

ORDINANCE NO. 162, SERIES 2017

AN ORDINANCE ESTABLISHING A DEVELOPMENT AREA PURSUANT TO PROVISIONS OF KRS 65.7041- 65.7083 TO BE KNOWN AS THE EIGHTEENTH AND BROADWAY 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 SEXTON SMITH

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, University Health Care, Inc., d/b/a Passport Health Plan, a Kentucky non-profit corporation, and/or Passport Health Solutions, LLC, a Kentucky limited liability company, or any approved affiliate or assignee thereof (the "Developer") plans to undertake a major project within the Eighteenth and Broadway Development Area (the "Development Area") to complete the Eighteenth and Broadway 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 \$60 million for the First Project and \$70 million for the Second Project 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 19.608 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 \$1.507 billion. The taxable real property assessment of the Development Area for calendar

year 2016 is approximately \$878,368.41, and that amount combined with the previous development areas established by Louisville Metro totals \$1.509 billion, while the total taxable real property assessment for Louisville exceeds \$53 billion, 20% of which is \$10.6 billion.

- E. The conditions within the Development Area meet at least 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 bulk of the Development Area is the old Philip Morris site, which has sat vacant since the factory closed in 2001, and the majority of the remaining buildings were demolished in 2007 and 2008.
 2. **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, a parking structure is required to support the anticipated increased demand. Additional public infrastructure will be needed to support the site, including utilities, storm water retention and the extension of Anderson and Maple Streets, which improvements will facilitate further development within this area. These infrastructure improvements cannot be reasonably be funded with private investment alone.
 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. Potential revenue alone cannot underwrite the costs of the proposed improvements. 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 development of the proposed Project will have a positive effect on the city and surrounding area, especially the impact on Broadway and 18th Street.

- 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, such as the public infrastructure improvements 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, facilitate secondary and tertiary re-development within

the area, and increase employment in Louisville Metro. The Development Area has a 2016 taxable assessment of approximately \$878,368.41 and annually generates \$4,021.24 in ad valorem real property taxes to Louisville Metro (\$2,272.52 from the area attributable to the First Project and \$1,928.72 from the area attributable to the Second Project). The Project will increase capital investment by approximately \$130 million (approximately \$60 million for the First Project and \$70 million for the Second Project), 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 (i) \$5,541,927 for the First Project and (ii) \$4,935,652 for the Second Project, to provide redevelopment assistance to the project, including public infrastructure improvements, it will retain 20% of the new incremental increase of the local ad valorem real property taxes from the Development Area. Further, the existing ad valorem real property taxes will be retained by Louisville Metro. 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.

- 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 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 Eighteenth and Broadway 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.

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;
- 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 (i) \$5,541,927 for the First Project and (ii) \$4,935,652 for the Second Project 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.

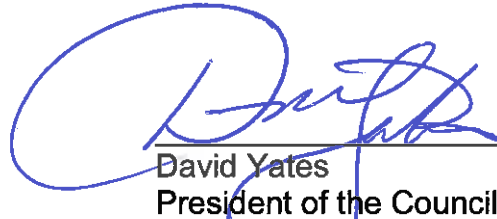
SECTION IX. That the Mayor and other appropriate Louisville Metro officials, and each of them, for and on behalf of Louisville Metro, are hereby authorized, empowered and directed to do and perform any and all things necessary to effect the execution of the Local Participation Agreement, the performance 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.

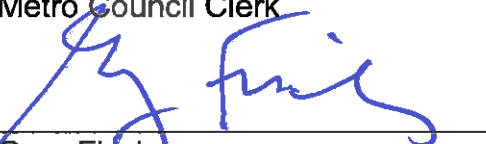
SECTION XI. This Ordinance shall take effect upon its passage and approval.




H. Stephen Ott
Metro Council Clerk



David Yates
President of the Council




Greg Fischer
Mayor



9/19/17
Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney



18th and Broadway TIF Ordinance nl O-292-17 081717.docx

**LOUISVILLE METRO COUNCIL
READ AND PASSED**
September 14, 2017

Exhibits

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

EXHIBIT A
DEVELOPMENT PLAN

Development Plan
For
Eighteenth and Broadway Development Area
Louisville/Jefferson County Metro Government
_____ , 2017

