

ORDINANCE NO. 178, SERIES 2021

AN ORDINANCE ESTABLISHING A DEVELOPMENT AREA PURSUANT TO PROVISIONS OF KRS 65.7041- 65.7083 TO BE KNOWN AS THE SHELBY STREET 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 JECOREY ARTHUR

WHEREAS, the Kentucky General Assembly enacted KRS 65.7041-65.7083 and KRS 154.30-010-154-30.090 (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, the Act also authorizes certain State Participation Programs to encourage private investment in the development of major projects that will have a significant impact in the Commonwealth;

WHEREAS, City Development Group, LLC, a Kentucky limited liability company, Weyland Ventures Development, LLC, a Kentucky limited liability company, or an affiliate of same (collectively, the "Developer") plans to undertake a major project within the Shelby Street Development Area (the "Development

Area”) to complete the Shelby Street Redevelopment 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 \$115 million when fully developed, of which approximately \$11 million is related to public infrastructure costs, including site and utility work, community parks, streetscape/sidewalks, and a parking garage, and for a pledge of state incremental revenues under one of the State Participation Programs as provided in the Act;

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 and the Commonwealth 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 5.5588 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 \$1.539 billion. The taxable real property assessment of the Development Area for calendar year 2020 is approximately \$2,166,030, and that amount combined with the previous development areas established by Louisville Metro totals \$1.541 billion, while the total taxable real property assessment for Louisville exceeds \$65.6 billion, 20% of which is \$13.1 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 is a vacant site previously occupied by the Clarksdale public housing development, which was demolished in 2005, and has sat vacant since that time.

2. **Substantial abandonment of residential, commercial or industrial structures.** The Development Area has sat vacant since the public housing structures were demolished in 2005.

3. **There are inadequate improvements or substantial deterioration of public infrastructure to support the proposed new development within the Development Area.** In order to develop the proposed Project, significant public infrastructure improvements are required to support the increased usage. Additional power, sewer and water infrastructure is required to facilitate the Project, and these improvements will facilitate further development within the area, as well as the construction of a parking garage and streetscape and sidewalk improvements, which will benefit both the Project and the surrounding neighborhood. These infrastructure improvements cannot reasonably be funded with private investment alone.

F. The Development Area will not reasonably be developed without public assistance, including incentives as provided by the Act. The high cost of site development expenses, particularly expenses related to public infrastructure needed for the Project makes public incentives critical to the financing of the Project when compared with low potential revenue generated by these improvements.

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 2020 taxable assessment of approximately \$2,166,030, but currently generates \$0 in ad valorem real property taxes to Louisville Metro because its owner qualified for the property tax exemption pursuant to Section 170

of the Kentucky Constitution. The Project will increase capital investment by approximately \$115,000,000, 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 \$7,712,754 it will retain 20% of the new incremental increase of the local ad valorem real property taxes and 100% of the occupational withholding fees 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. While the area immediately surrounding the Development Area has been subject to growth and development through private investment, there are special circumstances within the Development Area that would prevent its development without public assistance; specifically, the high cost of public infrastructure improvements needed to redevelop the Development Area, which are expected to cost approximately \$11 million out of the total capital investment of \$115 million, and include site and utility work, community parks, streetscape/sidewalks, and a parking garage.

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 and employment 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 Shelby Street 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 the termination date will 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. No less than annually, the Authority shall (a) submit a report to the Kentucky Economic Development Finance Authority (i) certifying the use of the Released Amount of the payment of approved project costs within the Development Area, and (ii) providing an accounting of the receipt and use of the Released Amount, and (b) submit the report to the Office of Management and Budget required pursuant to the Local Participation Agreement. All such reports shall be prepared at the sole expense of the Developer.

SECTION V: That the Mayor is authorized to negotiate and enter into a Local Participation Agreement 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"), substantially in the form attached hereto as Exhibit C.

