

**CITY OF FLORENCE, KENTUCKY
ORDINANCE O-3-21**

AN ORDINANCE ESTABLISHING A LOCAL DEVELOPMENT AREA FOR ECONOMIC DEVELOPMENT PURPOSES WITHIN THE CITY OF FLORENCE, KENTUCKY TO BE KNOWN AS THE MARYDALE LOCAL DEVELOPMENT AREA (THE “LOCAL DEVELOPMENT AREA”); APPROVING A LOCAL DEVELOPMENT AREA AGREEMENT AMONG THE CITY, THE FINANCE DEPARTMENT OF THE CITY OF FLORENCE, KENTUCKY, AND OTHER LOCAL TAXING DISTRICTS THAT MAY AGREE TO BE A PARTY TO THE LOCAL DEVELOPMENT AREA AGREEMENT; ESTABLISHING AN INCREMENTAL TAX SPECIAL FUND FOR PAYMENT OF REDEVELOPMENT ASSISTANCE; DESIGNATING THE FINANCE DEPARTMENT OF THE CITY OF FLORENCE, KENTUCKY, AS THE AGENCY RESPONSIBLE FOR OVERSIGHT, ADMINISTRATION, AND IMPLEMENTATION OF THE LOCAL DEVELOPMENT AREA; AND AUTHORIZING THE MAYOR AND OTHER OFFICIALS TO TAKE SUCH OTHER APPROPRIATE ACTIONS AS ARE NECESSARY OR REQUIRED IN CONNECTION WITH THE ESTABLISHMENT OF THE LOCAL DEVELOPMENT AREA.

WHEREAS, the City of Florence, Kentucky (the “City”), pursuant to KRS 65.7041 to 65.7083, as it may be amended (the “Act”), is authorized to, among other things, (1) establish a local development area or development area to encourage investment and development in the City, (2) enter into agreements in connection with the establishment of a development area or local development area, (3) establish a special fund for deposit of incremental revenues resulting from the development of a local development area or development area, and (4) designate an agency to oversee, administer and implement projects within a local development area or development area; and

WHEREAS, the City desires to establish a “local development area” as defined in the Act to encourage investment and development within such local development area and to pledge a portion of the “incremental revenues” as defined in the Act, and herein, generated from the development of such local development area to the payment of redevelopment assistance and/or financing costs within such local development area; and

WHEREAS, the City has identified a contiguous tract of land of substantially undeveloped land consisting of not more than 1,000 acres within the City, specifically described in Exhibit A hereto; and

WHEREAS, the Developer [as hereinafter defined] plans to undertake a mixed-use comprehensive development of the Local Development Area as described in the Agreement [as hereinafter defined]; and

WHEREAS, the City has determined to establish the Local Development Area as a local development area pursuant to the Act to encourage development of the Project within the Local Development Area; and

WHEREAS, the City has agreed to support and encourage the Project within the Local Development Area by pledging certain Incremental Revenues to pay for Redevelopment Assistance [as hereinafter defined] to promote the development of the Local Development Area under the Agreement [hereinafter defined]; and

WHEREAS, the City pursuant to the Act held a public hearing on April 13, 2021 after giving proper notice concerning the City’s intention to establish the Local Development Area; and

WHEREAS, the establishment of the Local Development Area is for a public purpose and that the establishment and creation of the Local Development Area within the City is for the benefit and welfare of the City’s citizens.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FLORENCE, KENTUCKY:

SECTION 1. Definitions.

1.1 The capitalized terms set forth below when used herein shall have the following meanings.

“Agency” means the Finance Department of the City of Florence, Kentucky.

“Agreement” means the Local Development Area Agreement among the City, the County, the Agency and the Developer, attached as Exhibit “B” hereto.

“County” means the County of Boone, Kentucky.

“Developer” means Vinings Trace, LLC, an Indiana limited liability company or its successors and assigns.

“Establishment Date” means the date that the Local Development Area is established pursuant to the Act and this Ordinance.

“Incremental Revenues” means the amount of tax revenues received by the City, with respect to the Local Development Area by subtracting Old Revenues from New Revenues in a calendar year, as defined in the Agreement.

“Local Development Area” means a contiguous geographic area of mostly undeveloped land, which is less than a 1,000 acres in area, located within the geographical boundaries of the City, and which is created for economic development purposes by this Ordinance to encourage the new commercial development within the City, as more specifically described in Exhibit A attached hereto, to be known as the “Marydale Local Development Area”.

“Pledged Revenues” means that portion of the Incremental Revenues which are pledged by the City and the County, pursuant to the Agreement, to the pay for Redevelopment Assistance related to the Local Development Area, as set forth in the Agreement.

“Project” shall mean the comprehensive development of the Local Development Area being undertaken by the Developer as described in the Agreement.

“Public Infrastructure Costs” shall have the meaning as set forth in the Agreement.

“Redevelopment Assistance” shall have the meaning as set forth in the Act and in the Agreement.

1.2 All capitalized terms used herein and not defined above or in the recitals to this Ordinance shall have the meaning as set forth in the Act, as of the effective date of this Ordinance.

SECTION 2. Findings and Determinations. In accordance with the Act, the City hereby makes the following findings and determinations with respect to the Local Development Area:

2.1 The Local Development Area consists of a contiguous tract of land that is less than 1,000 acres. The actual size of the Local Development Area is approximately 272.025 acres;

2.2 The Local Development Area constitutes substantially undeveloped land;

2.3 The establishment of the Local Development Area will not cause the assessed taxable value of real property within the Local Development Area and within all “development areas” and “local development areas” established by the City (as those terms are defined in the Act) to exceed twenty percent (20%) of the total assessed taxable value of real property within the City. The assessed value of taxable real property within the Local Development Area is \$27,385,630, and the City has not adopted another local development area or development area. The City’s total assessed value of taxable real property within the City for the calendar year 2020 of \$2,871,507,826. Therefore, the assessed value of taxable real property within all local development areas or development areas is significantly less than twenty percent (20%) of the assessed value of taxable real property within the City.

