

Downtown Lexington Management District  
McBrayer, McGinnis, Leslie & Kirkland  
201 East Main Street, Suite 900  
8:30 am, Tuesday March 02, 2016

Special Meeting

Agenda

- I Welcome and introduction of members
- II Election of officers
- III Background
- IV Review draft by-laws
- V New business

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<b>Name</b>	<b>Board Position</b>	<b>Organization</b>	<b>Phone</b>	<b>Email</b>
Liza Betz	(1.a) Retail business representative	Failte	(859) 351-1608	contact@irishimports.com
Taunya Phillips	(1.b) Residential owner representative	Residential	(859) 351-7115	taunyaphillips@gmail.com
Scott Davidson	(1.c) Office building owner or designee	Langley Property	(859) 533-8776	sdaavidson@langleyproperty.com
Jim Frazier	(1.c) Office building owner or designee	MMLK	(859) 231-8780	jfrazier@mmlk.com
Zedtta Wellman	(1.c) Office building owner or designee	Gratz Park Inn	(859) 509-8628	z@gratzparkinn.com
Gary Means	(1.d) Parking facility owner or designee	LexPark	(859) 576-5195	gmeans@lexpark.org
Martin Rothchild	(1.e) Hospitality owner or designee	Hilton Lexington	(859) 576-7978	Marty.rothchild@hilton.com
Woodford Webb	(1.e) Hospitality owner or designee	Webb Companies	(859) 321-8000	wwebb@thewebbcompanies.com
Stephen Grossman	(1.f) Tenant Representative	Hilliard Lyons	(859) 230-3701	sgrossman@hilliard.com
Drew Fleming	(1.f) Tenant Representative	Stoll Keenon Ogden	(859) 492-8710	robertandrewfleming@gmail.com
Geoff Reed	(2.a) Mayor or designee	LFUCG	(859) 494-0624	greed@lexingtonky.gov
Temple Juett	(2.b) DLC Chair	DLC	(859) 576-9550	Temple.juett@gmail.com
Jake Gibbs	(2.c) Council member	LFUCG	(859) 327-6500	jgibbs@lexingtonky.gov
Steve Kay	(2.c) Council member	LFUCG	(859) 258-3202	skay@lexingtonky.gov
Thomas Harris	(2.d) DDA Chair	DDA	(859) 576-5500	Tom.harris@uky.edu

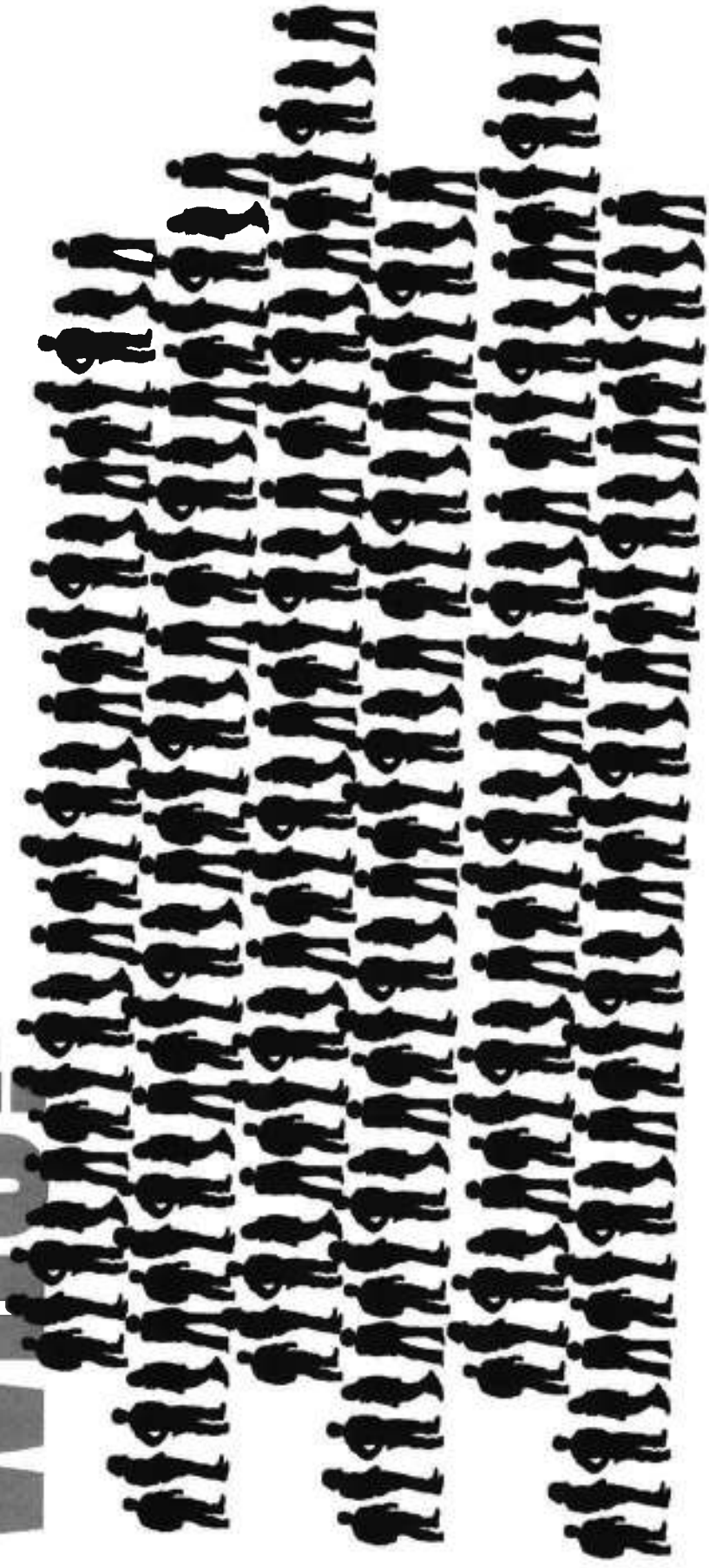
# Downtown Lexington Management District (DLMD) Presentation