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 Real Estate 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 \$7,712,754 with respect to the Real Estate Tax Increment 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, letters, 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

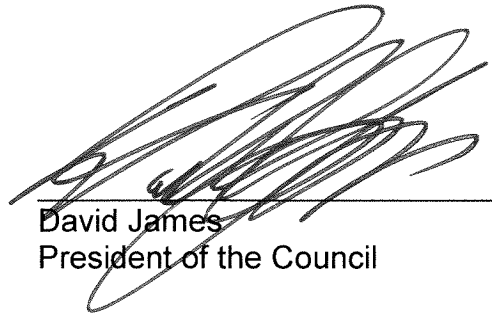
and purposes, and to exercise and otherwise take all action necessary to the full realization of the rights and purposes of Louisville Metro under the Local Participation Agreement and related documents and to perform all of the obligations of Louisville Metro under the Local Participation Agreement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

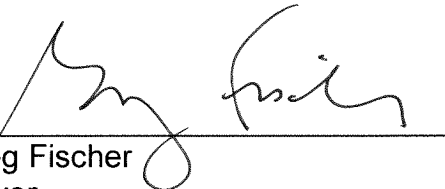
SECTION XI: This Ordinance shall take effect upon its passage and approval.



Sonya Hayward
Metro Council Clerk



David James
President of the Council

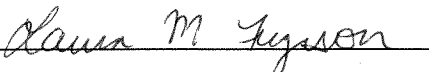


Greg Fischer
Mayor

12/07/2021
Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

By: 

O-536-21 Ordinance Establishing the Shelby Street TIF (If)

LOUISVILLE METRO COUNCIL
READ AND PASSED
December 2, 2021

Exhibits

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

EXHIBIT A
DEVELOPMENT PLAN

Development Plan
For
Shelby Street Development Area
Louisville/Jefferson County Metro Government
_____, 2021

Development Plan
The Shelby Street Development Area

1. Introduction.

1.1. Purpose. The Louisville/Jefferson County Metro Government (“Louisville Metro”) intends to establish the **Shelby Street Development Area** (the “Development Area”) pursuant to the provisions of KRS 65.7041 to 65.7083 and KRS 154.30-010-154-30.090, as the same may be amended (collectively, the “Act”), to encourage the redevelopment of property that has sat vacant since the buildings were demolished in 2005 undertaken by City Development Group, LLC, a Kentucky limited liability company, Weyland Ventures Development, LLC, a Kentucky limited liability company, or an affiliate of same (collectively, the “Developer”), to be located at and adjacent to 704-728 Marshall Street, 710 and 726 E. Liberty Street, 320 E. Shelby Street, 730 Ballard Street, and 710, 730 and 750 E. Jefferson Street, Louisville, Kentucky. The Developer proposes to redevelop the site into a mixed-use development consisting of a hotel with approximately 130 rooms and a rooftop bar, 295 units of market rate housing, a Family Scholar House with 60 units of affordable housing, approximately 70,000 square feet of commercial space and a parking garage with approximately 280 parking spaces, all of which will cost approximately \$115 million, of which approximately \$11 million will be for public infrastructure improvements which will benefit both the site and the surrounding area (the “Project”). Louisville 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, and by requesting a pledge of State incremental tax revenues under the Commonwealth Participation

Program for State Real Property Ad Valorem Tax Revenues (the “Property Tax Program”) as provided in the Act.

1.2. The Project will provide public infrastructure improvements that will benefit the surrounding area and catalyze additional development, specifically by providing two greenspace parks, streetscape and sidewalk improvements, site and utility work, and the parking garage.

1.3. The redevelopment plan for the Project will redevelop a site that has sat vacant since 2005.

1.4 Size and Location. The Development Area is an approximately 5.5588 acre area in the Nulu neighborhood identified more specifically on the map attached as Exhibit “A”. This location is perfectly situated for development of the Project, which will catalyze development for continued high quality growth and 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 5.5588 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 \$1.539 billion. The taxable real property within the Development Area for calendar year 2020 is approximately \$2,166,030, and that combined with the other development areas that have been established by Louisville Metro totals approximately \$1.541 billion in taxable real property assessment. The total assessed value of taxable real property within Louisville Metro for the calendar year 2020 exceeds \$65.6 billion, 20% of which is \$13.1 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 is a vacant site previously occupied by the Clarksdale public housing development which was demolished in 2005 and has sat vacant since that time.

