adjacent neighborhoods, especially those closest to it. During this process we have tried to negotiate with the developer, and our asks of additional affordable housing on UPPT's proposed development and an acre or more of green space open to the public, both of which are stated priorities of the administration, have been met with refusal. And now, Louisville Metro's Department of Economic Development has decided that instead of stating that a deal could not be reached between the parties, they have quietly and in the eleventh hour amended the parties, which now include members of the development team instead of the surrounding communities.

Developers won't heed community needs

In opportunities for public comments, the biggest ask from the community was for public green space. While the most recent version of the CBA has agreed to a half-acre park, the specifics around it have been left vague. The panel requested at least a one-acre park,



The Urban Government Center building Jan. 31, 2023. MICHAEL CLEVENGER AND SCOTT UTTERBACK/COURIER JOURNAL

and the developer did not respond to our counter. Another issue the panel had with the proposed development is the creation of new office space when our downtown is full of empty offices, and when we are actively using tax dollars to bring workers back into the Central Business District.

Additionally, 54 units of 50-80% AMI housing in a 460-plus unit development is a good start, but is insufficient to our community need in 2024. Finally, the development of luxury condominiums and the hotel has the potential to change the surrounding housing market in a way that would push out existing neighbors in the name of private profits, without a meaningful way to support them.

Most importantly, perhaps, Metro is proposing to give UPPT not only about 11 acres of prime real estate on Barret Ave for \$1, but also twenty years of tax increment financing to offset some of the cost of a commercial and luxury housing project. This is an ethical

issue because the arrangement privatizes profit and socializes loss. Tax increment revenue goes neither to the state for redistribution nor to Metro for local expenditures. This panel views the current plan as extractive and problematic for the surrounding community.

We consider it important that we not allow this administration to misrepresent our years of volunteer work by claiming that a community benefits agreement was agreed upon. The developer was not willing to consider meaningful community benefits that would either enhance the quality of life for the neighbors or alleviate any of the difficulties that the project is likely to create.

Frank Ford, Paristown Pointe neighborhood; Amy Lockett, Original Highlands neighborhood; Doug Magee, Phoenix Hill neighborhood; Rebecca Minnick, Germantown neighborhood; Randall Webber, Smoketown neighborhood

NOTICE OF PUBLIC HEARING

A public hearing on the proposed Development Plan (“Development Plan”) for the Urban Government Center Development Area (the “Development Area”) will be held at the Louisville Metro Council Labor, Economic Development, and Appropriations Committee meeting on September 10, 2024, at 3 p.m. The meeting will be held in Council Chambers at City Hall, 601 W. Jefferson St.

This public hearing is being held to solicit input from the public regarding the proposed Development Plan. The Development Plan establishes the boundaries of the proposed Development Area, as set forth in a map attached to the Development Plan and includes properties located at 768, 810 and 850 Barret Avenue, 1235 E. Breckinridge Street and 814 Vine Street (the “Site”). The Development Plan also identifies the proposed project to be located at the Site. To assist in the development of this project, the Louisville/Jefferson County Metro Government is proposing to pledge a portion of the new incremental increase in the local ad valorem real property taxes. A copy of the proposed Development Plan and the Ordinance establishing the Development Area are available for public inspection at the offices of the Department of Economic Development, 444 S. Fifth St; Suite 600, Louisville, KY, or can be obtained at www.louisvilleky.gov/economicdevelopment or by calling 502.574.4140.

From: [Hardin, Tony](#)
Subject: Fwd: Questions about UGC
Date: Tuesday, September 10, 2024 12:59:50 PM

Honorable Councilmembers,

Please see below the answers provided, from the Administration, to our office for your questions regarding the Urban Government Center project.

Thanks,

Tony Hardin
Legislative Assistant
Office of Sixth District Councilman Phillip T. Baker
Louisville Metro Council

Louisville City Hall
601 West Jefferson Street
Louisville, Kentucky 40202
502-574-1106
tony.hardin@louisvilleky.gov

Follow Councilman Baker for Sixth District updates at
www.facebook.com/CouncilmanPhillipBaker or on Instagram [@CouncilmanPhillipBaker](https://www.instagram.com/CouncilmanPhillipBaker)

Begin forwarded message:

From: "O'Brien, Jeff" <Jeff.OBrien@louisvilleky.gov>
Subject: RE: Questions about UGC
Date: September 10, 2024 at 12:56:53 PM EDT
To: "Hardin, Tony" <Tony.Hardin@louisvilleky.gov>
Cc: "Morrow, Keturah" <Keturah.Morrow@louisvilleky.gov>, Phillip Baker <philliptbaker@gmail.com>

Tony –

See below. Answers are in *italics*.

Jeff

Please explain why the neighborhood associations who were a part of this process for years are not no longer a part of the Community Benefits Agreement and how the new groups were selected / informed

The Paristown Pointe Neighborhood Association is still a signatory to the agreement. Further, the core of the agreement that was drafted with the group remains intact. After a long negotiation, the neighbors wanted additional concessions from the developer (additional open space and additional affordable housing units). The

members of the other neighborhoods were not willing to sign without the additional concessions.

-Please explain what process is in place to require the actual construction plans to match what was presented as a part of the RFP. There seem to be a lot of question marks and "to be decided"

The construction will need to conform to the approved pattern book (part of the rezoning approval) and the development plan (part of the TIF approval). Metro Planning and Economic Development staff will review once construction plans are submitted. If plans do not meet the requirements of the pattern book or TIF development plan – Planning Commission and Metro Council approval will be required.

-Please explain the drastic differences between the RFP proposal and the current proposal

The proposed plan is substantially similar to what was proposed in the RFP response and approved by Council with rezoning. The developer has continued to refine the proposal given the economic changes over the past three years. The proposal is the same as what was presented and approved as part of the rezoning of the property to the PDD that occurred last year.

-Please explain what will happen if this proposal fails

The city has been working with the developer to redevelop and revitalize the property for 3 years.

Jeff O'Brien

Executive Director
Cabinet of Economic Development
Louisville Metro Government
502.574.1354

Harward, Sonya

From: O'Brien, Jeff
Sent: Wednesday, September 11, 2024 5:04 PM
To: Baker, Phillip; Engel, Robin; Purvis, Donna; Mulvihill, Patrick; Seum JR, Dan; Flood, Madonna; Batshon, Khalil; Ackerson, Brent
Cc: Harward, Sonya; Hopkins, Hollie; Fiechter, Travis; Ferguson, Laura; Morrow, Keturah; Delouche, Conroy; Winkler, Markus
Subject: LEA Committee Follow Up
Attachments: OldBaptistHospital_FeasibilityStudy_20170222.pdf; ucgbuildingsbarretave-estimatedabatementcostspdf.pdf; 2021 UGC Appraisal.pdf

Council Members –

As a follow up to our conversation yesterday, I've provided the appraisal and feasibility report for the Urban Government Center. A few notes on the appraisal:

1. Value was \$4,843,000 and the appraisal was completed in 2021, not 2017 as I stated the incorrect date yesterday.
2. It does not consider cost of clean-up – appraisal assumed the site is “environmentally clean”. The 2019 cost for remediation for the building was \$3,137,000 – most of the quantities for lead-based paint were unknown and there is a note about further potential deterioration of the mold – this document is attach and [online](#). Developer's current cost estimate for demolition and remediation for the site (including the LMHA building) is \$7 million. Given all of that, we believe the property to be upside down.
3. The appraisal value was based on property being rezoned to C-1 (it was zoned to PDD to allow for mixed use).