**Development Plan
The Eighteenth and Broadway Development Area**

1. Introduction.

1.1. Purpose. The Louisville/Jefferson County Metro Government (“Louisville Metro”) intends to establish the **Eighteenth and Broadway Development Area** (the “Development Area”) pursuant to the provisions of KRS 65.7041 to 65.7083 (collectively, the “Act”), to encourage the redevelopment proposed to be undertaken by University Health Care, Inc., d/b/a Passport Health Plan, a Kentucky non-profit corporation, and/or Passport Health Solutions, LLC, a Kentucky limited liability company, or any approved affiliate or assignee (the “Developer”), to be located at and adjacent to the 1800 W. Broadway, 1824 W. Broadway, 1912 W. Broadway, 713 Kendall Court, 715 Kendall Court, 712 S. 20th Street, 714 S. 20th Street, 716 S. 20th Street, Louisville, Kentucky, which site formerly contained a Philip Morris factory, as well as a remnant parcel that will be created after the realignment of 18th Street at West Broadway has occurred. The Developer proposes to redevelop the former Philip Morris site that has sat vacant since the factory closed in 2001 into a mixed use project, the first phase of which will consist of the construction of an office headquarters of approximately 325,000 square feet, a 525 space parking garage, and retail space (the “First Project”), and the second phase which will consist of uses compatible to a health campus to be developed with community input, and while this community engagement is still ongoing, based on preliminary discussions, could include a mixture of office and retail space, as well as site improvements, including proposed extensions of Anderson and Maple Streets (the “Second Project”, and collectively with the First Project, the “Project”), all of which will cost approximately \$130 million (approximately \$60 million for

the First Project and approximately \$70 million for the Second 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.

1.2. The Project will include a corporate headquarters and other mixed uses consistent with a health campus.

1.3. The redevelopment plan for the Project will redevelop a site, the majority of which has sat vacant since 2001 following the closure of a Philip Morris factory.

Redevelopment will transform an underutilized corner in a significant block of the California neighborhood, and will be a catalyst for further development of the surrounding area. In addition to replacing a mostly vacant site, this proposed project will provide additional employment opportunities, and will drive further development in the California neighborhood.

1.4 Size and Location. The Development Area is an approximate 19.608 acre area in the California neighborhood identified more specifically on the map attached as Exhibit "A". This location, in the California neighborhood, is perfectly situated for development of the Project, which will become the anchor and development catalyst 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 19.608 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 \$1.508 billion. The taxable real property within the Development Area for calendar year 2016 is approximately \$878,368.41, and that combined with the other development areas that have been established by Louisville Metro totals approximately \$1.509 billion in taxable real property assessment. The total assessed value of taxable real property within Louisville Metro for the calendar year 2016 exceeds \$53 billion, 20% of which is \$10.6 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 at least 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 bulk of the Development Area is the old Philip Morris site, which has sat vacant since the factory closed in 2001, and the majority of the remaining buildings were demolished in 2007 and 2008.
2. **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, a parking structure is required to support the anticipated increased demand. Additional public infrastructure will be needed to support the site, including utilities, storm water retention and the extension of Anderson and Maple Streets, which improvements will facilitate further development

within this area. These infrastructure improvements cannot be reasonably be funded with private investment alone.

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 improvements required to support the site. Potential revenue alone cannot underwrite the costs of the proposed improvements. 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 development of the proposed Project will have a positive effect on Louisville Metro and surrounding area, especially the impact on the California neighborhood.

2.3. 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 make public incentives critical to the financing of the Project.

2.4. 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, and will increase employment in Louisville Metro. The Development Area has a 2016 taxable assessment of approximately \$878,368.41 and annually generates \$4,201.24 in ad valorem real property taxes to Louisville (\$2,272.62 is attributable to the First Project and \$1,928.72 is attributable to the Second Project). The Project will increase capital investment by approximately \$130 million (approximately \$60 million for the First Project and approximately \$70 million for the Second Project), 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 (i) \$5,541,927 for the First Project and (ii) \$4,935,652 for the Second Project, 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 the increase in any other taxes, such as local occupational taxes. Further, the existing ad valorem real property taxes will be retained by Louisville Metro. 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. Lastly, while the Project is

not subject to Louisville Metro Code of Ordinances Section 37.75, the Developer intends to make a good faith effort to achieve the goals set forth in that ordinance with respect to minority participation, women participation and residents within the Louisville MSA during the construction of the project.

2.5. 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 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. This Project, at this time, is a catalyst project that can excite, and create the momentum needed to completely transform, this area over the coming years.

2.6. 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."

2.7. Existing Uses and Conditions. The Development Area consists of approximately 19.608 acres on the southwest corner of the intersection at Eighteenth and Broadway in the California neighborhood. The majority of the existing site is the site of the former Philip Morris factory, which closed in 2001, and the majority of the structures were demolished between 2007 and 2008.

2.8. 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 for the First Project. Community input is still being taken regarding the Second Project, but at this time, it does not appear that a change in zoning would be required. Even assuming that the community input resulted in a use requiring a zone change, it would only involve a small, non-material portion of the overall Second Project.

2.9. 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 project, consisting of a corporate headquarters, parking garage and other complementary uses consistent with a health campus.

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 (i) \$5,541,927 for the First Project and (ii) \$4,935,652 for the Second Project, 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 ordinance.