2. **Substantial abandonment of residential, commercial, or industrial structures are deteriorating or deteriorated.** The Development Area has been vacant since the public housing structures were demolished in 2005.
3. **There are inadequate improvements or substantial deterioration of public infrastructure to support the proposed new development within the Development Area.** In order to develop the proposed Project, significant public infrastructure improvements are required to support the increased usage. Additional power, sewer and water infrastructure is required to facilitate the Project, and these improvements will facilitate further development within the area, as well as the construction of a parking garage and streetscape and sidewalk improvements, which will benefit both the Project and the surrounding neighborhood. These infrastructure improvements cannot reasonably be funded with private investment alone
4. **Assurances the Development Area Is Not Reasonably Expected to Develop Without Public Assistance.** Louisville Metro finds that the Development Area will not reasonably be developed without public assistance, including incentives as provided by the Act. The high cost of site development expenses needed for the Project, particularly public infrastructure, make public incentives critical to the financing of the Project when

compared with low potential revenue generated by these improvements.

2.3. 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, will facilitate secondary and tertiary re-development within the area. The Development Area has a 2020 taxable assessment of approximately \$2,166,030, but currently generates \$0 in ad valorem real property taxes to Louisville Metro because its owner qualified for the property tax exemption pursuant to Section 170 of the Kentucky Constitution. The Project will increase capital investment by approximately \$115,000,000, 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 \$7,712,754, 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 occupational withholding fees from the Development Area. In addition, the Project contains a Family Scholar House, which contains 60 units of affordable housing. Therefore, even when considering the requested incentives for the Project from Louisville Metro, the Project will be financially beneficial to Louisville Metro. Further, the Project will serve as a catalyst for additional development in the area surrounding the Development Area.

2.4. 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 enterprise without public assistance; in addition, there are special circumstances within the development area that would prevent its development without public assistance; specifically, the high cost of public infrastructure improvements needed to redevelop the Development Area, which are expected to cost approximately \$11 million out of the total capital investment of \$115 million and consist of two greenspace parks, streetscape and sidewalk improvements, site and utility work, and the parking garage. The proposed improvements within the Development Area will have a positive effect on the surrounding area which faces stagnation in development without them. The additional public infrastructure will result, not only in feasible development within the Development Area, but in additional feasible development of the surrounding area.

2.5. 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."

2.6. Existing Uses and Conditions. The Development Area consists of approximately 5.5588 acres along Marshall Street, E. Liberty Street, Ballard Street, E. Jefferson Street and E. Shelby Street in the Nulu neighborhood. The existing site has sat vacant since the buildings were demolished in 2005.

2.7. 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.

2.8. 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 consist of a mixed-use development consisting of a hotel with approximately 130 rooms and a rooftop bar, 295 units of market rate housing, a Family Scholar House with 60 units of affordable housing, approximately 70,000 square feet of commercial space and a parking garage with approximately 280 parking spaces, all of which will cost approximately \$115 million. In addition, approximately \$11 million of the capital investment will be for public infrastructure improvements which includes two greenspace parks, streetscape and sidewalk improvements, site and utility work, and the parking garage, which will benefit both the site and the surrounding area.

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 Real Estate 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 \$7,712,754 with respect to the Real Estate Tax Increment as set forth in the Local Participation Agreement. The projected incremental revenues and the projected time frame of the financial obligations is attached as Exhibit "B". In addition, Louisville Metro will work to obtain a pledge of state incremental revenues under the Property Tax Program to support the Project.

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 ordinance.

5. Conclusions.

In conclusion, the Project will serve as an important catalyst to the further

development of the Nulu neighborhood and surrounding areas, will generate significant new tax revenues to Louisville Metro, and will facilitate an increase in connectivity and public infrastructure 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

704-728 Marshall Street

Being Lots 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204 and 205, as shown on the recorded Plat of Clarksdale Hope VI Revitalization Phase 3, Blocks, "A," "B" and "H" of record in Plat and Subdivision Book 52, Pages 57 and 58, in the Office of the Clerk of Jefferson County, Kentucky.

710 E. Liberty Street

Being Revised Lot 223 as shown on the Minor Subdivision Plat recorded in Deed Book 11554, Page 65 in the Office of the Clerk of Jefferson County, Kentucky.

726 E. Liberty Street and 730 Ballard Street

Being Lots 236 and 263 as shown on the recorded Plat of Clarksdale Hope VI Revitalization Phase 4, Blocks "I," "J" and "K" of record in Plat and Subdivision Book 52, Pages 59 and 60, in the Office of the Clerk of Jefferson County, Kentucky.

