
Addendum to Development Plan
For The
University of Louisville Development Area

Louisville/Jefferson County Metro Government

October 2014

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1. Introduction.

1.1 Purpose. The Louisville/Jefferson County Metro Government (“Louisville”) previously established the University of Louisville Development Area (the “Development Area”) pursuant to the provisions of KRS 65.7041 to 65.7083, and KRS 154.30-010 to 154.30-090 (collectively, the “Act”), and provided incentives through the execution of a Local Participation Agreement between Louisville and the Louisville Medical Center Development Corporation (the “LMCDC”, the Agency designated by Louisville to administer and implement the Development Area) to support the University of Louisville Research Park and related improvements (the “Project”) within the Development Area, being undertaken by Nucleus: Kentucky’s Life Sciences and Innovation Center, LLC (the “Developer”). The LMCDC, in accordance with the Act, applied for and received a pledge of State incremental tax revenues to assist the Project through the execution of a Tax Incentive Agreement.

This Addendum to the Development Plan is necessary to delete certain property within the boundary of the Development Area (the “Deleted Area”) due to a boundary overlap with the Churchill Downs Development Area, and to add certain parcels and amend the Footprint relating to the pledge of Louisville and State incremental tax revenues (the “Added Area”) to accommodate the location of certain buildings of the Project, with the amended Development Area being referred to herein as the “Revised Development Area”.

1.2 **Size and Location.** The Revised Development Area consists of 856.3 acres and is located in Louisville, Kentucky. The Revised Development Area and the Footprint of the Revised Development Area are described more particularly on the map attached as Exhibit B, which map shows the Added Area and the Deleted Area.

1.3 **Current Uses.** The land within the Added Area is a mix of old commercial, industrial, warehouse, and residential uses.

2. **The Development Area.**

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

(a) The Revised Development Area is a contiguous area consisting of 865.3 acres and is less than three (3) square miles in area;

(b) The establishment of the Revised 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 (as those terms are defined in the Act) to exceed twenty percent (20%) of the total assessed taxable value of real property within Louisville. Louisville has established several other development areas, including the Development Area, with an estimated taxable real property value at the time of their establishment being under \$1.5 billion; and the net increase in the taxable

real property value of the Revised Development Area (after deducting the taxable assessment for the Deleted Area) will be approximately \$16.7 million. The total taxable real property value of Louisville exceeds \$51 billion, twenty percent (20%) of which is \$12 billion, and therefore the taxable real property value of all development areas established by Louisville is well under twenty percent (20%) of the total taxable real property value of Louisville; and

(c) The Revised Development Area constitutes previously developed land as required by KRS 65.7034.

2.2 Statement of Conditions and Findings Regarding the Development Area. Pursuant to KRS 65.7049(3), Louisville has reviewed and analyzed the conditions within the Revised Development Area, and specifically the Added Area, and finds that the Added Area exhibits the following:

(a) **There has been a substantial loss of industrial, commercial activity, and residential activity within the Added Area.** The Added Area consists of a mix of old industrial, commercial and residential uses. The Added Area is in transition, with many of the industrial and commercial buildings being closed and abandoned. The residential uses are in transition from owner occupied to rental and many of the residences are vacant or abandoned.

(b) **More than forty percent (40%) of the households within the Added Area are low-income households as defined by the Act.** Based on the average household size and median household income within the

Development Area for the year 2010, estimated by ESRI, at least forty percent (40%) of the households within the Added Area are low-income households as defined by the Act.

(c) **More than 50% of the residential, commercial, or industrial uses are deteriorating or deteriorated.** The structures within the Added Area are old, most are in need of repair, and many show significant signs of deterioration.

(d) **There has been substantial abandonment of commercial or industrial structures within the Development Area.** Much of the Added Area is in transition and a substantial number of the industrial or commercial properties are vacant and have been abandoned.

(e) **There are inadequate public improvements and infrastructure to support the redevelopment of the Development Area.** To redevelop the Development Area as proposed by the Project, and for the development of other future projects, significant public infrastructure improvements will be needed, including street and streetscape improvements, the provision of utilities, including storm water improvement, the provision of public parking and parking structures, parks and other public buildings and amenities.

2.3 Assurances the Development Area Is Not Reasonably Expected to Develop Without Public Assistance. Louisville finds that the Added Area is not reasonably expected to be developed without public

assistance. The Added Area is in transition and will not be redeveloped without public assistance.

2.4 Assurances the Public Benefits of Redeveloping the Revised Development Area as Proposed Justify the Public Costs Proposed.

The findings justifying the public costs set forth in the Development Plan are still true and correct and apply to the Added Area as well.

2.5 Assurances Regarding the Area Immediately Surrounding the Added Area. The area immediately surrounding the Revised Development Area has not been subject to any substantial private development.

2.6 Revised Development Area Description. The Revised Development Area includes the real property within the boundaries described on the map attached hereto as Exhibit B.

2.7 Existing Uses and Conditions. The land within the Added Area is a mix of old commercial, industrial, warehouse, and residential uses.

2.8 Proposed Changes in the Zoning Ordinance, Zoning Map, Comprehensive Plan or Other Codes or Plans Necessary to Implement the Development Plan. No changes are necessary regarding zoning, the Comprehensive Plan, or any other codes or plans in order to implement the Revised Development Plan as it is being proposed.

2.9 Certification of Compliance with the Comprehensive Land-Use Plan. Since no changes in the zoning map or Comprehensive Plan

are necessary to implement the Project, the Development Plan, including this Addendum, is in compliance with the duly adopted Comprehensive Plan for Louisville.

3. The Development Program.

The Project as described in the Development Plan has not changed, but the location of certain of the elements of the Project will change and some will be located in the Added Area.

4. Redevelopment Assistance and Finance Plan.

The Redevelopment and Finance Plan as set forth in the Development Plan has not changed, except that Footprint for the pledge of Louisville and State incremental tax revenues will be amended to include the Added Area.