5. Conclusions.

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

redevelopment of the California neighborhood and surrounding areas in Louisville, will generate significant new tax revenues to Louisville Metro, and will facilitate an increase in the availability of employment opportunities 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

BEING A TRACT OF LAND LOCATED AT THE INTERSECTION OF DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY IN LOUISVILLE, KENTUCKY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF CURRENT DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE SOUTH LINE OF WEST BROADWAY, SOUTH 80°36'09" EAST (THIS AND ALL SUBSEQUENT BEARINGS HEREON REFER TO THE KENTUCKY STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NAD 83), 61.00 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF WEST BROADWAY, SOUTH 79°08'58" EAST, 73.28 FEET TO A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF THE PROPOSED DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, SOUTH 19°55'09" EAST, 57.24 FEET TO A POINT; THENCE CONTINUING ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 368.00' AND A CHORD THAT BEARS SOUTH 35°34'57" WEST, 264.58 FEET TO A POINT; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 432.00' AND A CHORD THAT BEARS SOUTH 40°13'21" WEST, 244.36 FEET TO A POINT; THENCE CONTINUING ALONG THE WEST SIDE OF DIXIE HIGHWAY, SOUTH 18°28'14" WEST, 298.99 FEET TO A POINT; THENCE FOLLOWING THE WEST LINE OF DIXIE HIGHWAY, SOUTH 19°10'06" WEST, 60.13 FEET TO A POINT; THENCE LEAVING THE WEST LINE OF DIXIE HIGHWAY, NORTH 81°59'04" WEST, 965.56 FEET TO A POINT; THENCE NORTH 8°00'56" EAST, 55.67 FEET TO A POINT; THENCE NORTH 80°56'28" WEST, 100.00 FEET TO A POINT IN THE EAST LINE OF DR. W. J. HODGE STREET; THENCE FOLLOWING THE EAST LINE OF DR. W. J. HODGE STREET NORTH 9°39'58" EAST, 2.53 FEET TO A POINT; THENCE FOLLOWING THE EAST LINE OF DR. W. J. HODGE STREET NORTH 8°53'52" EAST, 247.20 FEET TO A POINT; THENCE CONTINUING ALONG THE EAST LINE OF DR. W. J. HODGE STREET, NORTH 8°53'46" EAST, 249.00 FEET TO A POINT IN THE SOUTH LINE OF ANDERSON STREET; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 86°38'59" EAST, 142.75 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 8°53'30" WEST, 15.00 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 86°29'46" EAST, 142.77 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 85°23'41" EAST, 15.52 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 86°57'20" EAST, 180.85 FEET TO A POINT IN THE EAST LINE OF SOUTH 20TH STREET; THENCE FOLLOWING THE EAST LINE OF SOUTH 20TH STREET, NORTH 8°52'35" EAST, 210.20 FEET TO A POINT IN THE SOUTH LINE OF WEST

BROADWAY; THENCE SOUTH 86°36'30" EAST, 734.63 FEET TO THE POINT OF BEGINNING, CONTAINING 19.608 ACRES.

Project 1 is contained in 7.499 acres of the above described tract, more particularly described as follows:

BEING A TRACT OF LAND LOCATED AT THE INTERSECTION OF DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY IN LOUISVILLE, KENTUCKY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF CURRENT DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE SOUTH LINE OF WEST BROADWAY, SOUTH 80°36'09" EAST (THIS AND ALL SUBSEQUENT BEARINGS HEREON REFER TO THE KENTUCKY STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NAD 83), 61.00 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF WEST BROADWAY, SOUTH 79°08'58" EAST, 73.28 FEET TO A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF THE PROPOSED DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, SOUTH 19°55'09" EAST, 57.24 FEET TO A POINT; THENCE CONTINUING ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 368.00' AND A CHORD THAT BEARS SOUTH 35°34'57" WEST, 264.58 FEET TO A POINT; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 432.00' AND A CHORD THAT BEARS SOUTH 44°36'56" WEST, 180.16 FEET TO A POINT; THENCE LEAVING THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY NORTH 81°06'42" WEST, 668.92 FEET TO A POINT; THENCE NORTH 8°52'35" EAST, 365.48 FEET TO A POINT AT THE INTERSECTION OF SOUTH 20TH STREET AND WEST BROADWAY; THENCE FOLLOWING THE SOUTH LINE OF WEST BROADWAY, SOUTH 86°36'30" EAST, 734.63 FEET TO THE POINT OF BEGINNING, CONTAINING 7.499 ACRES.