The feasibility study is also attached and [online](#). Here are some notes on that study:

1. It was conducted in 2017.
2. It estimated the cost for selective demolition and reuse of the building was \$33,988,773. This cost did not include environmental remediation.
3. It recommended selective demolition for portions of the building, so the demolition cost in the estimate on page 23 is not comparable to the estimated costs today.

Please feel free to contact me with any additional questions.

Thank you!

Jeff

Jeff O'Brien
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HISTORIC PRESERVATION DESIGN REPORT

Old Kentucky Baptist Hospital

FEASIBILITY STUDY

February 22, 2017



Project Description

The objectives of the study are to provide an analysis, condition assessment and cost estimate for the rehabilitation of the Old Baptist Hospital in Louisville, Kentucky. Louisville Metro Government has issued a Request for Proposals (Solicitation of Interest: 768, 810 and 850 Barret Avenue, 1235 E. Breckinridge and 814 Vine Street - Urban Government Center) from developer teams in order to determine the potential reuse of the site and historic buildings. This report focuses predominantly on the reuse of the existing historic portions of the buildings. Project scope included assessing the building's condition and integrity of historic fabric, recommending appropriate treatments, testing reuse options through the development of schematic floorplans, and developing cost estimates based on the treatment recommendations and reuse options.

Building Description

The Old Kentucky Baptist Hospital building is composed of a seven-story central structure with wings extending north and south from both east and west ends, as well as an original center wing that extends south. A single-story addition infills the area between the east and west wings on the north side. On the south side, a two-story addition infills the area between the west and central wings and a single story additional infills the area between the east and central wings. Windowless stair towers dominate the south elevations of the west and central wings and an imposing elevator tower is centered on the north elevation of the central mass.

The structure is concrete frame with hollow clay tile infill walls. The exterior is clad in brown and orange brick and features several limestone string courses. The brick on the older central mass is mottled in appearance and features more dark brown brick, while the newest addition, the south extension of the east wing, carries a lighter orange brick and no stone string courses. Interior walls are plaster or gypsum board.

All roofs are concrete with built-up roofing and pebble ballast. Roofs are enclosed by brick parapet walls with limestone coping. In some places the parapets exceed six feet in height. The north elevation of the 1924 building features parapet walls with limestone balustrades. Roofs slope to perimeter drains with metal downspouts on the east, south, and west elevations.

The building's windows, though modern fixed-light with lower hopper, reveal the arrangement of spaces within the building; the smallest windows indicating a bathroom or similar function, the largest

windows a sunroom, and mid floor windows a stairwell. The most common window size generally indicates a single room, though modern changes to interior spaces have altered this correlation to some degree.

The ground floor is partially below grade. The original formal entry to the hospital was from a raised portico on the second level of the north elevation. The existing front entrance remains on the north elevation but is through the ground level one-story addition. A glass-walled vestibule opens up to a lobby area with walls clad in polished cream colored travertine. A warren of corridors and offices extend out in all directions from the lobby. Upper floors are fairly regularly arranged as double-loaded corridors, roughly 7' 9" wide, with 14' deep spaces on either side.

There are several stairs in the building, including one main stair in the 1924 portion with decorative newel and rail and four stairs with metal newel and rail in the 1940s/50s portions of the building. There is a sixth stair in the 1960s building and two non-historic metal stairs in stair towers on the south elevation of the west and central wings. A second stair in the 1924 building has been removed and replaced by a vertical stack of electrical equipment rooms.

Floors are generally composed of terrazzo with a coved transition to a terrazzo base. Plaster walls have a highly figured texture. Door frames are steel and some show evidence of infilled transoms. Interior doors range in materials, with many that are located in historic openings featuring rounded lower corners to accommodate the coved terrazzo. Ceilings are predominantly acoustic ceiling tile (ACT). In rooms, the ACT ceilings are hung roughly 12-inches below historic plaster on metal lath ceilings which are hung another 12-inches from the concrete structure. Historic corridor ceilings are directly on structure with modern ACT ceilings hung roughly two feet lower.

Sharing the site with the hospital is a small complex of historic maintenance buildings and a modern building connected to the hospital by an enclosed pedestrian bridge. The remainder of the site is impervious parking, lawns, and several mature trees.

Figure 1: Kentucky Baptist Hospital, January 2017.



Developmental History

The Kentucky Baptist Hospital opened in 1924. The Neoclassical building was originally a seven-story rectangular mass with six stories of sun porches on its east and west elevations and a central wing projecting from the south elevation. A raised, single story columned portico accented a slightly projecting center.

Figure 2: Kentucky Baptist Hospital shortly after completion, no date.





Figure 3: Kentucky Baptist Hospital, no date.



Figure 4: Children patients in front of the hospital's original entrance, no date.



Figure 5: Evacuation of the east wing of Kentucky Baptist Hospital with the old nurse's home in the background, October 3, 1945.

Beginning in the mid-1940s, the hospital began planning for an expansion that would more than double the building's square footage. Plans for new seven-story wings, projecting north from the east and west ends of the building were approved in 1948. An additional level was added to the original stack of porches, completing them as hyphen connections to the new wings. The plans also show a new ground level addition of kitchen and dining facilities extending west from the central wing to the extents of the new west wing. In October of 1952, the Louisville Courier Journal reported that an additional wing was completed. This wing filled out the floors above the kitchen, thereby extending the west wing south.

Figure 6: Kentucky Baptist Hospital around 1952.



While the additions of the late-1940s and early 1950s greatly expanded the size of the hospital, they were sympathetically designed with similar brick cladding and limestone details. Historic photographs and physical evidence suggest that very little of the earlier building was altered to accommodate the new additions.

Figure 7: Kentucky Baptist Hospital rooftop activity area, above west wing, August 13, 1953.



Figure 8: Kentucky Baptist Hospital, no date. Note rooftop activity area on roof to right.



Additions completed between 1963 and 1965 sought to modernize the building; adding ground floor and second floor offices, a ground floor lobby, and an elevator tower to the building's primary façade, as well as a new seven-story addition to the south elevation of the east wing. The nurse's home building, said to have been a century old at the time, was demolished to make way for this new addition.

In 1971, a new Baptist Hospital was being planned in the St. Matthews suburb of Louisville. In 1988, after years of underuse by the hospital, the Jefferson County Government purchased the Barret Street building. At the end of 2016, the building was completely vacated by government offices

Figure 9: Kentucky Baptist Hospital is shown in 1965, after new wing and an entrance lobby with a vertical elevator structure had been added. (Photo: Charles Fentress Jr./The CJ).



Figure 10: 1965 wing (left) of the Kentucky Baptist Hospital, January 2017.



