

ORDINANCE NO. 002, SERIES 2015

AN ORDINANCE AMENDING THE UNIVERSITY OF LOUISVILLE DEVELOPMENT AREA (THE "DEVELOPMENT AREA"), AS ADOPTED BY ORDINANCE NO. 199, SERIES 2010, TO AMEND THE BOUNDARIES OF THE DEVELOPMENT AREA, TO ADOPT AN ADDENDUM FOR THE DEVELOPMENT PLAN FOR THE DEVELOPMENT AREA, AMENDING THE LOCAL PARTICIPATION AGREEMENT FOR THE DEVELOPMENT AREA, 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: Councilwoman Marianne Butler

WHEREAS, the Council established the University of Louisville Development Area (the "Development Area"), through the adoption of Ordinance No. 199, Series 2010 (the "Development Area Ordinance") pursuant to the provisions of KRS 65.7041- 65.7083 and KRS 154-30.010-154-30.090 (the "Act"); and

WHEREAS, subsequent to the establishment of the Development Area the Louisville Medical Center Development Corporation ("LMCDC"), the Agency designated in the Development Area Ordinance, applied for and received a pledge of state incremental tax revenues as permitted by the Act to support the University of Louisville Research Park Project (the "Project") as a 'Signature Project' as defined by the Act; and

WHEREAS, there is a need to amend the Development Area to delete certain areas (the "Deleted Area") and add certain areas (the "Added Area") from the boundaries of the Development Area (the "Revised Development Area", and to amend the footprint of the Project; and

WHEREAS, in accordance with the provisions of the Act an Addendum to the Development Plan for the Development Area, attached hereto as Exhibit A (the "Addendum") for the Revised Development Area has been prepared and a public hearing has been conducted to seek public comment on the Addendum.

WHEREAS, within the Revised Development Area as illustrated on Exhibit "B" attached hereto, this area is in need of public improvement and the Project to be undertaken in the Development Area by LMCDC will result in the increase in value of property located in the Revised Development Area and will result in increased employment within the Development Area; and

WHEREAS, Louisville/Jefferson County Metro Government ("Louisville") is authorized under the Act to amend the Development Area and provided in this Ordinance and to execute an amended 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 purpose of Louisville; and

WHEREAS, LMCDC is organized and incorporated as a non-profit corporation and is located within Louisville; and

WHEREAS, Louisville desires to assist LMCDC with the costs of the Project and agrees to amend the Local Participation Agreement in accordance with the provisions of this Ordinance in order to pay to LMCDC the Released Amount from the Revised Development Area for use solely for purposes of the Project.

BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/ JEFFERSON COUNTY METRO GOVERNMENT (THE COUNCIL) AS FOLLOWS:

Section 1. All statements of fact set forth in the recitals to this Ordinance are true and correct and are incorporated herein by reference.

Section 2. The establishment of the Revised Development Area shall not cause the assessed value of taxable real estate in all development areas located in Louisville to exceed 20% of the assessed value of all taxable real property in Louisville. The Council has adopted numerous development areas under the Act and the taxable real property value of the those development areas are under \$1.5 billion, while the total tax real property value for Louisville exceeds \$51 billion. Establishing the Revised Development Area will only add approximately \$17.6 million to the taxable real property value to the Revised Development Area.

Section 3. As supported by the data and findings contained in the Addendum to the Development Plan, attached hereto as Exhibit A, the Council hereby finds as follows:

1. The Added Area will not reasonably be developed without public assistance;
2. The public benefits to be derived by the Project justify the public costs to Louisville;
3. The area immediately surrounding the Revised Development Area has not been subject to the expected growth and development through investment by private enterprise;
4. The Revised Development Area is less than 3 square miles with the actual size being 865.3 acres;

5. There has been a substantial loss of industrial, commercial, and residential activity with the Added Area. The Added Area consists of a mix of old industrial, commercial and residential uses. The area is in transition and many of the businesses and residences are vacant or abandoned. The residential uses are transitioning from owner occupied to rental;
6. More than 50% of the structures within the Added Area are deteriorating or deteriorated. The structures within the area are old and most exhibit signs of deterioration;
7. More than 40% of the households within the Added Area are low income as defined by the Act based on the Census data for the area;
8. There are a significant number of abandoned and vacant structures within the Added Area; and
9. Infrastructure within the Added Area is deteriorated and there is a need for new infrastructure to support the redevelopment of the Added Area and the Project.


Section 4. The boundaries of the University of Louisville Development Area, is amended to be the boundaries of the Revised Development Area as illustrated in Exhibit B as of the effective date of this Ordinance; provided, however that nothing contained in this Ordinance shall change the Commencement Date, Activation Date or Termination Date as set forth in the Development Area Ordinance.

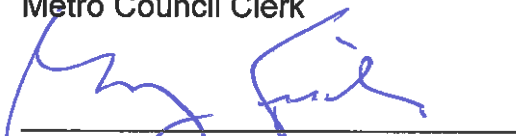
Section 5. The Mayor is authorized to negotiate and amend the Local Participation Agreement with LMCDC for the release to LMCDC of a portion of the new occupational license fees and new real estate taxes expected to be derived by Louisville from the Project to be constructed in the Revised Development Area and Footprint for the Project ("Released Amount") in accordance with the map of the Revised Development Area attached as Exhibit B; provided that nothing herein shall be considered to amend or extend the Commencement Date or Termination Date set forth in the Development Area Ordinance.

Section 6. The Mayor and other appropriate Louisville officials, and each of them, for and on behalf of Louisville, are hereby authorized, empowered and directed to do and perform any and all things necessary to effect the execution of any required amendments to the Local Participation Agreement, the performance of all obligations of Louisville under and pursuant to the Local Participation Agreement, as it may be amended 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, as amended. The Mayor and other appropriate Louisville officials, and each of them, is hereby further authorized, empowered and directed for and on behalf of Louisville 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, as amended, 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 under the Local Participation Agreement, as amended, and related documents and to perform all of the obligations of Louisville under the Local Participation Agreement, as amended, and related documents.

Section 7. This Ordinance shall take effect immediately upon its passage and approval.


H. Stephen Ott
Metro Council Clerk


Greg Fischer
Mayor


Jim King
President of the Council

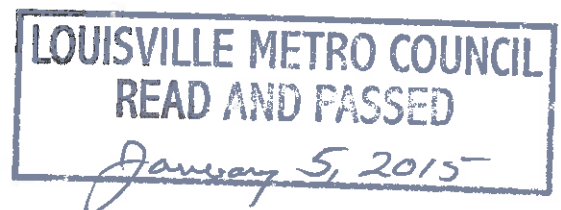
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1/6/15
Approval Date

APPROVED AS TO FORM AND LEGALITY: 

Michael J. O'Connell
Jefferson County Attorney

By: 



Exhibits

A. Addendum to Development Plan

Addendum to Development Plan

For The

University of Louisville Development Area

Louisville/Jefferson County Metro Government

October 2014

Addendum to Development Plan
For The
University of Louisville Development Area

Louisville/Jefferson County Metro Government
October 2014

**Addendum to Development Plan
For The
University of Louisville Development Area**

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.

B. Map of Revised Development Area