April 14, 2015

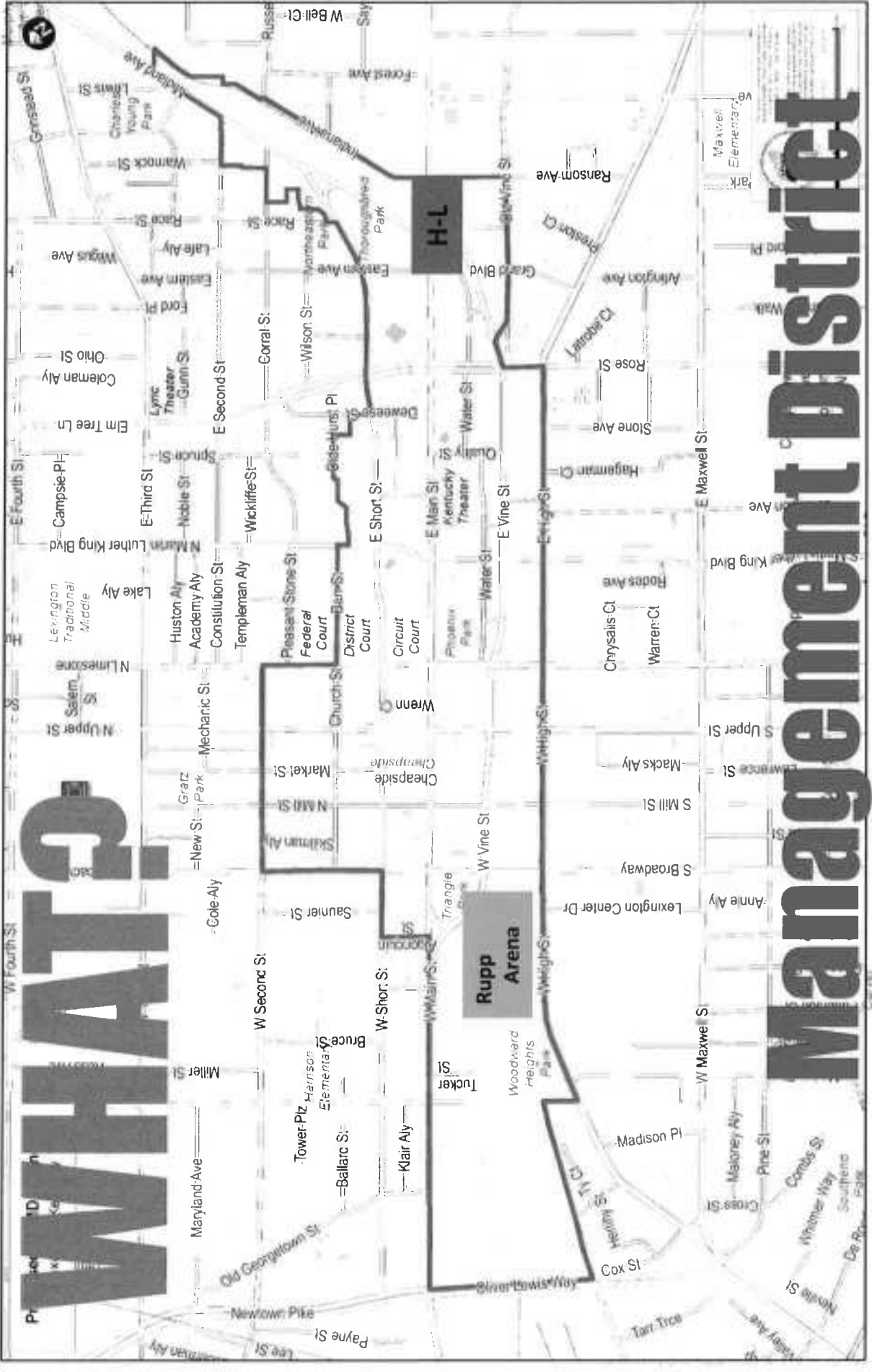
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  - City Properties Group
- Formation of Management District Petition with Boundary Map
- Example 5-Year DLMD Budget

# WHO?



## 175 Property Owners



# WHAT? Management District

# WHY?



# Clean

# WHY?



**Safe**

# WHY?



# Attractive



# WHY?



**Because this is the same block**

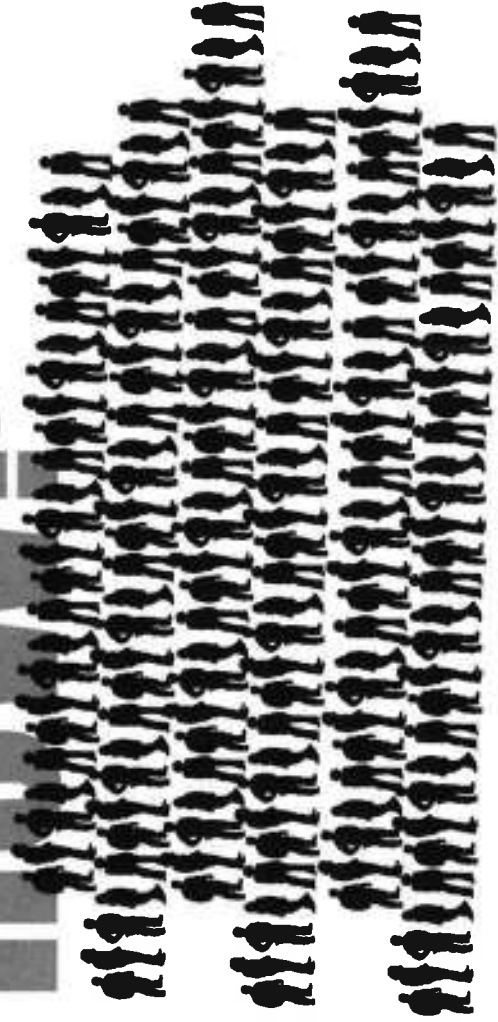
# WHY?

There are currently 1,200 management districts in the United States, including many peer cities.