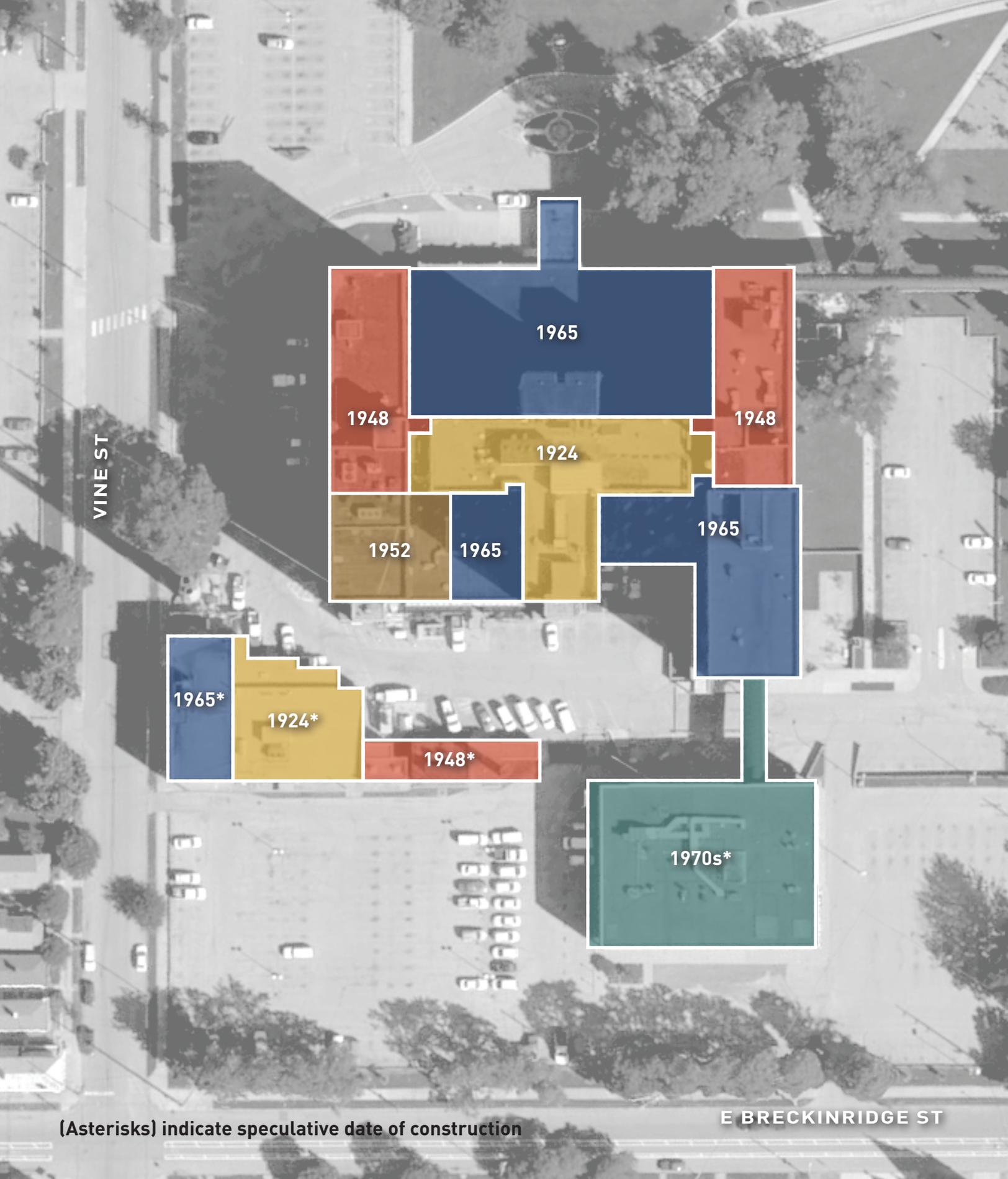


Figure 11: Development History.

Summary of Historic Character-Defining Features

Character-Defining Features are those salient historic features that together make up the historic structure and comprise the historic integrity of a building or site. They are elements that should be retained and treated according to the Secretary of Interior Standards for Preservation in order for the structure to be considered for placement on the National Register of Historic Places or considered for any historic tax credit projects. The extant Character-Defining features of these buildings include:

- Exterior limestone details and mottled brown brick
- Terrazzo floors and coved base in both the 1924 building and 1948/52 additions
- Chair rail found in some of the former porch rooms
- One remaining original window found on 2nd floor east porch
- Plaster walls
- Stairs, railing, newel posts
- Historic bathroom located on FP03 (“Second Floor”) east wing of 1924 building, north side.
- Iron balconettes on north elevation (2)

Eligibility for Historic Tax Credits and National Register Status

While the building has lost many of its historic interior features and has suffered losses and damage to its historic exterior elements, some significant components remain and the overall form and style of the building can be clearly read and understood as historically important. Further, significance can also be found in the building’s historic associations with the surrounding community and the role it has played in the lives of many of Louisville’s citizens and in the development of the Paristown Pointe neighborhood. This report focuses on recognizing the 1924 and 1948/1952 portions of the complex as historically significant based on their significance to the community and architectural integrity.

The Secretary of the Interior’s Criteria for Evaluation of Historic Significance is the metric upon which the building would be evaluated to determine its eligibility for listing the National Register of Historic Places, a requirement of the Historic Rehabilitation Tax Credit (HRTC). Conversations with the Kentucky State Historic Preservation Officer (SHPO) suggest that this agency will be supportive of efforts to nominate the property. This process would be initiated through a request for a determination of eligibility which is found within the Part A documents of the HRTC application forms.

Condition Assessment

On January 19-20, 2017, an assessment team of a preservation planner, Charles Lawrence, and preservation architect, Karen Gravel, AIA, from Lord Aeck Sargent observed and recorded adverse conditions on exterior and interior spaces of the Old Baptist Hospital Building. The team identified the 1924 and 1948/52 portions of the complex to be the historically significant and excluded the 1960s addition and freestanding building in the assessment process. The latter addition and building were identified as non-contributing to the historic significance of the former hospital building. The following pertains only to the 1924 building and 1948/52 additions.

While a full structural engineering assessment was not undertaken, no outwardly visible signs of structural failures were observed. Where elements of the concrete frame are visible, no significant concerns were noted in the field assessment. Minor step cracking, face-spalling of exterior brick, and horizontal separation in brick joints were noted, but are not related to structural concerns.

Figure 12: Existing exterior conditions.



The predominant issue affecting the building is a failing roofing. Water damage and active leaks related to failed roofing are present throughout the building, but especially concerning on levels directly below a roof. The built-up ballasted roofing and associated flashing and sealing on all roofs have outlived their useful life and require complete replacement.

Wall assemblies, exterior and interior, are in stable condition. Interior walls of the corridors and stairwells, exterior-facing walls, and some partition walls are predominantly plaster on masonry or metal lath. Aforementioned water damage most significantly affects interior and exterior-facing walls on the top floors of the building, as well as walls below intersections of lower roofs and exterior walls. As noted above, select areas of exterior walls exhibit minor step cracking, face-spalling of exterior brick, and horizontal separation in brick joints. These conditions appear to be related to either rusting shelf angle window headers or, in the case of the separation of horizontal brick joints noted in the elevator towers of the 1940s additions, from rust jacking of the shelf angle associated with the tower floor slab. Exterior walls will require minor repointing to damaged areas.

The existing painted plaster finish on interior walls does not appear to be original. Evidence suggests though, that the 1924 plaster finish was also highly textured. Drawings from 1948 indicate flat plaster and Keene's Cement finishes in some rooms. Plaster walls should be retained and repaired as needed.

Figure 13: Existing interior conditions.



The exterior walls feature limestone details that have been partially demolished to make openings for HVAC vents. These details shall either be infilled or reconstructed. In a few areas, the limestone features are cracked or damaged from other causes. These areas are stable but require minor patching repairs. For the purpose of this report and estimate, these details are included to be repaired per the Secretary of Interior Standards for Preservation.

The primarily terrazzo floors are in stable condition and show few signs of damage or age. Where cracks are present, the floors should be filled with an appropriate epoxy terrazzo repair material.

Ceilings throughout the building are modern acoustical tile hung roughly two feet from the concrete structure. Original plaster-on-metal lath ceilings are largely demolished.

Modern windows show signs of failed sealant. These windows are aesthetically inappropriate for the building and are not repairable. All modern windows shall be replaced with historically appropriate windows to match the original double hung configuration.