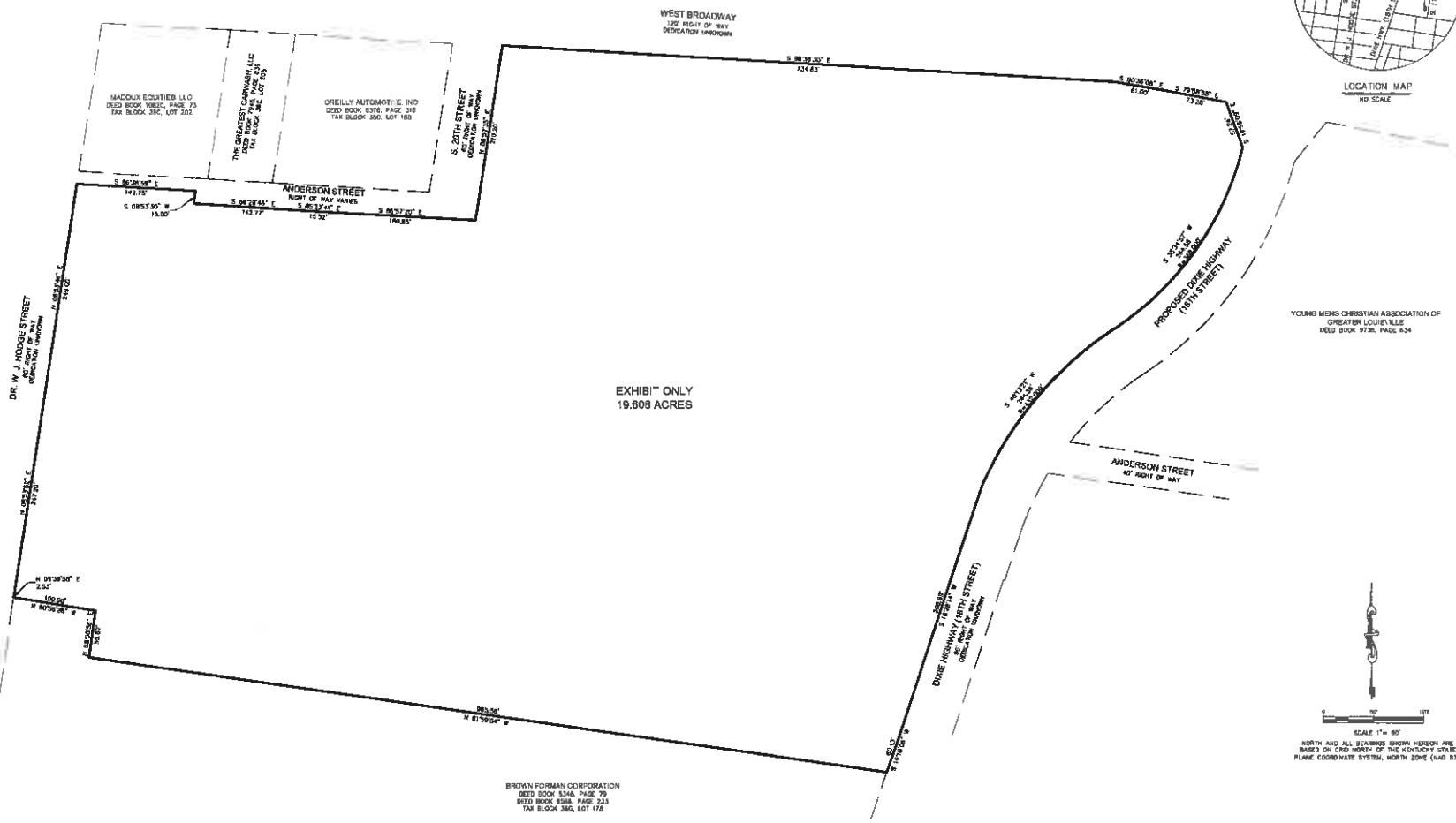
Project 2 is the remaining 12.109 acres of the Development Area (the difference between the Development Area and Project 1).

Exhibit B

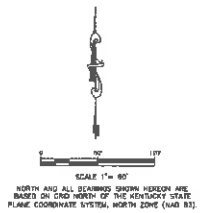
ESTIMATE OF NEW REAL ESTATE TAX REVENUE

Year	First Project	Second Project	Total
2019	286,980	26,345	313,325
2020	292,720	72,262	364,981
2021	298,574	118,178	416,752
2022	304,545	170,791	475,337
2023	310,636	218,621	529,258
2024	316,849	276,017	592,866
2025	323,186	333,413	656,599
2026	329,650	340,082	669,731
2027	336,243	346,883	683,126
2028	342,968	353,821	696,789
2029	349,827	360,897	710,724
2030	356,824	368,115	724,939
2031	363,960	375,478	739,438
2032	371,239	382,987	754,226
2033	378,664	390,647	769,311
2034	386,237	398,460	784,697
2035	393,962	406,429	800,391
2036	401,841	414,528	816,399
2037	409,878	422,849	832,727
2038	418,076	431,306	849,381

EXHIBIT B
MAP OF DEVELOPMENT AREA



YOUNG MENS CHRISTIAN ASSOCIATION OF
GREATER LOUISVILLE
REG. BOOK 9726, PAGE 624



NOTES: THIS EXHIBIT IS INTENDED FOR
(TIF) TAX INCREMENT FINANCING
PURPOSES ONLY.

THIS DOES NOT REPRESENT A BOUNDARY
SURVEY AND IS NOT INTENDED FOR LAND
TRANSFER.