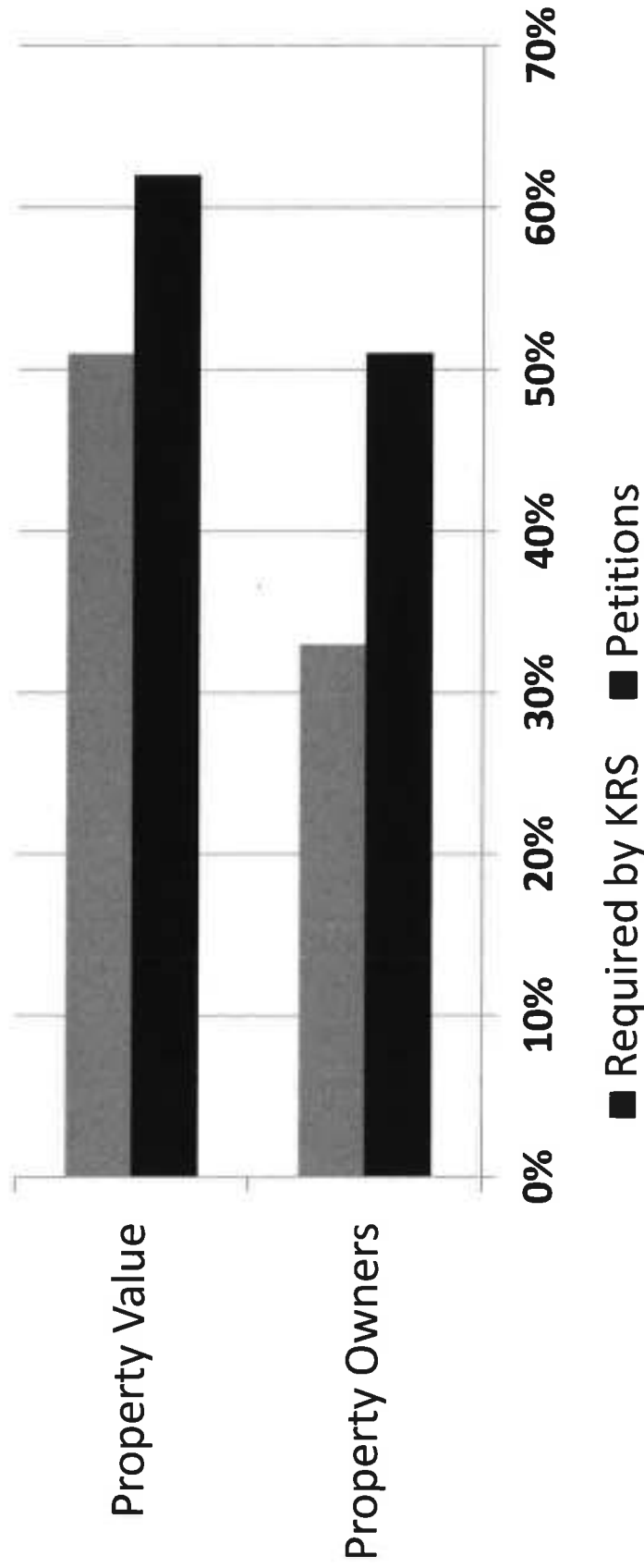
## Proven track record

# HOW



**175 property owners petition  
the Urban County Council to  
create a special assessment...**

# HOW?



**... more than KRS 91.750 requires.**

# HOW?

$$\begin{array}{r} \text{Total Prop. Value (yr 1)} - \$362,000,000 \\ \quad \times \underline{0.001} \\ \hline = \$362,000 \end{array}$$

towards: maintenance, capital improvements,  
plantings, wayfinding, matching grants.  
Safe. Clean. Attractive.

**All proceeds reinvested in District...**

# HOW?

Commercial Property Owners

Business Owners

Tenants

Residents

Council Members and Mayor

Parking Owners

DLC and LDDA



**... as governed by an independent board  
made up of property owners and  
stakeholders...**

# HOW?

- ✓ **Five Year Sunset.**
- ✓ **Property owners may request a dissolution at any time by presenting a petition with 33% of property owners and an assessed value of 50.1%.**
- ✓ **Urban County Council shall annually approve Board-adopted Economic Improvement Plan.**

**... with safeguards.**

# SUMMARY

- The petition contains 51% of tax-paying property owners. This 51% of property owners own 62% of all assessed property in the management district.
- There are currently 1,200 management districts in the United States, including many peer cities. This illustrates the concepts proven track record.
- This management district will help to continue the momentum of improving downtown and provide enhanced services and a better environment to live, work and play.





# QUESTIONS

**Drew Fleming, Chair**

Downtown Lexington Corporation

[robertandrewfleming@gmail.com](mailto:robertandrewfleming@gmail.com)



## Management District by the Numbers

### Ownership

- 343 tax paying property owners (commercial and residential)
- 14 tax exempt owners (schools, churches, LFUCG, etc.)

### Value of property in district

- \$362.1 million – total value of all taxable property in district

### State statute requires

- 33 percent – support of all owners (taxable/exempt); locally, that is 118 owners
  - 51 percent – their property must equal 51 percent value of all taxable property in district
- 

### Support for local district as of March 24, 2015

- 51 percent of **tax paying** property owners – 175 owners – have signed petition.
- 62.5 percent of total value, or \$226 million.
- Of the 175 petitions, 57 percent are commercial owners and 43 percent are residential owners.

### Management district fee

- Management district fee: 10 cents per \$100 of PVA assessed value.
- For a property valued at \$200,000, fee will be \$200 annually.

### Cities with management districts

- 1,200 – Management districts in cities across the country. (2013 survey, Int'l Downtown Association.)

### Individual parcels of property

- 567 total parcels in district
  - 265 – Commercial (47 percent)
  - 206 – Residential (36 percent)
  - 96 – Tax exempt (17 percent)

### How much money would the management district raise each year?

- \$362,000

## **Property Owners in Favor by Property Value**

### **Over \$5 million**

Chase Tower Building Owner LLC (Mukang Cho)  
Fayette Land Company LLC (Woodford Webb)  
Lexington Financial Center LLC (Woodford Webb)  
Gray Realty LLC (Franklin Gray)  
Lexington HL Services Inc. (Rufus M. Friday)  
MCV II, LLC (Woodford Webb)  
300 West Vine LLC (Robert Langley)  
Downtown Lexington Hotel LLC (Brett Ellen)  
Second Premises Corp. (James Warshawski)

### **\$1,000,000-\$4,999,999**

Victorian Square LLC (Woodford Webb)  
Community Trust Bank Inc. (Larry Jones)  
Lexington's Real Estate Company LLC (Phil Holoubek)  
Security Trust Bldg. LLC (Biff Buckley)  
Dudleys Building Partners LLC (Debbie Long)  
Big Blue Parking LLC (Woodford Webb)  
American Founders Bank, Inc. – First Bank of Lexington Inc. (Barry Brauch)  
21C Lexington LLC (Craig Greenberg)  
Commerce Lexington, Inc. (Robert L. Quick)  
163 E Main Street LLC (Joe Rosenberg)  
Hurricane Hills Farm & Stables LLC (Felicia Branham)  
Gratz Park Group LLC (William M. Lear)  
FBP Holdings LLC (Kamp Purdy)  
Main Esplanade Investments LLC (Ted Mims)  
ETS Realty LLC (Dr. Edward Saad)  
Lexwest Corporation Inc. (William Craig Turner)  
TKRG II LLC (Mike Scanlon)  
The Lexington Club Inc. (Charles L. Stivers)  
Margaret T. Scanlon  
BOBE LLC (Bob Estes)  
HGabbard Properties III LLC (Bob Cole)

### **\$500,000-\$999,999**

101 West Main LLC (Woodford Webb)  
Bank of the Bluegrass & TR (Bill Allen)  
Miller H Properties LLC (Barney Miller)  
T Warfield Kinkead II  
James A. Ross (Vanessa Ross Bell)  
How Did That Occur Inc. (Joseph Mainous Jr.)  
PNC – National City BK of KY (John Gohmann)  
H Foster Pettit  
KY Growers Insurance Co. (Marc Evans)  
New Past LLC (Joe Graviss)  
Francais LLC (Richard A. Getty)  
KSI Real Estate Holdings LLC (J. Daniel Rivers)  
Deerwood Vine Street LLC (Albert Piazza)  
GMA Realty LLC (C. Timothy Cone)