320 S. Shelby Street

Being Lot 237 as shown on Instrument of Record Minor Plat of record in Deed Book 11544, Page 79 in the Office of the Clerk of Jefferson County, Kentucky.

710, 730 and 750 E. Jefferson Street

Being Lots 264A, 264B and 264C as shown on Instrument of Record Minor Plat of record in Deed Book 11633, Page 80 in the Office of the Clerk of Jefferson County, Kentucky.

Exhibit B

ESTIMATE OF NEW REAL ESTATE TAX REVENUE

2023	425,988
2024	432,377
2025	438,863
2026	445,446
2027	452,128
2028	458,910
2029	465,793
2030	472,780
2031	479,872
2032	487,070
2033	494,376
2034	501,792
2035	509,319
2036	516,958
2037	524,713
2038	532,583
2039	540,572
2040	548,861
2041	556,911
2042	565,265

EXHIBIT B
MAP OF DEVELOPMENT AREA

LEGAL DESCRIPTION

704-728 Marshall Street

Being Lots 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204 and 205, as shown on the recorded Plat of Clarksdale Hope VI Revitalization Phase 3, Blocks, "A," "B" and "H" of record in Plat and Subdivision Book 52, Pages 57 and 58, in the Office of the Clerk of Jefferson County, Kentucky.

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MAP OF SHELBY STREET DEVELOPMENT AREA