THE PROPOSED RIGHT OF WAY FOR DIXIE
HIGHWAY IS BASED ON AN UNRECORDED
RECORD PLAT BY BTW ENGINEERING AND
DATED FEBRUARY, 2017

SABAK, WILSON & LINGO, INC.
ENGINEERS, LANDSCAPE ARCHITECTS & PLANNERS
THE HUNTY CLAY
LOUISVILLE, KENTUCKY 40202
(502) 884 - 6271

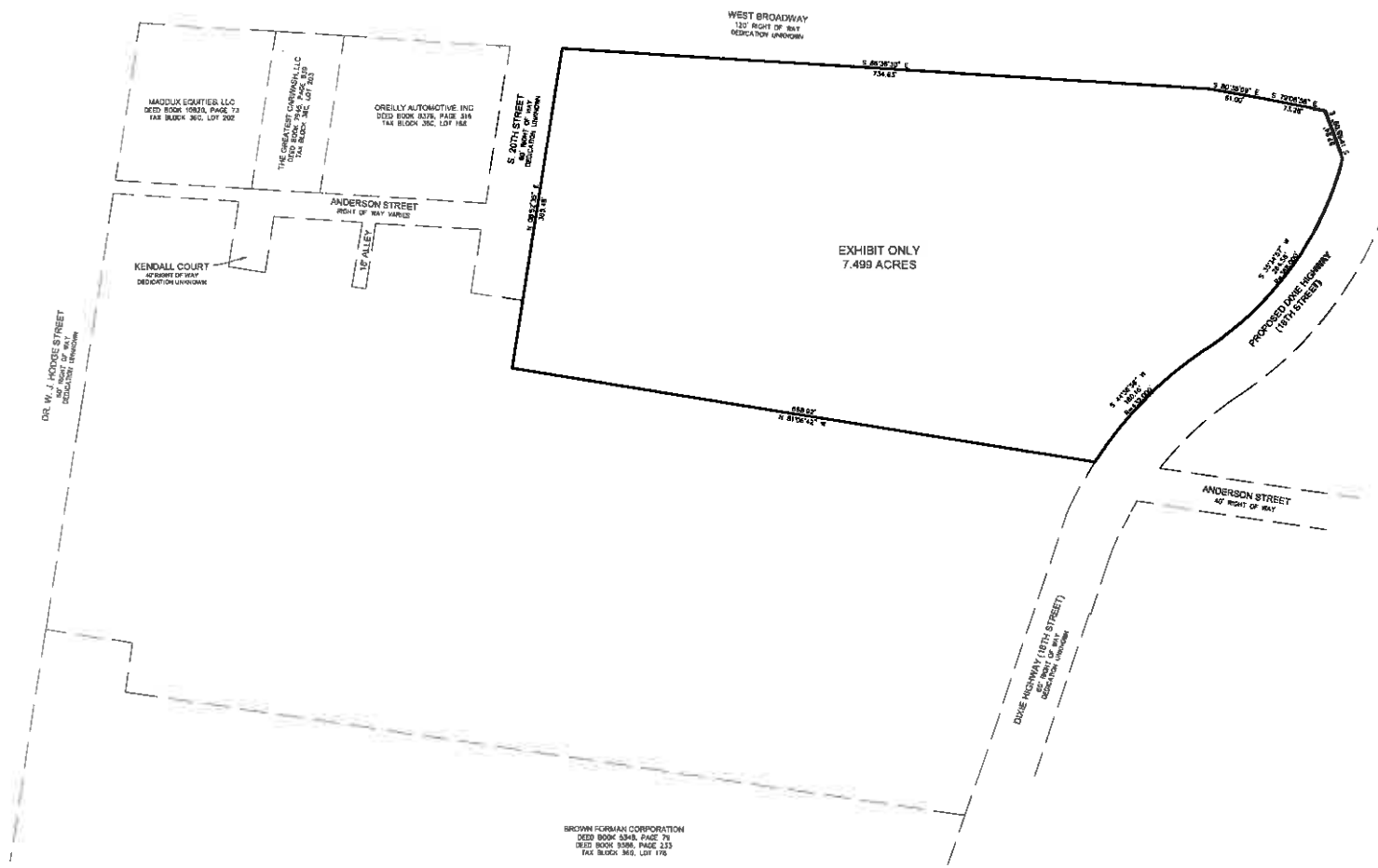
DATE	
BY	
REVISION	

CLIENT:
PASSPORT HEALTH PLAN

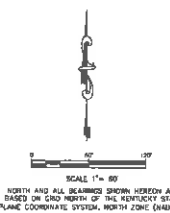
TIF EXHIBIT
PASSPORT HEALTH & WELLNESS CAMPUS
TAX BLOCK 39C, LOTS 176, 178, 181, 182 & 203
RECD. 1997, 1997, 2014 & 2028 WEST BROADWAY
CORPORATE, KENTUCKY 40202

JOB NO. 3021
SCALE 1"=60'
DATE 08/17
DRAWING NO.

