

ORDINANCE NO. , 2024 SERIES

AN ORDINANCE OF THE FRANKLIN COUNTY, KENTUCKY, FISCAL COURT (THE "FISCAL COURT") APPROVING A FIRST AMENDMENT TO THE LOCAL DEVELOPMENT AREA AGREEMENT RELATED TO LOCAL DEVELOPMENT AREA CREATED FOR ECONOMIC DEVELOPMENT PURPOSES WITHIN THE CITY OF FRANKFORT, KENTUCKY, KNOWN AS THE PADDOCKS OF FRANKFORT LOCAL DEVELOPMENT AREA (THE "LOCAL DEVELOPMENT AREA") CREATED BY THE CITY OF FRANKFORT (THE "CITY") BY ORDINANCE NO. 7-2022 (THE "LOCAL DEVELOPMENT AREA ORDINANCE")

WHEREAS, pursuant to the Local Development Area Ordinance and KRS 65.7041 to 65.7083, as may be amended (the "Act") the City (1) established the Local Development Area, (2) entered into a Local Development Area Agreement dated May 1, 2022 with the Department of Finance of the City of Frankfort (the "Agency") and the County of Franklin, Kentucky (the "County"), (3) established a special fund for deposit of incremental revenues resulting from the development of the Local Development Area, and (4) designated the Agency to oversee, administer and implement projects within the Local Development Area; and

WHEREAS, the City and the Agency entered into that certain Development Agreement with an Effective Date of February 28, 2022 with The Paddocks of Frankfort, LLC (the "Original Developer") (the "Development Agreement"), pursuant to which the Developer is to develop certain property located within the Local Development Area; and

WHEREAS, pursuant to the Local Development Area Ordinance the City adopted a "Development Plan" (as defined in the Act) proposing the redevelopment of the Local Development Area as more particularly described in the Development Agreement and the First Amendment to the Local Development Area Agreement; and

WHEREAS, pursuant to the Local Development Area Agreement, in order to encourage reinvestment and development within the Local Development Area, the City and County pledged a portion of their respective "incremental revenues" (as defined in the Act) generated from the Local Development Area to reimburse Developer for certain infrastructure costs expended by Developer, or caused to be expended by Developer, within the Local Development Area as set forth in the Development Agreement and Local Development Area Agreement; and

WHEREAS, The Original Developer, is conveying certain property located within the Local Development Area to a new entity, THECAPITAL, LLC (the "New Developer");

WHEREAS, New Developer intends to assume the obligations of Original Developer under the Development Agreement, as the same may be amended from time to time; and

WHEREAS, many of the matters set forth in the Development Agreement have been accomplished and certain aspects of the project have changed due to general economic and market conditions not anticipated by the City, Agency, or Developer. City, Agency, the Original Developer, and New Developer nevertheless desire to pursue the project; and

WHEREAS, the City and County continue to recognize that it is in the best interests of the City and County that the New Developer develop the property located within the Local Development Area, and that the development of the property shall be in furtherance of the public purpose of the City and County in that such property, when developed, will enhance the economic vitality of the area, increase property values and employment, and attract additional investment to the area; and

WHEREAS, in order to facilitate the transfer of the property from the Original Developer to the New Developer and to continue to support the project as described in the Local Development Area Agreement and Development Agreement, the City, Agency, County, Original Developer, and New Developer have determined it is necessary to make certain amendments to the Local Development Area Ordinance, amend the Development Agreement; and to amend the Local Development Area Agreement;

WHEREAS, the County, as required by the Act, held a public hearing on January 9, 2024, after giving proper notice concerning the County's intention to consider an amendment to the Development Plan as described in the Amended and Restated Development Agreement and the First Amendment to the Local Development Area Agreement; and

WHEREAS, the County deems it necessary to enact this Ordinance in accordance with the Act and for purposes set forth and described herein and in the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF THE COUNTY OF FRANKLIN, KENTUCKY AS FOLLOWS:

SECTION 1. Findings and Determinations. In accordance with the Act, the County hereby makes the following findings and determinations with respect to the Local Development Area and the proposed changes to the Development Agreement and the Local Development Area Agreement:

1.1 The size, boundaries, and map of the Local Development Area will remain unchanged;

1.2 The amount of Redevelopment Assistance and local tax revenue pledged by the City and County in the Local Development Area Agreement will remain unchanged;

1.3 The financial plan outlined in Commonwealth Economics Report attached as Exhibit F to the Local Development Area Agreement will remain unchanged;

1.4 There will be no changes to any zoning ordinance, comprehensive plan, master plan, map, building code, or related ordinance in order to implement the proposed changes to the Development Agreement and the Local Development Area Agreement;

1.5 The Amended and Restated Development Agreement and First Amendment to the Local Development Area Agreement apply to the Local Development Area;

1.6 The following is a summary of changes made pursuant to the Amended and Restated Development Agreement and the First Amendment to the Local Development Area Agreement:

1.6.1 The proposed Roadway Agreement, once executed and approved by the City, shall be added as an exhibit to the Amended and Restated Development Agreement;

1.6.2 The description of Public Infrastructure Elements (as defined in the Amended and Restated Development Agreement) describing the public infrastructure improvements to be made by Developer is modified as set forth in the Amended and Restated Development Agreement;

1.6.3 The definition of "Project" is amended to reflect the current status of the project as described in the Amended and Restated Development Agreement;

1.6.4 The name of the Developer in the Amended and Restated Development Agreement is changed to THECAPITAL, LLC;

1.6.5 The Concept Plan is revised and attached to the Amended and Restated Development Agreement as Exhibit C;

1.6.6 Such other changes to the Amended and Restated Development Agreement as is necessary to reflect the current status of the project and to facilitate the transfer of the property to the New Developer;

1.6.7 The First Amendment to the Local Development Area Agreement makes such changes to memorialize the changes summarized in this Ordinance and this Section 2.6.

1.7 The financial plan outlined in Commonwealth Economics Report attached as Exhibit F to the Local Development Area Agreement will remain unchanged;

1.8 There will be no changes to any zoning ordinance, comprehensive plan, master plan, map, building code, or related ordinance in order to implement the proposed changes to the Development Agreement and the Local Development Area Agreement;

1.9 The Amended and Restated Development Agreement and First Amendment to the Local Development Area Agreement apply to the Local Development Area;

SECTION 2. Agreement. That the County hereby approves the First Amendment to the Local Development Area Agreement for the Local Development Area, and the County Judge/Executive is hereby authorized and directed to execute the First Amendment to the Local Development Area Agreement, a copy of which is attached and as Exhibit A.

SECTION 3. 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 4. Repeal of Conflicting Orders and Ordinances. All prior resolutions, county orders or ordinances or parts of any resolution, county order or ordinance in conflict herewith are hereby repealed.

SECTION 8. Effective Date. This Ordinance shall be in full force and effect from and after its passage, attestation, recordation and publication of a summary hereof pursuant to KRS Chapter 424.

GIVEN FIRST-READING APPROVAL AT A DULY CONVENED MEETING OF THE FISCAL COURT OF THE COUNTY OF FRANKLIN, KENTUCKY, held on the 21 day of December, 2023.

GIVEN SECOND READING AND ADOPTED AT A DULY CONVENED MEETING OF THE FISCAL COURT OF THE COUNTY OF FRANKLIN, KENTUCKY, held on the 9 day of January, 2024 and on the same occasion signed by the Judge/Executive as evidence of his approval, attested by the Fiscal Court 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:



Michael Mueller
Franklin County Judge/Executive

ATTEST:



Kim Cox
County Clerk

EXHIBIT A

First Amendment to the Local Development Area Agreement