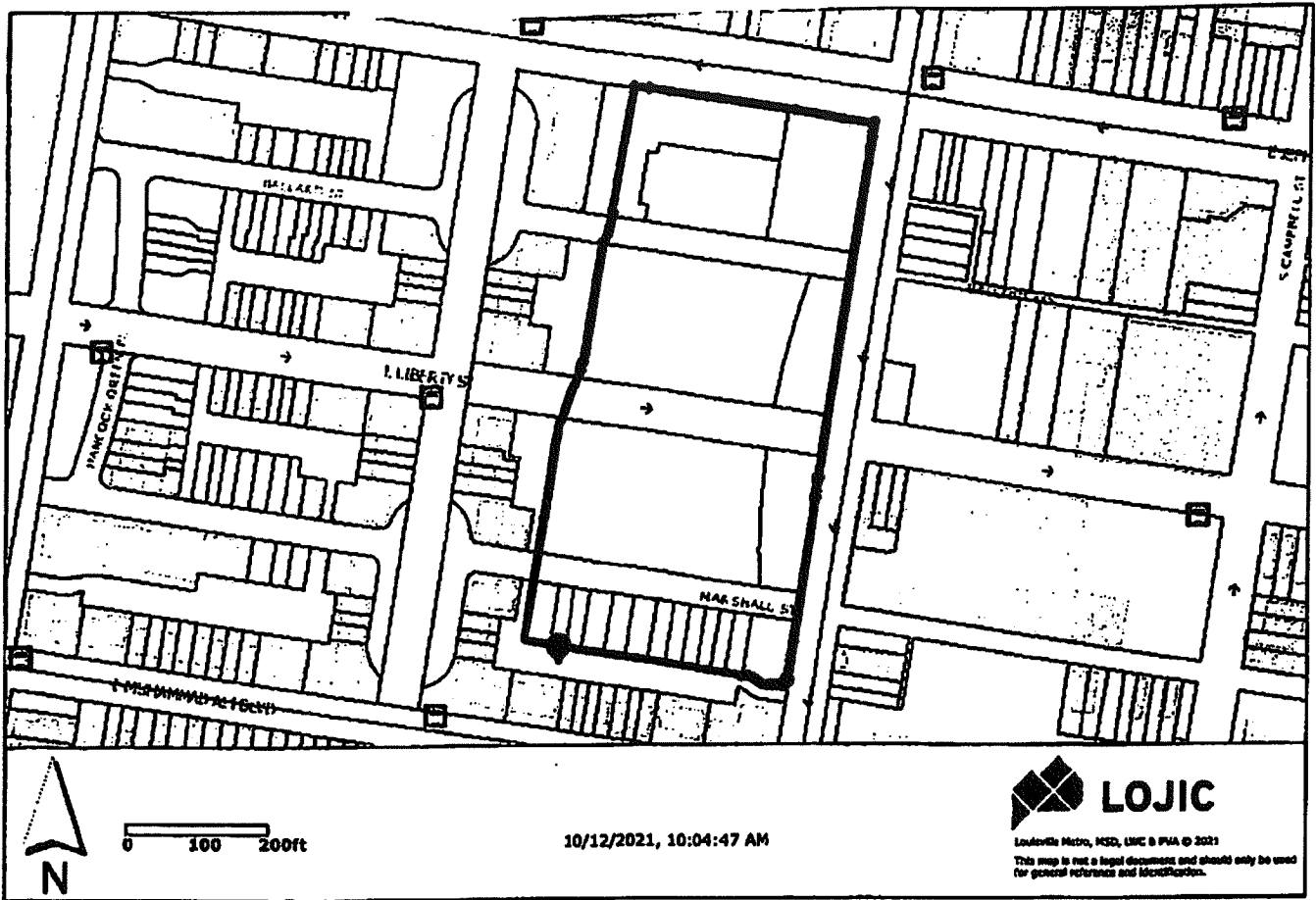


EXHIBIT C
LOCAL PARTICIPATION AGREEMENT

LOCAL PARTICIPATION AGREEMENT

This **LOCAL PARTICIPATION AGREEMENT** (the "Agreement") effective as of the ____ day of _____, 2021, 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, City Development Group, LLC, a Kentucky limited liability company, and/or Weyland Ventures Development, LLC, a Kentucky limited liability company, or an affiliate of same (collectively, "Developer"), desires to redevelop properties at 704-728 Marshall Street, 710 and 726 E. Liberty Street, 320 S. Shelby Street, 730 Ballard Street, and 710, 730 and 750 E. Jefferson Street into a mixed-use development consisting of a hotel with approximately 130 rooms and a rooftop bar, 295 units of market rate housing, a Family Scholar House with 60 units of affordable housing, approximately 70,000 square feet of commercial space and a parking garage with approximately 280 parking spaces, all of which will cost approximately \$115 million, of which approximately \$11 million will be for public infrastructure improvements which will benefit both the site and the surrounding area, and known as the Shelby Street Redevelopment 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 Developer as set forth in this Agreement and the TIF Disbursement Agreement to be entered into among 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 2021 (the "Ordinance"), effective _____, 2021, has established the Shelby Street Development Area (the "Development Area"), as more specifically described in Exhibit B;

WHEREAS, the Project may qualify for a pledge of State incremental revenues under one of the State Participation Programs as provided in the Act, relating to incentives for development and redevelopment;

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, increase the tax base of Louisville, and increase employment in 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 a

most efficient manner;

WHEREAS, Louisville is authorized under 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 that term is 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 additional 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 November 1, 2023, 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, 2020 through December 31, 2020, 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 effective date of this Agreement.

(e) **"Eligible Project Costs"** shall mean the Project

Expenditures certified by the Office pursuant to Section 3.3 of this Agreement, and other costs as may be agreed by Louisville and the Authority.

(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”** means the Kentucky Economic Development Finance Authority (“KEDFA”) as provided by the Act.

(h) **“Office of Management and Budget”** means the department of Louisville with that name.

(i) **“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.

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

(k) **“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.

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

(m) **“Tax Incentive Agreement”** means the agreement entered into between the Commonwealth and the Authority pursuant to the terms of the Act.

(n) **“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 \$7,712,754 for the Real Estate Tax Increment.

3.2 Certification of Minimum Capital Investment. Prior to any Released Amount being paid by Louisville to the Authority for the Project, the Office shall certify to Louisville that the minimum capital investment as set forth in the Tax Incentive Agreement has been made as required by the Act. Any amount of the Released Amount received after the Activation Date but prior to certification of the minimum capital investment being made shall be held in a non-interest bearing escrow account by Louisville until the minimum capital investment is certified by the Office. All accumulated amounts of the Released Amount shall be released to the Authority upon certification. If the minimum capital investment is not certified within ten (10) years from the Activation Date, the escrow shall be forfeited to Louisville and this Agreement shall be void.

3.3 Eligible Project Costs. Louisville and the Authority shall rely on the Office to approve or verify, as applicable, each Project Expenditure identified as Approved Public Infrastructure Costs as defined in the Act. Other costs agreed to by Louisville and the Authority shall be approved and verified by the Office of Management and Budget.

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

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

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

(e) 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.