1
SHEET 1 OF 1



YOUNG MENS CHRISTIAN ASSOCIATION OF GREATER LOUISVILLE
DEED BOOK #136, PAGE 634



SCALE 1" = 50'
NORTH AND ALL BEARINGS SHOWN HEREON ARE BASED ON GRID NORTH OF THE KENTUCKY STATE PLANE COORDINATE SYSTEM, NORTH ZONE (NAD 83).

BROWN FORMAN CORPORATION
DEED BOOK 3348, PAGE 79
DEED BOOK 3596, PAGE 233
TAX BLOCK 360, LOT 176

NOTES: THIS EXHIBIT IS INTENDED FOR (TIF) TAX INCREMENT FINANCING PURPOSES ONLY.

THIS DOES NOT REPRESENT A BOUNDARY SURVEY AND IS NOT INTENDED FOR LAND TRANSFER.

THE PROPOSED RIGHT OF WAY FOR DIXIE HIGHWAY IS BASED ON AN UNRECORDED RECORD PLAT BY BTM ENGINEERING AND DATED FEBRUARY, 2017

SABAK, WILSON & LINGO, INC.
ENGINEERS, ARCHITECTS & PLANNERS
103 E. THIRD STREET, LOUISVILLE, KENTUCKY 40202
(502) 261-6271

DATE	
NO. REVISIONS	

CLIENT:
PASSPORT HEALTH PLAN

TIF EXHIBIT
PASSPORT HEALTH & WELLNESS CAMPUS
TAX BLOCK 360, LOTS 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

JOB NO. 3029
SCALE: 1"=50'
DATE: 07/28/17

DRAWING NO. 1
SHEET 1 OF 1

LEGAL DESCRIPTION

BEING A TRACT OF LAND LOCATED AT THE INTERSECTION OF DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY IN LOUISVILLE, KENTUCKY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF CURRENT DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE SOUTH LINE OF WEST BROADWAY, SOUTH 80°36'09" EAST (THIS AND ALL SUBSEQUENT BEARINGS HEREON REFER TO THE KENTUCKY STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NAD 83), 61.00 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF WEST BROADWAY, SOUTH 79°08'58" EAST, 73.28 FEET TO A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF THE PROPOSED DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, SOUTH 19°55'09" EAST, 57.24 FEET TO A POINT; THENCE CONTINUING ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 368.00' AND A CHORD THAT BEARS SOUTH 35°34'57" WEST, 264.58 FEET TO A POINT; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 432.00' AND A CHORD THAT BEARS SOUTH 40°13'21" WEST, 244.36 FEET TO A POINT; THENCE CONTINUING ALONG THE WEST SIDE OF DIXIE HIGHWAY, SOUTH 18°28'14" WEST, 298.99 FEET TO A POINT; THENCE FOLLOWING THE WEST LINE OF DIXIE HIGHWAY, SOUTH 19°10'06" WEST, 60.13 FEET TO A POINT; THENCE LEAVING THE WEST LINE OF DIXIE HIGHWAY, NORTH 81°59'04" WEST, 965.56 FEET TO A POINT; THENCE NORTH 8°00'56" EAST, 55.67 FEET TO A POINT; THENCE NORTH 80°56'28" WEST, 100.00 FEET TO A POINT IN THE EAST LINE OF DR. W. J. HODGE STREET; THENCE FOLLOWING THE EAST LINE OF DR. W. J. HODGE STREET NORTH 9°39'58" EAST, 2.53 FEET TO A POINT; THENCE FOLLOWING THE EAST LINE OF DR. W. J. HODGE STREET NORTH 8°53'52" EAST, 247.20 FEET TO A POINT; THENCE CONTINUING ALONG THE EAST LINE OF DR. W. J. HODGE STREET, NORTH 8°53'46" EAST, 249.00 FEET TO A POINT IN THE SOUTH LINE OF ANDERSON STREET; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 86°38'59" EAST, 142.75 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 8°53'30" WEST, 15.00 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 86°29'46" EAST, 142.77 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 85°23'41" EAST, 15.52 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 86°57'20" EAST, 180.85 FEET TO A POINT IN THE EAST LINE OF SOUTH 20TH STREET; THENCE FOLLOWING THE EAST LINE OF SOUTH 20TH STREET, NORTH 8°52'35" EAST, 210.20 FEET TO A POINT IN THE SOUTH LINE OF WEST BROADWAY; THENCE SOUTH 86°36'30" EAST, 734.63 FEET TO THE POINT OF BEGINNING, CONTAINING 19.608 ACRES.