Figure 14: Detail and material conditions.



This report recommends repair of these decorative features.



Two decorative iron railings are extant on the building.



Historic terrazzo floor is throughout the historic portions of the building.

Scope of Improvements

The design team identified potential scope of improvements essential for rehabilitation of the historical buildings. Corresponding cost estimates (Appendix) were developed which reflects the assumptions and scope of work identified in the following narratives. Square footage costs are based on historical data on similar projects. More specific costs were developed for the specialized repair of stone, brick and replacement material.

The scenario of preserving and restoring only the 1924 (central) portion of the building was considered, but yielded a very low amount of units per floor. The work would require additional and significant demolition from what is recommended and would also require the additional reconstruction of the east and west exterior walls of the former porches on top of the reconstruction already proposed. It appears that this scenario would not be feasible from a return on investment perspective. Further, considering the aesthetic qualities of the 1940s and 50s additions and the criteria under which the property is evaluated, the additions are considered contributing to the overall historic significance of the property.

Selective Demolition

The complex of buildings has evolved over time. For the sake of this study, all buildings and additions constructed after 1952 will be removed. This includes a 7-story 1960s addition to the south side of the building, the first floor 1960s addition to the front of the building, the 1960s elevator tower added to the front elevation of the building and the later one and two story additions at the rear of the building.

There are several roof top structures that should be rebuilt.

With the exception of the corridor walls, most interior walls and ceilings will be demolished for new layouts.

A hazardous materials survey has been completed by the Louisville Metro Government.

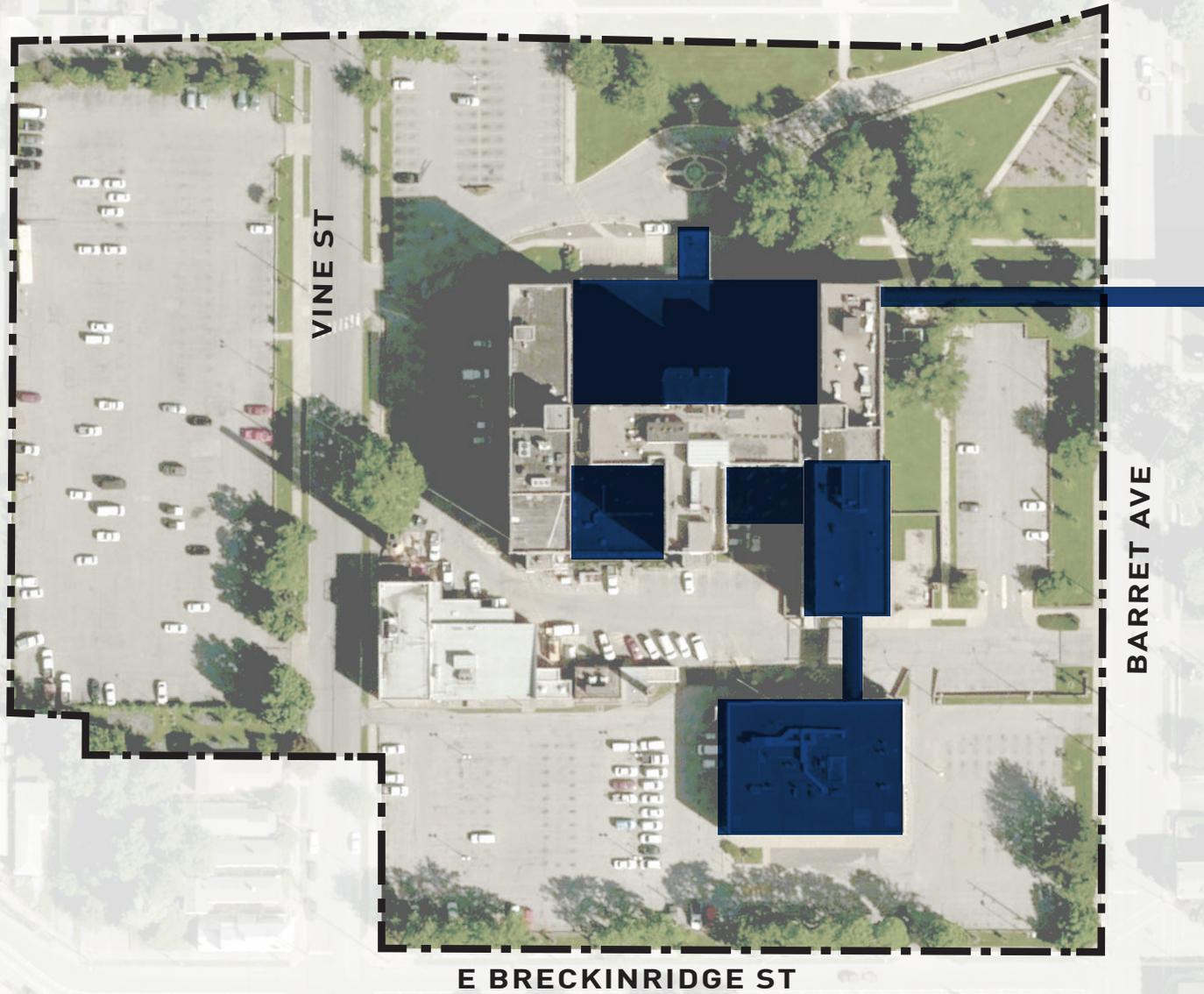


Figure 15: Demolition Plan.

Image courtesy of the Inland

■ To be Demolished



Figure 16: Demolition Plan - South Elevation.



Figure 17: Demolition Plan - North Elevation.

Site Preparation

The building is existing. There will be extensive removal of existing buildings and footings. The site around the building will need to be regraded and landscaped with a mix of hardscape and plantings. See diagrams for extent of building removal.

Site Utilities

There are existing water, gas, electrical and data service to the building. Existing utilities within the building will be removed and replaced. A new electrical service will be provided to the complex via underground duct banks. The cost estimates holds an allowance for this work.

Other Site Construction

There are maintenance and out-buildings that are not being removed at this time. They will be eligible for rehabilitation in the future. These structures are not included in this study or pricing exercise, but should be carefully considered for amenity spaces, support facilities and for restaurant and shop space.

Site Improvements

This study assumes there will be improvements to the landscape, hardscape and parking in very general terms. The design team assigned percentages of hardscape, parking and landscape to the defined site and enumerated their budgets as separate line items

Foundations

During the addition and reconfiguration of the building in the 1960s, a large majority of the first floor and the front elevation was removed and replaced. It is recommended that the entire first floor exterior wall on the north elevation should be rebuilt to a condition similar to the historic condition (i.e. exterior brick cladding, stone string courses, historic window locations and sizes) but not strive to replicate it. Any new additions should be compatible yet distinct from the original construction. Portions of the exterior wall on the south side of the building will need to be rebuilt. Assume new spread footings to be constructed to support the new wall under the existing walls. See diagram of wall reconstruction.