3.5 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 3.4 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

(d) An accounting of the amount of Eligible Project Costs incurred by the Authority to date as reported to Louisville by the Office.

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

3.6 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

3.7 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 and this Agreement.

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 **TWO MILLION, ONE HUNDRED SIXTY-SIX THOUSAND, THIRTY AND NO/100 DOLLARS (\$2,166,030.00)**. The previous owner, as a qualifying organization, was granted exemption from property taxes pursuant to Section 170 of the Kentucky Constitution. Therefore, the real property in the Development Area in the Base Year generated no revenue. As such, the Old Real Estate Tax Revenue is stipulated as \$0.

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 3.6 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 to this Agreement 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 3.6 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 5.2 of this Agreement minus the Old Real Estate Tax Revenue calculated pursuant to Section 5.1 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 3.6 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 c/o Louisville Forward 444 S. 5 th St., Ste. 600
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Louisville, Kentucky 40202
Attn: Rebecca Fleischaker

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: _____
Greg Fischer, Mayor

Approved as to Form and Legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____

**METRO DEVELOPMENT AUTHORITY,
INC.**

By: _____
Rebecca Fleischaker, President

EXHIBIT A

PROJECT DESCRIPTION

The project will involve new capital investment of approximately \$115 million and is a mixed-use development consisting of a hotel with approximately 130 rooms and a rooftop bar, 295 units of market rate housing, a Family Scholar House with 60 units of affordable housing, approximately 70,000 square feet of commercial space and a parking garage with approximately 280 parking spaces. In addition, approximately \$11 million of the capital investment will be for public infrastructure improvements which includes two greenspace parks, streetscape and sidewalk improvements, site and utility work, and the parking garage, which will benefit both the site and the surrounding area.

EXHIBIT B

DESCRIPTION OF DEVELOPMENT AREA

704-728 Marshall Street

Being Lots 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204 and 205, as shown on the recorded Plat of Clarksdale Hope VI Revitalization Phase 3, Blocks, "A," "B" and "H" of record in Plat and Subdivision Book 52, Pages 57 and 58, in the Office of the Clerk of Jefferson County, Kentucky.

710 E. Liberty Street

Being Revised Lot 223 as shown on the Minor Subdivision Plat recorded in Deed Book 11554, Page 65 in the Office of the Clerk of Jefferson County, Kentucky.

726 E. Liberty Street and 730 Ballard Street

Being Lots 236 and 263 as shown on the recorded Plat of Clarksdale Hope VI Revitalization Phase 4, Blocks "I," "J" and "K" of record in Plat and Subdivision Book 52, Pages 59 and 60, in the Office of the Clerk of Jefferson County, Kentucky.

320 S. Shelby Street

Being Lot 237 as shown on Instrument of Record Minor Plat of record in Deed Book 11544, Page 79 in the Office of the Clerk of Jefferson County, Kentucky.

710, 730 and 750 E. Jefferson Street

Being Lots 264A, 264B and 264C as shown on Instrument of Record Minor Plat of record in Deed Book 11633, Page 80 in the Office of the Clerk of Jefferson County, Kentucky.

EXHIBIT C

NEW REAL ESTATE REVENUE ESTIMATE

2023	425,988
2024	432,377
2025	438,863
2026	445,446
2027	452,128
2028	458,910
2029	465,793
2030	472,780
2031	479,872
2032	487,070
2033	494,376
2034	501,792
2035	509,319
2036	516,958
2037	524,713
2038	532,583
2039	540,572
2040	548,861
2041	556,911
2042	565,265

EXHIBIT D

MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU"), entered into this ____ day of _____, 2021 by and between **WEYLAND VENTURES DEVELOPMENT, LLC**, a Kentucky limited liability company, or an affiliate of same (the "Developer") and **THE PHOENIX HILL NEIGHBORHOOD ASSOCIATION, INC.**, a Kentucky nonprofit corporation ("Phoenix Hill").