The First Project is contained in 7.499 acres of the above described tract, more particularly described as follows:

BEING A TRACT OF LAND LOCATED AT THE INTERSECTION OF DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY IN LOUISVILLE, KENTUCKY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF CURRENT DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE SOUTH LINE OF WEST BROADWAY, SOUTH 80°36'09" EAST (THIS AND ALL SUBSEQUENT BEARINGS HEREON REFER TO THE KENTUCKY STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NAD 83), 61.00 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF WEST BROADWAY, SOUTH 79°08'58" EAST, 73.28 FEET TO A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF THE PROPOSED DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, SOUTH 19°55'09" EAST, 57.24 FEET TO A POINT; THENCE CONTINUING ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 368.00' AND A CHORD THAT BEARS SOUTH 35°34'57" WEST, 264.58 FEET TO A POINT; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 432.00' AND A CHORD THAT BEARS SOUTH 44°36'56" WEST, 180.16 FEET TO A POINT; THENCE LEAVING THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY NORTH 81°06'42" WEST, 668.92 FEET TO A POINT; THENCE NORTH 8°52'35" EAST, 365.48 FEET TO A POINT AT THE INTERSECTION OF SOUTH 20TH STREET AND WEST BROADWAY; THENCE FOLLOWING THE SOUTH LINE OF WEST BROADWAY, SOUTH 86°36'30" EAST, 734.63 FEET TO THE POINT OF BEGINNING, CONTAINING 7.499 ACRES.

The Second Project is contained in the remaining 12.109 acres of the Development Area (the difference between the overall Development Area and the First Project).

EXHIBIT C
LOCAL PARTICIPATION AGREEMENT

LOCAL PARTICIPATION AGREEMENT

This **LOCAL PARTICIPATION AGREEMENT** (the "Agreement") effective as of the ____ day of _____, 2017, 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, University Health Care, Inc., d/b/a Passport Health Plan, a Kentucky non-profit corporation, and/or Passport Health Solutions, LLC, a Kentucky limited liability company, or any approved affiliate or assignee ("Developer"), desires to develop in Louisville a mixed use project, the first phase of which will include the construction of an office headquarters of approximately 325,000 square feet, a 525 space parking garage, and retail space (the "First Project"), and the second phase which will consist of uses compatible to a health campus to be developed with community input, and while this community engagement is still ongoing, based on preliminary discussions, could include a mixture of office and retail space, as well as site improvements, including proposed extensions of Anderson and Maple Streets (the "Second Project", and collectively with the First Project, the "Project"), all of which will cost approximately \$100 million (approximately \$30 million for the First Project and approximately \$70 million for the Second Project), and known as the Eighteenth and Broadway Project more specifically described in Exhibit A;

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 2017 (the "Ordinance"), enacted on _____, 2017, has established the Eighteenth and Broadway 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 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 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 _____, 2019, 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, 2016 through December 31, 2016, 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 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, as calculated in Section 4.2 of this Agreement.

(f) **"Office of Management and Budget"** means the department of Louisville with that name or such other successor agency.

(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, non-stock 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 (i) \$5,541,927 for the First Project and (ii) \$4,935,652 for the Second Project.

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 certification prepared by an independent certified public accounting firm of 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.

3.3 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; and

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

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 **EIGHT HUNDRED SEVENTY-EIGHT THOUSAND THREE HUNDRED SIXTY-EIGHT AND 41/100 DOLLARS (\$878,368.41)**. The applicable ad valorem real property tax rate in the Base Year, including the Urban Services District tax and the county tax rate was .4783 per hundred dollar 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 \$4,201.24 (\$2,272.52 attributable to the First Project and \$1,928.72 attributable to the Second Project).

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 Growth and Innovation
444 S. 5th St., Ste. 600
Louisville, Kentucky 40202
Attn: Mary Ellen Wiederwohl

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, except as otherwise provided in Section 8.3 of this Agreement.

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: _____
Mary Ellen Wiederwohl, President

EXHIBIT A

PROJECT DESCRIPTION

The Eighteenth and Broadway project will involve new capital investment of approximately \$130 million (approximately \$60 million for the First Project and approximately \$70 million for the Second Project), and will consist of a first phase of which will include the construction of an office headquarters of approximately 325,000 square feet, a 525 space parking garage, and retail space (the "First Project"), and the second phase which will include uses compatible to a health campus to be developed with community input, and while this community engagement is still ongoing, based on preliminary discussions, could include a mixture of office and retail space, as well as site improvements, including proposed extensions of Anderson and Maple Streets (the "Second Project", and collectively with the First Project, the "Project").