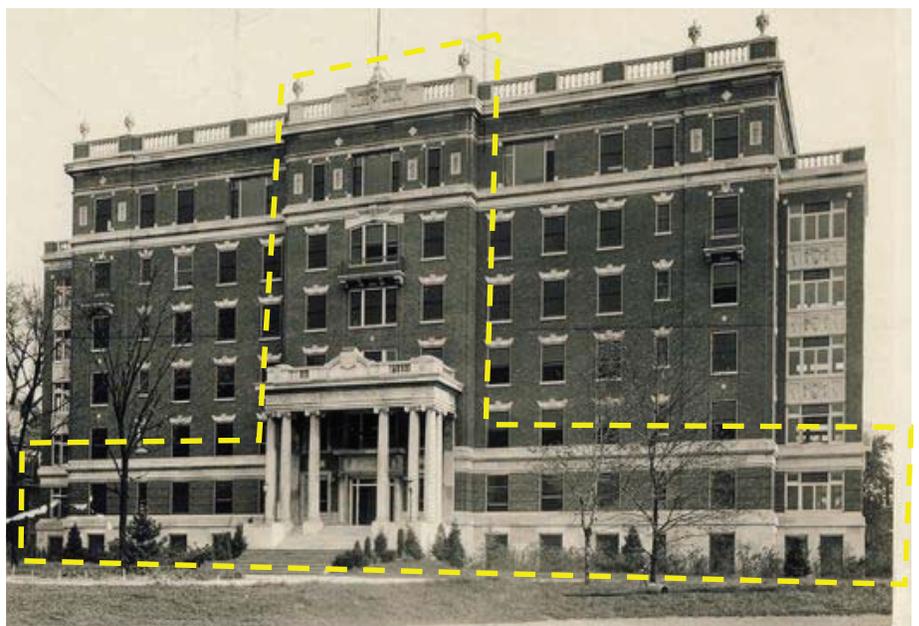


Figure 18: Area of Reconstruction.

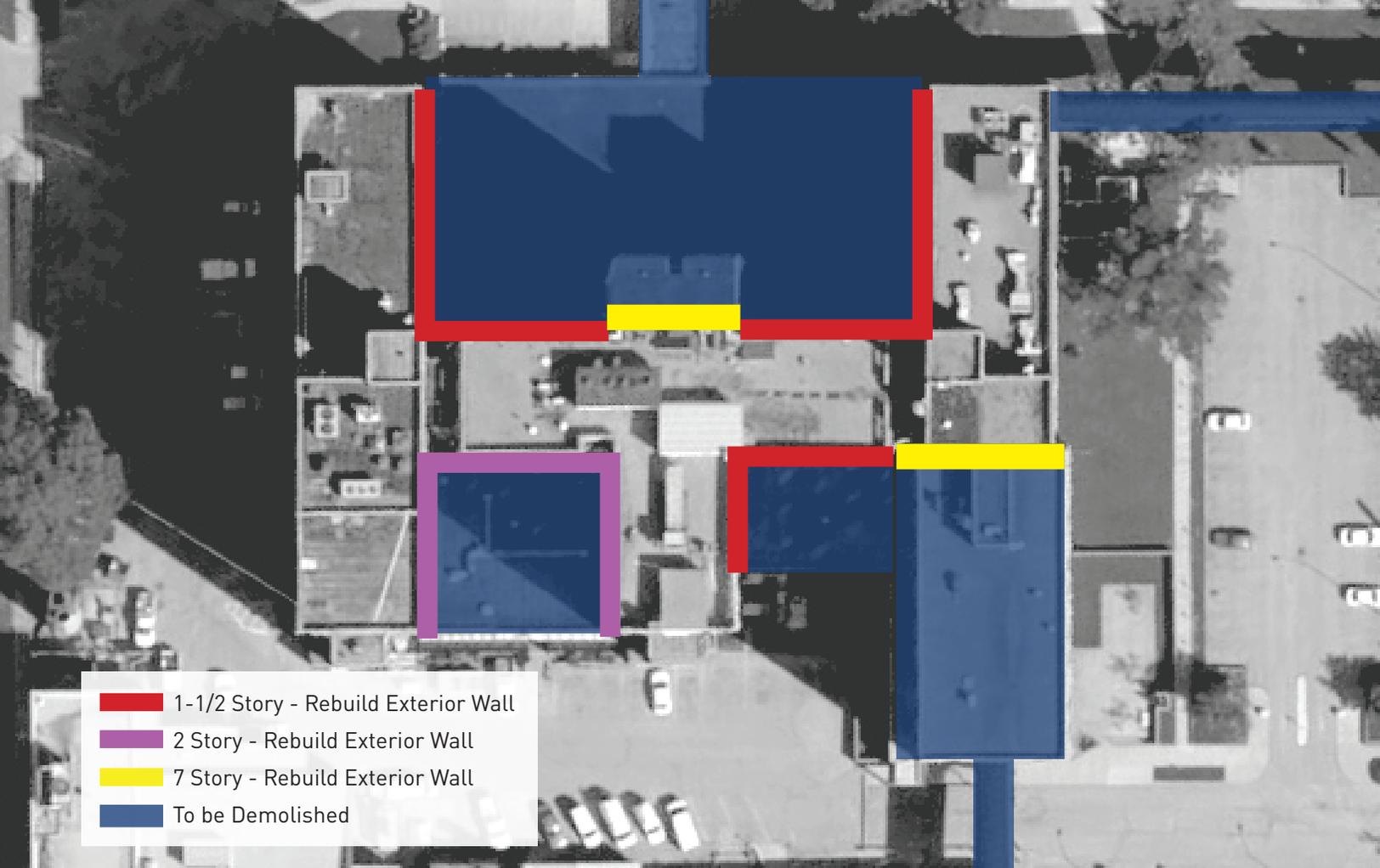


Figure 19: Exterior Wall Reconstruction.

The single story wall replacement is priced to include a cmu wall with insulation, wall ties and brick façade. Windows shall match existing in size and include cast stone sills.

The double story wall replacement should include cmu wall with insulation, wall ties and brick façade. Windows shall match existing in size and include cast stone sills.

The seven story wall replacement on the rear of the building is priced to include cmu wall with insulation, wall ties and brick façade. Windows shall match existing in size and include cast stone sills.

The seven story wall replacement on the front of the building should be reconstructed to look similar to the original wall and porch configuration. The single story portions that have been removed should also be reconstructed in a similar fashion to the historic configuration.

Basement Construction

There is a very limited basement. Assume limited patching and cleaning in the 200 s.f. area.

Superstructure

The concrete frame structure is in good condition with limited exceptions. There some evidence of water infiltration on the 7th floor at the roof level. While not all areas were accessible this report assumes that there will be approximately 300 square feet of concrete patching at the roof level.

Where additions are removed, the structure will need to be capped and the open walls prepared for a new exterior enclosure.

Exterior Enclosure

- Cast Stone Repair – There are areas where the stone has been removed or cut out on the façade to accommodate mechanical equipment. This report assumes the conditions will be repaired in keeping with the Secretary of Interior’s Standards for Preservation.
- Replace Windows – Replace windows with new double pane 1 over 1 historic replica windows from wood. See schedule quantity, type, sizes and area. There is one existing historic wood double hung window that serves as a basis of design for any new windows.
- Stone Copings – New sealant in all sky-facing joints and minor repairs will be necessary.
- Mortar Joints – Repoint all stone string course horizontal and vertical joints on 1924 building.
- Minimal additional repointing. Assume 5% of brick surface area to be repointed.
- Additional exterior enclosure:
 - Loss of mortar in horizontal bands at floor slab levels in all stair/elevator tower elevations and face spalling brick at window headers indicates rust jacking of shelf angles. Clean and recoat metal shelf angles, repoint joints – 600 ln. ft.
 - Inappropriate mortar at 1940s building and 1924 building connection, southeast 2nd, 3rd, and 5th floors – remove Portland cement mortar replace with appropriate mortar – 100 ln. ft.
 - Balconette railings are rusted – clean and recoat two steel balconette railings on North elevation.
- Clean biological staining at all existing downspouts. Clean building.