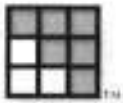
1265 Enterprises LLC (Mike Scanlon)  
Fleetwood Land Management LLC (Mike Scanlon)  
Atmar Development I LLC (Greg Martelli)  
Kilmac LLC (Peter Kiely)  
Michael Davidson  
S Patrick and Leah C Boggs (Stephen Patrick Boggs)  
Sable Holdings LLC (Zeff Maloney)  
Short Street Reverse LLC (Zeff Maloney)  
Parkboy Properties LLC (Nicholas Ebbitt)  
115 Cheapside LLC (Nicholas Ebbitt)

**Under \$499,999**

Nunn Lofts LLC (Phil Holoubek)  
Tree Man Properties LLC (David Lawyer)  
EZ Properties LLC (Reinaldo Gonzalez)  
Ralph E Hacker  
1212 North Lime LLC (William R. Sutherland)  
Daniel and Wendy Rowland (Dan Rowland)  
JM & DB Properties LLC (Jack D. McHargue)  
Timothy K. Tallman  
Wayne Lollis  
Central Christian Church (Jon K. Elliot)  
Austin M. Mehr  
Nunn 10 LLC (Jennifer Olive)  
Alicia Raulinaitis  
Janet C. Schwartz  
Monarch Properties LLC (Kevin P. Sinnette)  
June K. Kinkead (Sidney Kinkead)  
Thomas K & Constance K Herren (Thomas K Herren)  
Bryan D and Kelly B Mullins  
David M III and Brenda P Mannino (David Mannino)  
The Ridgley House (Chris Besten)  
Janice Kregor  
Paul J. Ochenkoski  
Swell Properties LLC (Michael Sweeney)  
Wilda D Kincheloe (Burton Kincheloe, POA)  
Edward L Clemons (Leon L. Hollon)  
E & O Investments (Paul J. Ochenkoski)  
H M C Properties (James I. Murray)  
Frontier Strategies LLC (Scott Crosbie)  
Brent MacCluer  
Jomo K. Thompson  
Marianne Smith and John R Edge (Marianne Smith Edge)  
Shelley Smith  
Terry D Dr and Jody B Clark (Terry Clark)  
Patrick Lee Lucas  
BCM Inc. (Joe Rosenberg)  
David A & Brenda Susan Duff (David A. Duff)  
Patrick J. Sullivan  
James T. Harris  
Don A & Barbara Wathen (Don Wathen)

Lyle & Mary Diane Hanna (Lyle Hanna)  
Marika M Levas Trustee (Angelos Levas)  
David and Lisa Adkins (Lisa Adkins)  
Ann M. Ritchie  
Robert and Laura Babbage (Bob Babbage)  
Donald M & Robin M Fishback (Don Fishback)  
Claudio Polinedrio  
Stephanie Hong  
Blue Duck Land Co LLC (David Doucoumes)  
Ray & Chris Glaude (Christina Glaude)  
Barry W. Ramsey  
Linda L. Foss  
Short Paige Shumate TTEE (Bryan S. Short)  
Shannon and Barbara Messer (Shannon Messer)  
WMC & Embry W Jacobs (Embry & WmC Jacobs)  
Jacobs Land Company LLC (WmC Jacobs)  
Karen Walker  
Baldani & Richardson (Russ Baldani)  
Andrew M III and Joy Lynn Moore (Andrew Moore)  
West Short 8<sup>th</sup> Floor Partners LLC (Teddy Mims)  
Don Witt  
JJ2007 (David Jones)  
James Brian & Allison G Frederick (Allison Frederick)  
Christopher D and Diana L Curry (Christopher Curry)  
300 Lexington Building LLC (Joe F. Childers)  
Mickey O. Hobbs  
Senter Properties LLC (Ryan M. Senter)  
Ann F Batterton (Ann B. Lawyer)  
Lexington Model Home & Investment Co. LLC (John D. Atchison III)  
McLean Group LLC (Pope McLean Jr.)  
Shirley T. Sandy  
Theodore B Sr. and Patricia W Walter (Theodore B. Walter)  
Donald R and Alice Yvonne Todd (Don Todd)  
Taunya Walker  
Southern Acquisitions LLC (Nicholas E. Salon)  
Jerome Meckier  
Harper Mason LLC (Kristine Brower)  
Stripes Real Estate LLC (Adrian Mansergh-Wallace)  
Tweedie AJ Estate (Louis Mulloy)  
Mulloy Rosenberg Joint Venture LLC (Louis Mulloy)  
Clinton Howard  
Bill Hilliard  
Sable Holdings LLC II (Zeff Maloney)  
Jessica Walker  
Cherry Kay Smith  
James S. Setzer  
Domestic Jurisprudence LLC (Martha Rosenberg)  
Yeager Jason & Kristol (Jason Yeager)  
M & P Partners (Jim McGee)  
Park Avenue Partners (Jim McGee)  
Schwager McGee Pihllips (Jim McGee)

AGC Properties LLC (Alex G. Campbell Jr.)  
Main & Rose LLC (Steven H. Caller)  
MMTW Properties LLC (Mason Miller)  
MWH Properties LLC (Mason Miller)  
M I K Y CO INC (Greg Martelli)  
First Presbyterian Church Apartment LLP (Mark T. Davis)  
Duzyk Elizabeth M Trustee (Elizabeth Duzyk)  
Cha Tamura  
John Plomin  
Melissa S and Donald L Lutz (Donald Lutz)  
Robert E & Kathleen S Allen (Robert Allen)  
JAA Investments LLC (Larry Antle)  
Yeremiah Bell  
WR Short Street 5 LLC (K. Stephen Reach)  
Ti Toy LLC (Laurent Jouet)  
300 East Main Street Investments LLC (Matthew Goeing)  
Michele Ravencraft  
Matthew Goeing  
Charles F & Debra O'Connor (Charlie O'Connor)  
Anne VanMeter  
Mountain Properties Inc. (Greg Wells)  
John C Jr & Meggan A Smith (John C. Smith Jr.)  
John E. McChord III  
Thomas Polites  
John and Debra Burke  
Terry and Elizabeth Kinzer (Terry Kinzer)  
Hannah Jane Goodman 1994 Trust (Hannah Goodman)  
Korey and April Colyer  
G & R Vine Street Properties (Byron Romanowitz)  
Dianet Valencia  
Jerry F and Leslie R Deaton (Jerry Deaton)



**Lexington  
Downtown  
Development  
Authority**

101 East Vine Street  
Lexington, KY 40507

Office: (859) 425-2296

Fax: (859) 425-2292

[www.lexingtondda.com](http://www.lexingtondda.com)

**Board of Directors**

David Freibert, Chair  
J. Blake Brickman, Vice-Chair  
Tom Harris  
Mayor Jim Gray  
John Gohmann  
Lynda M. Thomas  
Allison Lankford  
Bob Estes  
Mary Beth Wright

**Staff**

Jeff Fugate, *President*  
Brandi Berryman, *Project Manager*  
Maya DeRosa, *Project Analyst*  
Mary Rankin, *Administrative Aide*

**October 14, 2014**

Joseph Terry, Chair  
Downtown Lexington Corporation  
101 E. Vine Street  
Lexington KY 40507

Mr. Terry –

The Lexington Downtown Development Authority (LDDA) is pleased to provide this letter supporting the proposed Lexington Downtown Management District (DMLD).