SECTION 3. Establishment, Name, Boundaries. All that area described herein by Exhibit A attached hereto and made a part hereof, is located within the City and is hereby established and designated as the “Marydale Local Development Area. At the time of the enactment of this Ordinance, the Local Development Area is less than 1,000 acres, being approximately 272.025 acres in size.

SECTION 4. Establishment Date, Commencement Date, Termination Date, Activation Date. The Establishment Date is the effective date of adoption of this Ordinance. The Commencement Date is the date on which the Agreement has been executed by all parties thereto. The Termination Date for the Local Development Area shall be thirty (30) years subsequent to the Commencement Date; provided, however, that if the Agreement relating to the Local Development Area has a Termination Date that is later than the Termination Date established in this Ordinance, the Termination Date for the Local Development Area shall be extended to the Termination Date which is set forth in the Agreement and, provided further, the Termination Date for the Local Development Area shall in no event be more than forty (40) years from the Establishment Date. The Activation Date shall have the meaning set forth in the Agreement.

SECTION 5. Pledge of Incremental Revenues; Approval of Execution and Delivery of Local Development Area Agreement. The City hereby approves the pledge of seventy-five percent (75%) of its Incremental Revenues from City real property *ad valorem* taxes, business occupational license taxes, and employee occupational payroll taxes, as defined in the Local Development Area Agreement, generated within the Local Development Area for thirty (30) years to support the payment of redevelopment assistance to promote the development of the Project and the Local Development Area, as more specifically set forth in the Local Development Area Agreement. The Mayor of the City, and on behalf of the Agency, is hereby authorized and directed to execute, acknowledge and deliver on behalf of the City and the Agency, a Local Development Area Agreement (the “Agreement”), a form of which is attached as Exhibit B and made a part hereof, among the City and the Agency authorizing the pledge of seventy-five percent (75%) of the Incremental Revenues of the City from the Local Development Area to the payment of Redevelopment Assistance as defined in the Agreement. The form of the Agreement among the City, the County, the Agency and the Developer, shall be in substantially the form attached hereto, subject to further negotiations and changes therein that are not

inconsistent with this Ordinance and not substantially adverse to the City. The approval of such changes by said officers, and that such changes are not substantially adverse to the City, shall be conclusively evidenced by the execution of such Local Development Area Agreement by such officials.

SECTION 6. Special Fund. There is hereby established a Special Fund of the City to be known as the Marydale Local Development Tax Increment Fund, into which the City covenants to deposit, and into which the City officials are hereby authorized and directed to deposit all Pledged Revenues. The City and Agency shall maintain the Special Fund unencumbered except for the purposes set forth in Section 7 hereof. Funds deposited in the Special Fund shall be disbursed in accordance with the Act, this Ordinance, and the Agreement and related documents to pay Redevelopment Assistance, within the Local Development Area.

SECTION 7. Use of Pledged Revenues. Pledged Revenues from the City and County, shall be deposited by the City into the Special Fund created under Section 6 hereof and shall be used solely to pay for Redevelopment Assistance in accordance with the Agreement, as the same may be amended from time to time.

SECTION 8. Periodic Reports/Analysis. Any entity, other than the City that receives financial assistance pursuant to the provisions of this Ordinance, whether in the form of a grant or loan or loan guarantee shall make periodic reports regarding expenditures for Public Infrastructure Costs to the governing body of the City and to the Fiscal Court of the County in accordance with the Act, the Agreement, and any other documents controlling such grant, loan or loan guarantee. The governing bodies of the City and the County shall be required to review and analyze the progress of the development activity in the Local Development Area on an annual basis. Such review and analysis shall at a minimum, include a review of the progress in meeting the stated goals of the Local Development Area. The Mayor and other officials of the City shall report to the governing body of the City, and to the Fiscal Court of the County, during such reviews and shall when necessary, invite developers to participate in the review process to report on the progress of their developments within the Local Development Area.

SECTION 9. Designation of Oversight Agency. Pursuant to the Act, the City hereby designates the Finance Department of the City of Florence, Kentucky, as the Agency for purposes of oversight, administration and review responsibility of this Local Development Area Ordinance, the Agreement and the Local Development Area established hereby. The Agency shall act on behalf of the City in administering the Local Development Area, the Agreement, and other related agreements, with respect to the development of the Local Development Area.

SECTION 10. Severability. 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 11. Repeal of Conflicting Orders and Ordinances. All prior resolutions, municipal orders or ordinances or parts of any resolution, municipal order or ordinance in conflict herewith are hereby repealed.

SECTION 12. Effective Date. This Ordinance shall be in full force and effect from and after its passage, attestation, recordation and publication.

SECTION 13. Internet Publication. This Ordinance shall be published by posting on the City's internet website.

GIVEN FIRST-READING APPROVAL AT A DULY CONVENEED MEETING OF THE CITY COUNCIL OF THE CITY OF FLORENCE, KENTUCKY, held on the 13th day of April, 2021.

GIVEN SECOND READING AND ADOPTED AT A DULY CONVENEED MEETING OF THE CITY COUNCIL OF THE CITY OF FLORENCE, KENTUCKY, held on the 27th day of April, 2021 and on the same occasion signed by the Mayor as evidence of his approval, attested by the Clerk, published and filed as required by law, and declared to be in full force and effect from and after its adoption and approval according to law.

APPROVED:

/s/ Diane E. Whalen
Diane E. Whalen, Mayor

ATTEST:

/s/ Melissa Kramer
Melissa Kramer, City Clerk