Roofing

- All roofs will receive new roofing. Assume a 3-ply modified bitumen roofing system with new copper flashing on all roofs.
- Replace all downspouts. Approximately eight copper downspouts at 6-inch and 85’ in height.

Interior Construction

- New partition walls are to be gypsum wall board walls on both sides.
- Any new exterior walls gypsum wall board.
- Replace the handrail on the wall side of each stair with code compliant rail.
- Replace 5” by 5” marble tile newel cap at 10 locations.

Interior Finishes

Protect and maintain the terrazzo floors. Allow for limited patching of interior. All unit finishes to be standard grades for apartment buildings.

Equipment

Casework shall be laminate with stone surfacing in bathrooms and kitchens.

Furnishings

Furnishing budget is separate from the construction budget and not included at this time.

Conveying Systems

Replace all existing elevators with new elevators in existing shafts. Assume the shafts will require some repair.

Fire Protection Systems

The building will be completely sprinklered.

Plumbing Systems

All new plumbing systems for the building.

HVAC Systems

Given that the probable program will be multifamily, the assumption is that the systems will be Typical multifamily mechanical is a split system with rooftop condensers and air handlers in a closet in each unit. 2 ton units at 1br and 2.5 ton units at 2br units.

Typically one bedroom units have 40 gallon water heaters, and two bedroom units get 50 gallon water heaters.

Electrical Systems

Assume new electrical service to the building to support residential use.

IT Systems

Provide budget for replacing all IT infrastructure for the entire building. For apartments assume 3 wired drops.

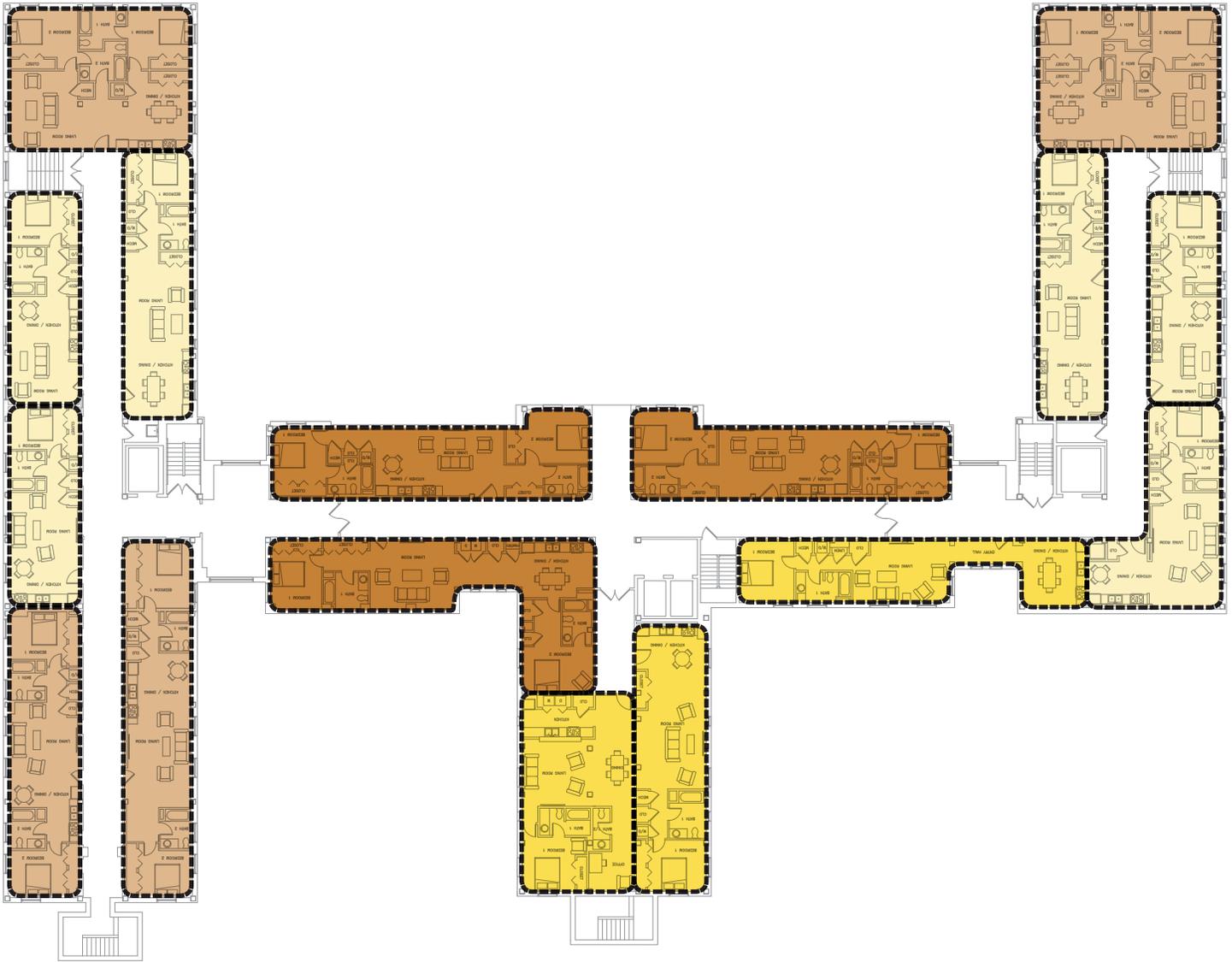
Security / Video Cameras

Assume there will be a budget for secure entrances and monitoring with at least 12 cameras will be installed around the building and hard wired back to a central security office.

Building Layout Test Fits

The design team explored different ways that the building could be reconfigured to accommodate housing units on each floor. The plans in the following pages represent apartment and hotel layouts. The concept includes maintaining the terrazzo floor and corridor widths because these are one of the few remaining interior character defining features of the building. The units are configured between the corridor and exterior walls. Depending on the unit mix, there may be more or less of one unit type. These test fits help illustrate the yield per floor of the building as noted on the plans.