Special improvement districts have proven effective as public-private partnerships and offer property owners a unified voice to advocate for their district. The priorities of such a district should result in safe, clean, and attractive improvements which provide for an environment of investment downtown. We expect future initiatives to include services to the property owners such as façade improvement grants, pedestrian way finding signs, and public space improvements. These enhancements will make Lexington's downtown a more exciting, attractive place for visitors and residents.

We understand that improvements in Lexington's management district will be funded with a 1/10 of one percent increase in property tax assessment on property in the district. We hope that property owners will see the value of this investment and work together to make this effort a reality.

Sincerely,

Jeff Fugate  
President

# Lexington & Fayette County Parking Authority

101 E. Vine St., 1st Floor • Lexington, KY 40507 ☎ 859.233.PARK (7275) 📠 859.425.2292



Oct. 23, 2014

Joseph Terry, Chair  
Downtown Lexington Corporation  
101 E. Vine Street  
Lexington, Ky. 40507

Mr. Terry,

The Lexington & Fayette County Parking Authority is pleased to send this letter supporting the proposed Lexington Downtown Management District.

Today it's hard to find a city not doing well. Look at Cincinnati, Cleveland, Los Angeles, Louisville, Charlotte, Nashville and Knoxville. All of these have adopted an improvement district. The focus of these districts when they launch is safe, clean, beautiful enhancements, making downtown more attractive and inviting. We anticipate future initiatives here to include services to property owners such as façade improvement grants, pedestrian way finding signs and public space improvements. These enhancements will make Lexington's downtown a more exciting, attractive places for visitors and residents.

We understand these improvements will be funded with a 1/10 of one percent increase in property tax assessment on property in the district. We hope that property owners will see the value of this investment and work together to make this effort a reality.

Sincerely,

Gary A. Means  
Executive Director





## VISITLEX

March 3, 2015

Drew Fleming, chairman  
Downtown Lexington Corporation  
333 West Vine Street  
Lexington, KY 40507

Mr. Fleming:

VisitLEX is pleased to send this letter supporting the proposed Lexington Downtown Management District.

Downtown management districts across the country are making vital contributions to key cities, including Cincinnati, Cleveland, Los Angeles, Louisville, Charlotte, Nashville and Knoxville.

The focus of these districts when they launch is safe, clean, beautiful enhancements, making downtown more attractive and inviting. Our downtown should be world-class, just like the landscape that surrounds our city. There is no doubt that such enhancements will attract more leisure visitors to Lexington, as well as more group meetings and conventions.

We understand these improvements will be funded with a 1/10 of one percent increase in property tax assessment on property in the district. We hope that property owners will see the value of this investment and work together to make this effort a reality.

Sincerely,

Ronald Tritschler, chairman

VisitLEX



# LOUISVILLE DOWNTOWN PARTNERSHIP

9-2-2014

Beverly Fortune  
Downtown Lexington Corporation  
PO Box 1179  
Lexington, KY 40588

Dear Beverly,

I am the Director of Operations for the Louisville Downtown Management District, recently partnered with the Louisville Downtown Development Corporation to form the Louisville Downtown Partnership.

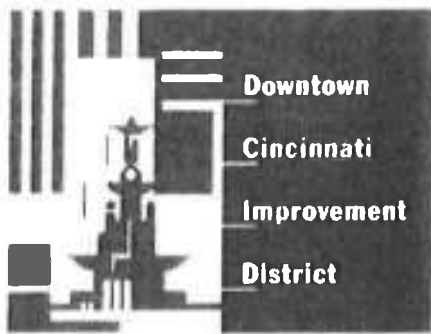
LDMD has existed for 21 years in downtown Louisville and during my tenure of more than 17 of those years, I have witnessed a noticeable rebirth of our center city. Of course, many factors can be attributed to that success but we are convinced that the presence of our BID has been a critical factor in that story.

Our well-trained Ambassadors, the clean, safe streets that they make a daily reality and the personal touch that they provide visitors makes our downtown an enjoyable experience every day of the week. The ability of our agency to represent our constituents with a unified voice has enabled us to develop a superb working relationship with all facets of local government, property owners and convention planners.

Downtown housing has increased, more and more businesses have opened and stay open longer and our annual visitors have increased from around 2 million ten years ago to more than 10 million today. Our mission is to make sure that, during those visits, the experience is unmistakably positive.

We are thrilled to learn of Lexington's efforts to form a BID and know that your downtown, like ours, is the heartbeat of your community and will be made even more so by the collaborative effort of a Business Improvement District. We look forward to working together.

Ken Herndon  
Director of Operations



September 10, 2014

Ms. Beverly Fortune  
Downtown Lexington Corp.  
P.O. Box 1179  
Lexington, Ky. 40507

Dear Beverly:

We are delighted to learn that Lexington is considering an Improvement District for its downtown.

The explosive growth of Improvement Districts over the past 20 years has led to amazing progress in cities all over the world, especially in the United States and Canada. When we established our focus on Safe/Clean, Marketing/Communications and Stakeholder services, there were only a few successful cities to benchmark, e.g. Portland, OR, Denver, CO and New York City. They all had well-functioning downtown organizations fueled by Improvement Districts. Today, it is hard to find an American city not doing well. Consider Nashville, Cleveland, Philadelphia, Boston, Houston, Oklahoma City, Seattle and of course, Cincinnati. All of these cities have adopted and overwhelmingly renewed Improvement Districts.

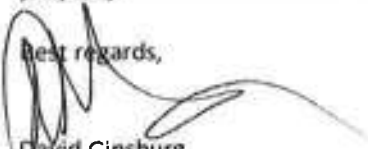
Special Improvement Districts are a great example of public-private partnership each contributing and leveraging the resources and skills of the other. They have focused and highly accountable programs-of-work. They are a flexible tool that can provide services specially tailored to the local need.

In our case, the district has become more popular with each renewal. In 1998, we barely succeeded with a 60.3% approval (60% front footage to pass). The number got better with each renewal and we exceeded 81% last year. The real benefit is the active engagement of property owners, public and private and the partnerships created.