EXHIBIT B

DESCRIPTION OF DEVELOPMENT AREA

BEING A TRACT OF LAND LOCATED AT THE INTERSECTION OF DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY IN LOUISVILLE, KENTUCKY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF CURRENT DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE SOUTH LINE OF WEST BROADWAY, SOUTH 80°36'09" EAST (THIS AND ALL SUBSEQUENT BEARINGS HEREON REFER TO THE KENTUCKY STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NAD 83), 61.00 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF WEST BROADWAY, SOUTH 79°08'58" EAST, 73.28 FEET TO A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF THE PROPOSED DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, SOUTH 19°55'09" EAST, 57.24 FEET TO A POINT; THENCE CONTINUING ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 368.00' AND A CHORD THAT BEARS SOUTH 35°34'57" WEST, 264.58 FEET TO A POINT; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 432.00' AND A CHORD THAT BEARS SOUTH 40°13'21" WEST, 244.36 FEET TO A POINT; THENCE CONTINUING ALONG THE WEST SIDE OF DIXIE HIGHWAY, SOUTH 18°28'14" WEST, 298.99 FEET TO A POINT; THENCE FOLLOWING THE WEST LINE OF DIXIE HIGHWAY, SOUTH 19°10'06" WEST, 60.13 FEET TO A POINT; THENCE LEAVING THE WEST LINE OF DIXIE HIGHWAY, NORTH 81°59'04" WEST, 965.56 FEET TO A POINT; THENCE NORTH 8°00'56" EAST, 55.67 FEET TO A POINT; THENCE NORTH 80°56'28" WEST, 100.00 FEET TO A POINT IN THE EAST LINE OF DR. W. J. HODGE STREET; THENCE FOLLOWING THE EAST LINE OF DR. W. J. HODGE STREET NORTH 9°39'58" EAST, 2.53 FEET TO A POINT; THENCE FOLLOWING THE EAST LINE OF DR. W. J. HODGE STREET NORTH 8°53'52" EAST, 247.20 FEET TO A POINT; THENCE CONTINUING ALONG THE EAST LINE OF DR. W. J. HODGE STREET, NORTH 8°53'46" EAST, 249.00 FEET TO A POINT IN THE SOUTH LINE OF ANDERSON STREET; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 86°38'59" EAST, 142.75 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 8°53'30" WEST, 15.00 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 86°29'46" EAST, 142.77 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 85°23'41" EAST, 15.52 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF ANDERSON STREET, SOUTH 86°57'20" EAST, 180.85 FEET TO A POINT IN THE EAST LINE OF SOUTH 20TH STREET; THENCE FOLLOWING THE EAST LINE OF SOUTH 20TH STREET, NORTH 8°52'35" EAST, 210.20 FEET TO A POINT IN THE SOUTH LINE OF WEST BROADWAY; THENCE SOUTH 86°36'30" EAST, 734.63 FEET TO THE POINT OF BEGINNING, CONTAINING 19.608 ACRES.

The First Project is contained in 7.499 acres of the above described tract, more particularly described as follows:

BEING A TRACT OF LAND LOCATED AT THE INTERSECTION OF DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY IN LOUISVILLE, KENTUCKY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF CURRENT DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE SOUTH LINE OF WEST BROADWAY, SOUTH 80°36'09" EAST (THIS AND ALL SUBSEQUENT BEARINGS HEREON REFER TO THE KENTUCKY STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NAD 83), 61.00 FEET TO A POINT; THENCE FOLLOWING THE SOUTH LINE OF WEST BROADWAY, SOUTH 79°08'58" EAST, 73.28 FEET TO A POINT AT THE SOUTHWEST CORNER OF THE INTERSECTION OF THE PROPOSED DIXIE HIGHWAY (18TH STREET) AND WEST BROADWAY; THENCE ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, SOUTH 19°55'09" EAST, 57.24 FEET TO A POINT; THENCE CONTINUING ALONG THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY, WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 368.00' AND A CHORD THAT BEARS SOUTH 35°34'57" WEST, 264.58 FEET TO A POINT; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 432.00' AND A CHORD THAT BEARS SOUTH 44°36'56" WEST, 180.16 FEET TO A POINT; THENCE LEAVING THE WEST LINE OF THE PROPOSED DIXIE HIGHWAY NORTH 81°06'42" WEST, 668.92 FEET TO A POINT; THENCE NORTH 8°52'35" EAST, 365.48 FEET TO A POINT AT THE INTERSECTION OF SOUTH 20TH STREET AND WEST BROADWAY; THENCE FOLLOWING THE SOUTH LINE OF WEST BROADWAY, SOUTH 86°36'30" EAST, 734.63 FEET TO THE POINT OF BEGINNING, CONTAINING 7.499 ACRES.

The Second Project is contained in the remaining 12.109 acres of the Development Area (the difference between the overall Development Area and the First Project).

EXHIBIT C

ESTIMATE OF NEW REAL ESTATE TAX REVENUE

Year	First Project	Second Project	Total
2019	286,980	26,345	313,325
2020	292,720	72,262	364,981
2021	298,574	118,178	416,752
2022	304,545	170,791	475,337
2023	310,636	218,621	529,258
2024	316,849	276,017	592,866
2025	323,186	333,413	656,599
2026	329,650	340,082	669,731
2027	336,243	346,883	683,126
2028	342,968	353,821	696,789
2029	349,827	360,897	710,724
2030	356,824	368,115	724,939
2031	363,960	375,478	739,438
2032	371,239	382,987	754,226
2033	378,664	390,647	769,311
2034	386,237	398,460	784,697
2035	393,962	406,429	800,391
2036	401,841	414,528	816,399
2037	409,878	422,849	832,727
2038	418,076	431,306	849,381