APARTMENT LAYOUT TEST FIT



TYPICAL FLOOR PLAN

Number of apartments = 16

1-Bedroom = 9

2 -Bedroom = 7

1-Bedroom

2-Bedroom



6



4

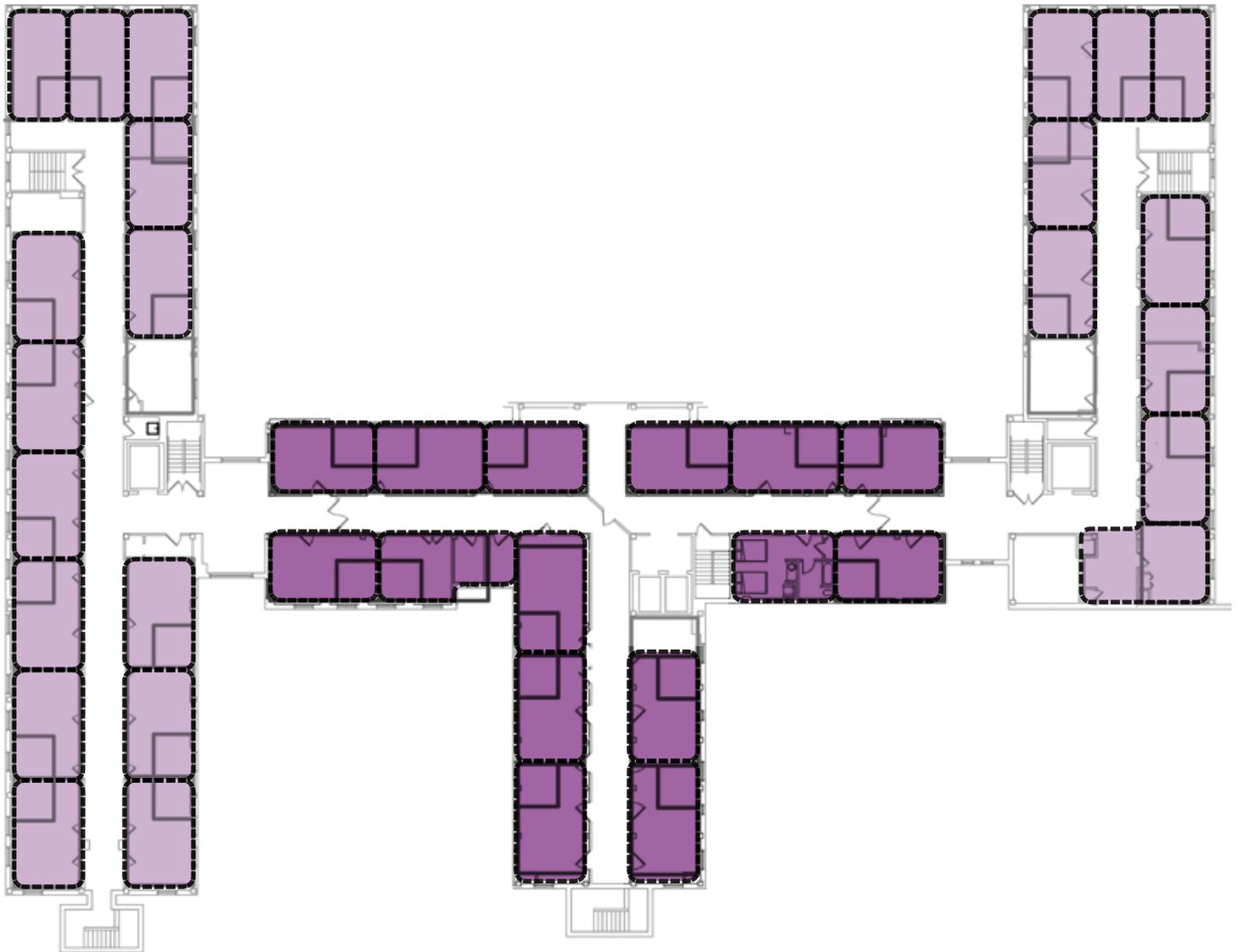


3



3

HOTEL LAYOUT TEST FIT



TYPICAL FLOOR PLAN

Number of rooms per floor = 38

 23

 15

Item				\$/GSF	% Construction	Total
Construction				\$214.94	100.0%	\$33,988,773
Selective Demolition	Building Demolition	112,948	GSF	\$9.20	3.1%	\$1,039,452
	Interior Demolition	158,133	GSF	\$5.68	2.6%	\$898,427
	Hazardous Material Abatement (excluded)	0	GSF	\$0.00	0.0%	\$0
Site Preparation		26,594	SY	\$4.00	0.3%	\$106,378
Site Utilities	Allowance	1	LS	\$100,000	0.3%	\$100,000
Site Improvements	Hardscape	33,450	SF	\$12.50	1.2%	\$418,125
	Parking (Existing)	75,600	SF	\$1.00	0.2%	\$75,432
	Parking (New)	49,700	SF	\$5.00	0.7%	\$248,358
	Landscape	156,200	SF	\$3.50	1.6%	\$546,700
Foundations		158,133	GSF	\$0.50	0.2%	\$79,066
Superstructure		158,133	GSF	\$0.75	0.3%	\$118,599
Exterior Enclosure	Stone Repair	1,115	CF	\$175.00	0.6%	\$195,206
	Windows (Remove & Replace or Restore)	16,752	SF	\$80.00	3.9%	\$1,340,120
	Miscellaneous Exterior (clean existing)	88,185	SF	\$4.00	1.0%	\$352,740
	Rebuild Exterior Facades	15,538	SF	\$50.00	2.3%	\$776,900
	Rebuild North Façade	6,213	SF	\$75.00	1.4%	\$465,975
Roofing		22,590	SF	\$32.50	2.2%	\$734,187
Interior Construction & Finishes		158,133	GSF	\$40.58	18.9%	\$6,417,486
Furnishings & Equipment		158,133	GSF	\$5.22	2.4%	\$825,092
Elevators	remove & replace	28	stops	\$35,000	2.9%	\$980,000
Fire Protection	including Fire Pump	158,133	GSF	\$3.77	1.8%	\$595,413
Plumbing Systems		158,133	GSF	\$9.44	4.4%	\$1,492,786
HVAC Systems		158,133	GSF	\$18.08	8.4%	\$2,859,360
Electrical Systems		158,133	GSF	\$19.07	8.9%	\$3,014,947
Communications		158,133	GSF	\$2.50	1.2%	\$395,332
Electronic Safety & Security		158,133	GSF	\$3.50	1.6%	\$553,464
CM Mark-up		158,133	GSF	\$31.15	20.0%	\$4,925,909
Contingency		158,133	GSF	\$28.04	15.0%	\$4,433,318
Equipment				\$0.00	0.0%	\$0
Furnishings				\$0.00	0.0%	\$0
Communications				\$0.00	0.0%	\$0
Design, Testing/Related Costs				\$0.00	0.0%	\$0
Development Costs				\$0.00	0.0%	\$0

Total Project Budget (Pre-Design)

Prepared: February 14, 2017

Item			\$/GSF	% Construction	Total
Other Owner's Costs			\$0.00	0.0%	\$0
	Total Project Budget	158,133 GSF	\$214.94	100.00%	\$33,988,773
	Funds Available		\$0.00		\$0
	Variance		\$214.94	0.00%	\$33,988,773

Alternates:

Notes:

1. Items referenced as an "Allowance" are applicable to the project and included in construction costs although their scope is currently undefined.
2. Items referenced as "NIC" may be applicable to the project but are not included in construction costs.
3. Items referenced as "NA" are not applicable to the project and are not included in construction costs.
4. Escalation, if included, is applied from the date of this budget to the mid-point of construction at a rate of 3.0% annually.
5. Construction budget is based on specifications and drawings dated.....



August 16, 2019

Ms. Allison Smith, Ph.D.
Brownfields Program Manager
Office of Advanced Planning and Sustainability
Louisville Metro Government
444 S. 5th Street, Suite 600
Louisville, KY 40202

Email: allison.smith@louisvilleky.gov
Phone (502) 574-1569

Re: Estimated Abatement Costs
Urban County Government Buildings
768, 810, 825, and 850 Barret Avenue
Louisville, Kentucky

Dear Ms. Smith:

ATC Group Services LLC (ATC) is pleased to provide the following cost estimates for abatement activities for asbestos building materials (ACM), lead-based paint (LBP) and mold documented in the structures located at the above-referenced addresses.

The following cost estimates are based information provided in the available reports. Quantities of materials to be abated and current building conditions have not been verified. It should be noted that additional materials and/or quantities may be present in areas that were inaccessible or not assessed during the surveys conducted in 2017. ATC understands that abatement specifications/design documents have not been developed for the structures. The current conditions of the structures could affect the estimated abatement costs.