It is important to note that the Improvement District does not "do it all." By ensuring a safe and clean environment, it is the "price of entry" for a strong downtown. It shows a commitment to downtown and an improvement that attracts interest and investment. Since our district has been in place, we have built two new stadiums, expanded the convention center and the public library, rebuilt the riverfront, built two new Class A Office buildings and seen a residential boom. Most of this work was done by others but our organization ensured a strong foundation and a steady, professional advocacy. I know you will find similar stories in many cities around the country.

We wish you all the best in your work to establish a district and applaud the vision and commitment of your property owners. Please let me know if there is anything we can do to be of assistance.

Best regards,

  
David Ginsburg  
President/CEO  
Downtown Cincinnati Inc.



September 3, 2014

**NASHVILLE  
DOWNTOWN  
PARTNERSHIP**

Ms. Beverly Fortune  
Downtown Lexington Corp.  
P.O. Box 1179  
Lexington, KY 40507

Dear Ms. Fortune:

Downtown Nashville's Central Business Improvement District (CBID) was initiated on January 1, 1999. The Nashville District Management Corporation, a 501 (c) (3) organization focused on revitalizing the urban core, contracts with the Nashville Downtown Partnership to implement the improvement plan developed by property owners.

Density and mixed-use development add value. Since 1999, our CBID property values have increased about 133%. These property-based assessment districts are highly effective as a public-private partnership and offer the owners a unified voice to advocate for their district.

Approximately 57% of the total annual CBID budget goes toward a variety of clean and safe initiatives designed to supplement the basic services provided by the city. Last year, our teams removed over 97,000 pounds of trash and 14,000 SF of graffiti. Annual surveys of downtown residents and employees indicate high satisfaction with the level of cleanliness and safety.

Investor interest in downtown properties and development is strong. Major employers continue moving downtown (about 55,000 employees), with only a 6% vacancy rate in Class A office inventory. Downtown hotel inventory has increased by 45% since 2012 to meet demand generated by Music City Center, a \$635 million new downtown convention center that opened in 2013, with another six potential hotels planned. Residential development is also strong, with 935 rental units under construction and a 98% apartment occupancy rate since 2012.

Downtown Nashville has over 200 restaurants and 120 shopping options and attracts 80,000 daily visitors to annual events like the CMA Music Festival. Our CBID focus on making this "the compelling urban center in the Southeast in which to LIVE, WORK, PLAY and INVEST" continues to make a difference.

Sincerely yours,

Thomas D. Turner  
President and CEO



23 September 2014

Downtown Lexington Corporation  
PO Box 1179  
Lexington, KY 40588

Fellow Urban Property Owner

I write this letter to share my experience as a property owner in the heart of downtown Louisville and as an advocate for the Louisville Downtown Management District (LDMD), the local business improvement district (BID). LDMD is the only BID in the state of Kentucky and has been in existence for twenty-one years. During that time LDMD has played a central role in the economic development of downtown Louisville by creating a safe, clean, and fun environment that attracts and retains businesses and visitors alike. I share the positive experience Louisville and I have had with the LDMD in the hope that Lexington will create a BID for the long term growth and vitality of your downtown.

LDMD was formed because the owners of over fifty percent of the property value in the district and over fifty percent of the number of property owners in the district agreed to the additional property assessment on their properties. That is significant because it provides a fair voice to the small property owners, yet still provides a weighted voice to the larger property owners. The LDMD can be dissolved by those same percentages. The democratic foundation is one of the main reasons for the success of LDMD, the property owners recognize the benefit and are willing to financially invest in their downtown. That investment is a targeted enhancement of the entire district so the streets are clean, the streets are safe, and those who use downtown, whether daily or rarely, have a more pleasant experience because of those services. That positive experience means they will keep coming back, which will ensure the success of the area businesses, which will keep the buildings full, and the property values rising.

My family's company, CITY Properties Group, owns and manages about 600,000 square feet of property in downtown Louisville, and a significant portion of that is within the LDMD boundaries for which we pay the annual assessment. Six years ago I joined the LDMD Board because I wanted a voice in how our assessment dollars were spent in the district. The board, by statute, must be two-thirds property owners or their representatives, and must approve the budget and assessment rate for each year. This allows the property owners to set the agenda and strategy for how their money is spent to enhance their downtown. I have spent the past two years as chair of the LDMD Board because I believe the work of the BID enhances my company's properties, and all the properties within the district.

Being involved in a small business I do not support additional taxes because I believe the private sector drives innovation and progress; however, the BID is a tool for property owners to control and target their tax dollars to improve their own property investment by creating a quality and



**PROPERTIES GROUP**

consistent urban environment in a broader district than they can when confined to their individual property footprint. The majority of the most successful urban areas in the country have BIDs, and with good reason, by pooling resources the entire district receives services that would be impossible for individual owners. I encourage Lexington's urban property owners to establish a BID to enhance and grow their downtown, the heart of the community.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee Weyland". The signature is written in a cursive style and is positioned to the right of the typed name.

Lee Weyland  
Chair of the Board of Directors,  
Louisville Downtown Management District

PETITION REQUESTING:

DATE OF RESPONSE

# Formation of Management District

*We kindly request that you consider the below petition and if you agree with its contents, please return a signed copy to:*

Downtown Lexington Corporation  
P.O. Box 1179  
Lexington, Kentucky 40588-1179

*Further, while there is no specific deadline, we appreciate if you would return this signed petition as soon as possible.*

*NOTE: Signatures on this petition shall expire on December 31, 2015 if the Urban County Council has not adopted an ordinance to create a management district by that date.*

TO:

**LFUCG MAYOR  
200 EAST MAIN STREET  
LEXINGTON, KENTUCKY 40507**

*This petition satisfies all requirements of KRS 91.754 "Petition proceedings to request establishment of district" (the "statute").*