RECITALS:

WHEREAS, the Developer plans to undertake a major project located at 704 – 728 Marshall Street, 710 and 726 E. Liberty Street, 320 Shelby Street, 730 Ballard Street, and 710, 730 and 750 E. Jefferson Street, which will include a mixed use development consisting of a hotel with approximately 130 rooms, 295 units of market rate housing, a Family Scholar House with 60 units of affordable housing, approximately 70,000 square feet of commercial space, and a parking garage with approximately 280 parking spaces, all at a cost of approximately \$115,000,000.00, more specifically described in **Exhibit A** (the "Project"); and

WHEREAS, Phoenix Hill is dedicated to the equitable & inclusive revitalization of the historic Phoenix Hill neighborhood and the surrounding area just east of downtown Louisville; and

WHEREAS, the Developer desires to provide certain community benefits in response to community needs.

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

SECTION 1. OBLIGATIONS OF DEVELOPER. Developer agrees as follows:

- A. At its sole cost and expense, the Developer will offer the following benefits to Phoenix Hill and the surrounding area:
 - a. Targeted neighborhood hiring and training: With a specific focus on the Phoenix Hill neighborhood, which is 65.5% Black, the Developer agrees to: 1) host multiple job fairs targeted at hiring locals and 2) work with local neighborhood groups and organizations to find and train potential job candidates
 - b. Access to Affordable Housing: The Developer will work with Family Scholar House, to develop a 60-unit Family Scholar House campus within the neighborhood to provide housing options for very low-income individuals. The mission of Family Scholar House is to end the cycle of poverty and transform our community by empowering families and youth to succeed in education and achieve life-long self-sufficiency. The building will be used for housing parents and children within the Family Scholar House Program. Priority will be given to current and former residents of the Phoenix Hill neighborhood, including former residents of the Clarksdale Housing Complex.

- c. Community Parks: The Developer will work with the Louisville Metro Housing Authority and Phoenix Hill on the design, construction, and management of two pocket parks along S Shelby St.
- d. Community Programming: The Developer and Family Scholar House will work together to produce programming for children and families in the neighborhood to include, but not be limited to, cooking classes, yoga, tutoring, financial wellness fairs, health fairs.
- e. Wage Floor: Developer shall use good faith efforts to ensure that hourly, non-tipped employees of Developer, Developer's affiliated management company, Weyland Ventures Management, LLC, and its affiliated hospitality management company, Weyland Ventures Hospitality, LLC, who are employed at the Project receive an hourly wage of no less than fifteen dollars (\$15.00).
- f. Wasted Food Reduction Program: The Developer shall use good faith efforts, working with Jefferson Street Baptist Center or another designated non-profit, to eliminate food waste by offering a daily pickup donation or similar arrangement.

SECTION 2. OBLIGATIONS OF PHOENIX HILL. Phoenix Hill agrees as follows:

In good faith, the Phoenix Hill Neighborhood Association, Inc. will work with the Developer to:

- a. Assist with the development of community programming.
- b. Identify local, community-based organizations and entrepreneurs for the Developer's targeted neighborhood hiring.
- c. Assist Developer with the Wasted Food Reduction Program by identifying quality non-profits to accept available donations.

SECTION 3. TERM. The Term of this MOU shall be ___ () year(s), commencing on the effective date and shall be renewed automatically for ___ () successive one (1) year terms unless terminated by any party which gives written notice of its intent to terminate to all other parties to this MOU at least 90 days prior to the end of a term or unless terminated, pursuant to Section 5 of this MOU.

SECTION 4. APPLICABLE LAW. This MOU shall be interpreted under the laws of the Commonwealth of Kentucky.

SECTION 5. ENTIRE AGREEMENT. This MOU, together with any exhibits hereto, which are deemed to be incorporated by reference as if set forth at length herein, 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 or amended except in writing, signed by each of the parties hereto, their successors or assigns.

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

**WEYLAND VENTURES DEVELOPMENT,
LLC "Developer"**

By: _____

Title: _____

**Phoenix Hill Neighborhood
Association, Inc.
"Phoenix Hill"**

By: _____

Title: _____

EXHIBIT A

PROJECT DESCRIPTION

The project will involve new capital investment of approximately \$115 million and is a mixed-use development consisting of a hotel with approximately 130 rooms and a rooftop bar, 295 units of market rate housing, a Family Scholar House with 60 units of affordable housing, approximately 70,000 square feet of commercial space and a parking garage with approximately 280 parking spaces. In addition, approximately \$11 million of the capital investment will be for public infrastructure improvements which includes two greenspace parks, streetscape and sidewalk improvements, site and utility work, and the parking garage, which will benefit both the site and the surrounding area.