768 Barret Ave:

- ACM - \$1,290,000
- LBP - \$250,000 (quantities not provided)
- Mold – N/A (none reported)

810 Barret Ave:

- ACM - \$1,100,000
- LBP - \$800,000 (quantities not provided)
- Mold - \$850,000 (conditions could have deteriorated even more since assessment)

825 Barret Ave:

- ACM - \$96,000
- LBP - \$128,000 (quantities not provided)
- Mold – N/A (none reported)



850 Barret Ave:

- ACM – \$98,000
- LBP - \$65,000 (quantities not provided)
- Mold – N/A (none reported)

Abatement plans/design would be necessary to develop accurate scopes of work and verify material quantities. It is recommended that abatement specifications/design plans be prepared prior to the contractor bidding process.

If you have any questions or require further information, please email or call the undersigned.

Sincerely,

ATC GROUP SERVICES LLC

A handwritten signature in blue ink that reads "John A. Case".

John Case, CHMM
Project Geologist
502.710.0257
john.case@atcgs.com



APPRAISAL REPORT

Louisville Metro Government

768 & 801 Barret Avenue
810 Barret Avenue & 825 Vine Street
850 Barret Avenue
1235 E. Breckinridge Street
Jefferson County
Louisville, Kentucky 40204

PREPARED FOR:

Louisville Metro Government
Ms. Latondra Yates
Development of Develop Louisville
444 S. Fifth Street
Suite 500
Louisville, Kentucky 40202

DATE OF REPORT:

October 1, 2021

EFFECTIVE DATE OF APPRAISAL:

Hypothetical, "As Is" Market Value – September 29, 2021

APPRAISER:

Jason L. Ferris, MAI, SRA
Bell Ferris, Inc.
13113 Eastpoint Park Boulevard
Suite H
Louisville, Kentucky 40223

BELL FERRIS, INC.

FILE NUMBER: 1600-13-21-AR

BARRET AVENUE - LOUISVILLE METRO GOVERNMENT

October 1, 2021

Louisville Metro Government
Ms. Latondra Yates
Development of Develop Louisville
444 S. Fifth Street
Suite 500
Louisville, Kentucky 40202

Subject: Louisville Metro Government
768 & 801 Barret Avenue
810 Barret Avenue & 825 Vine Street
850 Barret Avenue
1235 E. Breckinridge Street
Jefferson County
Louisville, Kentucky 40204
Bell Ferris, Inc. File # 1600-13-21-AR

Dear Client:

We are pleased to transmit this appraisal report that was prepared on the above referenced property. The purpose of this appraisal is to derive an opinion of the “as is” market value of the fee simple estate of the subject property, as of September 29, 2021, the effective date of the appraisal. Our opinion of the market value is premised upon the Assumptions and Limiting Conditions. The definition of market value is in Addendum.

This report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as noted herein.

The subject property consists of a total of four parcels of land at 768 & 801 Barret Avenue, 810 Barret Avenue & 825 Vine Street, & 850 Barret Avenue and 1235 E Breckinridge Street in Louisville, Kentucky 40204. It is located inside the Watterson Expressway (I-264), south of E Broadway near the northwest corner of E. Breckinridge Street and Barret Avenue in central Jefferson County. The site has a total of 9.784 acres or 426,191 square feet. According to flood map panel number 21111C0042E with an effective date of December 5, 2006, the subject property is located in Zone X, which is considered to be outside the 100-year flood plain.

The following page is a summary of the subject property.



13113 EASTPOINT PARK BOULEVARD
SUITE H
LOUISVILLE, KY 40223
PHONE: 502-883-0055
WWW.BELLFERRIS.COM



BARRET AVENUE - LOUISVILLE METRO GOVERNMENT

Parcel	Address	Parcel #	Acres	Current Use
A	768 & 801 Barret Ave	021J0090	2.552	Metro Housing & Louisville Metro Police Dept Admin Bldg
B	810 Barret Ave & 825 Vine St	021J0130	5.279	Urban Gov't Center (Former Louisville Baptist Hospital)
C	850 Barret Ave	021J0113	1.510	APCD Offices
D	1235 E Breckinridge Street	021J0114	0.443	Parking Lot



**768 & 801 Barret Avenue
810 Barret Avenue & 825 Vine Street
850 Barret Avenue
1235 E. Breckinridge Street
Jefferson County
Louisville, Kentucky 40204**

Based on the analyses and conclusions, and subject to the definitions, assumptions, and limiting conditions expressed in this report, it is our opinion that the “as is” market value of the fee simple estate, as of September 29, 2021, is:

**FOUR MILLION EIGHT HUNDRED FORTY-THREE THOUSAND DOLLARS
(\$4,843,000)**

The preceding value conclusion is subject to the following Extraordinary Assumptions and Limiting Conditions. If these assumptions, which are directly related to this specific assignment, are found to be false, it could alter the appraiser’s opinions and conclusions.

1. Financing is available for the subject property at current market rates.
2. The subject property is environmentally clean of all surface and subsurface contaminants.
3. The total land area for the sites was taken from personal LOJIC measurements performed by Jason L. Ferris, MAI, SRA for the prior report. We reserve the right to make necessary adjustments to the value if there is any discrepancy in the total land area.
4. As requested by the client, we have provided an opinion of value to consider the properties as vacant with no consideration given to the improvements.
5. The properties can be rezoned to C-1, Commercial District, which would allow residential, multi-family, office, institutional and commercial uses. We have not considered the rezoning process costs in the value of the land in our valuation; therefore, the valuation will consider the parcels as already have been rezoned. We have analyzed the market to determine the appropriate ratio of commercial, office, multi-family or senior living that would likely be developed on the land, which will be factored into our valuation process.
6. We assume the site has no historical overlay and neighborhood restrictions, including façade, design easements, etc.
7. We are aware of a prior development plan by Marian Group, dated March 15, 2017, which prescribes their plan to develop the entire Urban Government Center. This was widely publicized in December 2017, when Louisville Forward announced that they had signed a Letter of Intent to move forward with Marian Group to develop the Urban Government Center campus. Indications were that Marian Group would enter into a low-cost ground lease with Louisville Metro, of which my prior Appraisal Report from 2018 could be used to determine the ground lease cost. However, Marian Group has rescinded their offer to develop the property and the subject property will be put out to bid once again. It is assumed this Appraisal Report will be used to set either a ground lease rate for the developer or a land sales price should it be offered for sale.

Extraordinary Assumptions:

COVID-19

On March 13, 2020, President Trump declared a national emergency due to the spread of the coronavirus, also known as COVID-19. At the same time, our economy began to shift in response to

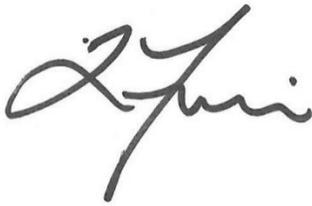
BARRET AVENUE - LOUISVILLE METRO GOVERNMENT

the closure of international flights, speculation of closure of domestic flights, cancellations of numerous sporting and entertainment events and closure of most restaurants and bars and areas where people gather.

As of Summer 2021, life has mostly returned to normal, including real estate transactions. The residential market has shown significant increases in value and shortened marketing times, leading to an undersupply of homes, which in turn, has boosted property values. Likewise, commercial properties are generally considered stable. Retail properties in the market were able to retain most of their tenant base or filled vacant spaces rather quickly. Industrial properties have had increased demand, thereby increasing rents and property values. Offices, other than in the CBD, have been stable and workers are now returning to the office. Overall, the commercial markets are considered stable with a positive outlook for the rest of 2021 and into 2022. This appraisal is based on the opinion that real estate values are currently stable or increasing.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,
BELL FERRIS, INC.



Jason L. Ferris, MAI, SRA
Certified General Real Estate Appraiser
Kentucky Certificate #3736