## ***IT CONTAINS:***

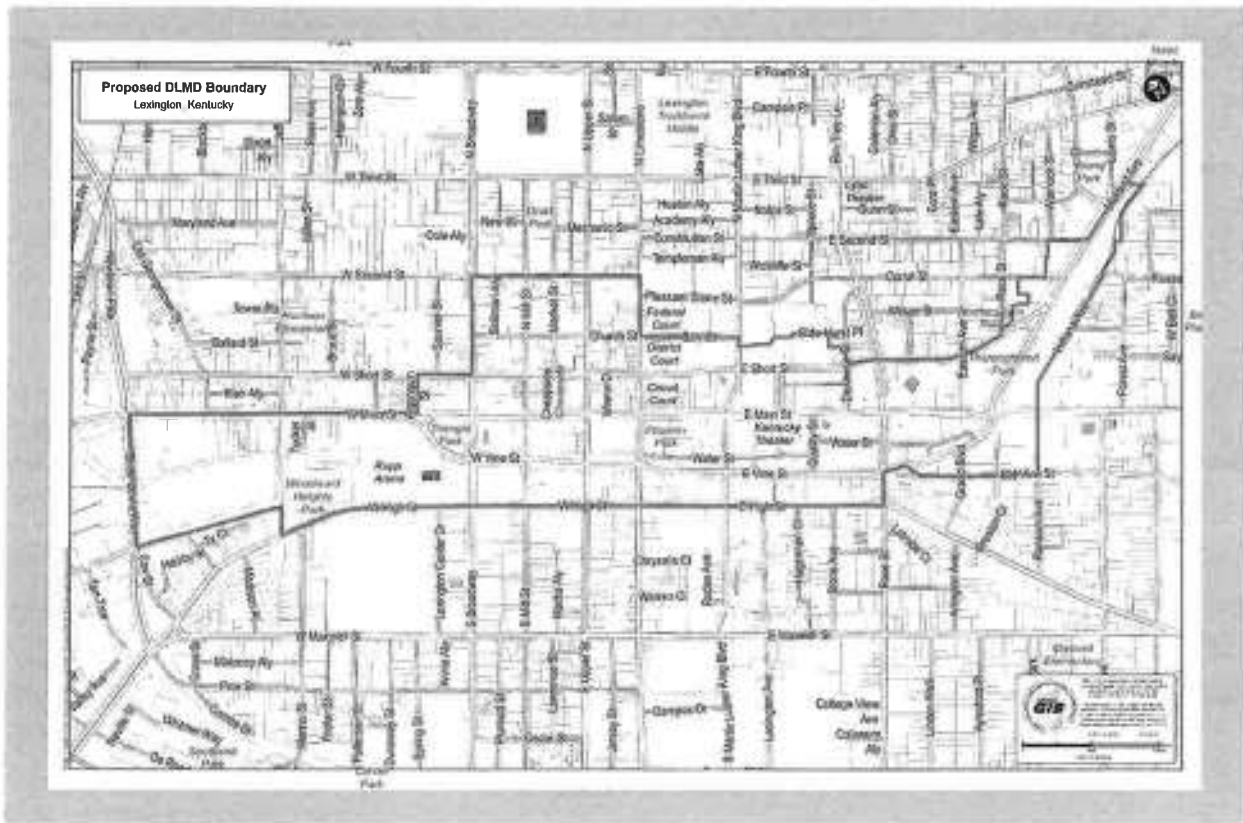
- ▶ **A)** The signatures and addresses of at least thirty-three percent (33%) of the owners of real property within the proposed management district and a number of real property owners, who together are the owners of real property equal to at least fifty-one percent (51%) of the assessed value of property within the proposed management district;
- ▶ **B)** An economic improvement plan that shall provide:
  - 1. A description of the economic improvements to be provided within the district;
  - 2. A preliminary estimate of the annual costs of the proposed economic improvements; and
  - 3. The proposed method of assessing the costs of the economic improvements against the properties;
- ▶ **C)** An accurate description of boundaries of the proposed management district.
- ▶ **D)** The proposed makeup of the board of directors of the management district, its powers and duties.

Therefore, the undersigned petitioners respectfully request that you verify that this petition satisfies the requirements of KRS 91.754, and upon doing so, forward this petition to the Lexington-Fayette Urban County Council, as required by the statute, in order for the Council to initiate proceedings to consider enacting an ordinance creating the management district proposed in this petition (hereinafter the "District") in Lexington, Kentucky, pursuant to KRS 91.756.

The Downtown Lexington Corporation ("DLC"), in conjunction with the Fayette County Office of the PVA, has taken reasonable steps to verify that all of the undersigned signatures meet the requirements of KRS 91.754(1). The below signatures indicate support for the creation of the management district proposed below and that in accordance with KRS 91.756 an Ordinance be adopted by the Urban County Council establishing the following:

- ▶ **1. NAME.** The proposed District shall be known as the "Downtown Lexington Management District."
- ▶ **2. BOUNDARIES.** The boundaries of the proposed District shall be those described in Exhibit "A" attached hereto and made a part hereof, which is made a part of this petition by reference.

# EXHIBIT A



## THE DISTRICT'S BOUNDARY IS GENERALLY AS FOLLOWS:

Oliver Lewis Way on the west, High Street to Rose Street and Old Vine Street to Ransom Avenue on the south, Midland Avenue and Ransom Avenue on the east. The north boundary includes Main Street, Short Street, Second Street and Barr Street but varies by the block.



**▶ 3. AUTHORITY.** The Urban County Government shall be authorized to undertake economic improvements pursuant to KRS 91.750, et. seq. (the "Act") that specifically benefit "Property" (as defined by the Act) within the boundaries of the District. The Urban County Government shall be authorized to levy and collect special assessments on Property within the District, based on benefits conferred by the economic improvements, in order to pay all or part of the cost of such improvement projects and services.

**▶ 4. SERVICES.** The proposed District shall be administered in accordance with an economic improvement plan designating the general nature of the services to be provided within the District (the "Economic Improvement Plan"). As soon as practicable after its appointment, and each year thereafter as provided by ordinance, the board of directors shall develop a plan for economic improvements within the management district and shall prepare an annual detailed budget for the costs of providing economic improvements and shall submit the budget to the Urban County Council for its approval. The initial Economic Improvement Plan, which has been recommended by the DLC, but which would still require approval by the board of directors, is as follows:

**A) Promote commercial activity or public events.**

- ✦ The District shall undertake a comprehensive program to market downtown Lexington to the following target audiences:
  - *Consumers (including downtown workers) and visitors*
  - *Prospective downtown office and retail tenants*
  - *Downtown residents.*
- ✦ The District marketing plan shall build on marketing activities now being conducted by the DLC to produce a more comprehensive, cost-effective strategy for raising consumer awareness of downtown attractions. Specific activities to be undertaken include, without limitation:
  - *An ongoing image campaign to promote retail, restaurant, cultural, entertainment and visitor attractions;*
  - *Upgrading the quality of the current restaurant and bar guide; and*
  - *Undertaking new or strengthen existing events that increase business activity*
- ✦ The District shall work with property owners, realtors and economic development agencies to aggressively market downtown to office and retail prospects.
- ✦ Generate positive, accurate media coverage through strategic media relations including, without limitation:
  - *Monitoring media coverage to ensure positive and accurate coverage of the District; and*
  - *Meeting regularly with members of the media to establish relationships.*
- ✦ Coordinate a District Ambassador program to encourage volunteerism in the District and to disseminate information about District activities and businesses.

**B) Plan and manage development and improvement activities.**

- ✦ The District would be authorized to contract with a third party to manage and administer its day-to-day activities, without limitation:
  - *Procure marketing and other services from qualified vendors, administration of related contracts and supervising related contract and compliance and quality assurance;*
  - *Schedule training activities to support District services delivery;*
  - *Develop an Annual Economic Improvement Plan and corresponding budget (as required by KRS 91.758), including evaluation of program effectiveness and monitoring of existing Urban County Government services;*
  - *Provide administrative support to District board of directors;*
  - *Maintain all financial and administrative records and yearly audit of expenditures and revenues;*
  - *Provide liability insurance to cover all operations; and*
  - *Provide conveniently located, fully-equipped office with space for District meetings.*

**C) Landscape, maintain and clean sidewalks and public spaces.**

- ✦ The District shall seek a high level of coordination with the Urban County Government's maintenance and cleaning services to insure that satisfactory standards are achieved throughout the District.
- ✦ The District shall seek a high level of coordination with the Urban County Government (specifically Parks and Recreation) to ensure that plantings are of the highest quality and that the private sector has advance knowledge of the color schemes the Urban County Government is planning for public areas.
- ✦ Work closely with the Urban County Government, property owners, and other partners to ensure a clean, healthy and litter-free environment.
- ✦ Proactively work with the Urban County Government on built-environment issues including bike racks, benches, sidewalks, news racks, etc.

- D )** Conduct activities in support of business recruitment and development.
- + Address concerns of businesses located in the District by proactively contacting businesses on a regular basis.
  - + Leverage partnerships with public and private sectors to identify growth and location opportunities for businesses in the District, including small-businesses, minority-owned businesses, and women-owned businesses.
  - + Proactively work with and exchange information with primary recruitment leaders/building owners in an effort to assist with businesses in the District (including expansions, relocations and retention).
  - + Work with public partners Commerce Lexington, CPAL, and banks to address issues of office dissolution.
  - + Create a viable "Pop-Up Shop" program.

- E )** Security for public areas.
- + The District shall seek a high level of coordination with the Urban County Government (specifically Division of Police) to ensure that satisfactory standards are achieved throughout the District.
  - + Facilitate partnerships among retailers, restaurants and property owners to enhance and optimize storefronts, lighting and maintenance.

- F )** Construction and maintenance of capital improvements to public ways and spaces.
- + Coordinate with the public and private sectors, the DLC, and the DLC Foundation to implement improvement projects.
  - + Oversee the installation and maintenance of pedestrian wayfinding signage in the District.

- G )** Any other economic improvement activity that specifically benefits property within the District.
- + Deliver a comprehensive profile of all aspects of downtown through compilation and publication of information, including, but not limited to:

- *Annual State of Downtown Reports; and*
- *Pedestrian Count Studies*

- + Serve as a "one-stop" resource for information pertaining to downtown for current and perspective business owners, property owners, residents, developers and other stakeholders.
- + Help improve front-line hospitality through briefings and other information on features and benefits of downtown for visitors and residents.

## ► 5. COST.

A preliminary estimate of the first year cost of the economic improvements proposed in the above is as follows:

<i>Promotion Campaign.....</i>	<i>\$ 149,700</i>
<i>(Includes Pop-Up Shops, Wayfinding &amp; other innovative ideas)</i>	
<i>Beautification Enhancements.....</i>	<i>104,100</i>
<i>Ambassadors/Community Relations.....</i>	<i>16,600</i>
<i>Management &amp; Administration.....</i>	<i>49,000</i>
<i>Sheriff's Collection Fee (4%).....</i>	<i>13,300</i>
<i>Total.....</i>	<i>\$ 332,700</i>

- A )** The actual cost of economic improvements in the first year and all subsequent years shall be established by an annual budget prepared by the board of directors of the District and adopted by the Urban County Council.

- B )** Cost of improvements shall not exceed \$.10 per \$100 of assessed value of individual properties. Excluded are those properties exempt from property tax. The District intends to request \$.10 per \$100 of assessed value during its first budget year.

- C )** As required by the Act, monies derived from the assessments shall be applied only toward the Economic Improvement Plan and shall be used for no other purposes.

**D )** The District would be created to take effect January 1, of the year following adoption of the ordinance to create the District with its fiscal year commencing on July 1 of that same year. As a result, you would begin paying the additional tax levy related to the District that tax year, and each year the amount that you would pay to fund improvements in the District would be established by the Urban County Council at or around the same time it adopts all other ad valorem taxes. However, as indicated above, in no instance could the Council ever adopt a rate for the improvements in the District which exceeds \$.10 per \$100 of the assessed value of your property.

▶ **6. METHOD OF ASSESSMENT.** Assessments for economic improvements shall be an annual payment not to exceed \$.10 per \$100.00 of PVA-assessed value, excluding those properties exempt from property tax.

▶ **7. BOARD OF DIRECTORS.**

**A )** The District shall be governed by a board of directors consisting of fifteen (15) persons.

**B )** Board members shall be appointed by the Mayor of the Lexington-Fayette Urban County Government, with approval by the Urban County Council. DLC would provide the initial list of nominees on behalf of the downtown business community and downtown property owners.

**C )** At least ten (10) of the total members of the Board shall either be property owners within the District or permanent designees or representatives of property owners within the District.

**D )** The makeup of the Board shall be comprised of:

- 1) At least one (1) owner or designee of a retail business within the District;
- 2) At least one (1) owner or designee of a residential property within the District;
- 3) At least four (4) owners or designee of office buildings within the District;
- 4) At least one (1) owner of a parking facility owner within the District;
- 5) At least one (1) owner or operator of a restaurant, food services or hotel/lodging facility within the District; and
- 6) At least one (1) tenant of an office building within the District.

**E )** In addition, the Mayor or his designee, the Executive Director of the DLC or that corporation's successor, and the 3rd District Urban County Council member will serve as voting ex-officio members of the board of directors.

**F )** The powers and duties of the board of directors shall include all powers and duties set forth in the Act including, but not limited to, the following:

- 1) Recommend annually an Economic Improvement Plan and budget to the Urban County Council;
- 2) Implement the final annual Economic Improvement Plan;
- 3) Make policy for the District within the limits of the Act;
- 4) Employ or contract with persons or service vendors to assist the board in its responsibilities; and
- 5) Manage the fiscal affairs of the District.

▶ **8. DURATION.** The proposed special assessment for implementation of the Economic Improvement Plan shall be levied against owners of Property within the District on an annual basis for a period ending June 30 five (5) years from the date of the District's creation.

WITNESS, the signatures of property owners within the proposed district who together own Property within the proposed district equal to 51% or more of the total assessed value of Property within the District, and who also represent a number of property owners equal to 33% or more of the total number of property owners within the District, as required by KRS 91.754.

I, \_\_\_\_\_, represent and warrant that I have reviewed and understand the above petition and I am either the sole fee simple owner of the above-described real property, which is located within the proposed Management District, or that I have the full right and authority to execute and deliver this signed petition on behalf of all of the property owner(s) with respect to the above mentioned property. Further, if any corporate action is required, I represent and warrant that I have taken all required action to approve this petition. I understand and agree that if the minimum requirements of KRS 91.754(1) are met, this petition will be presented to the Mayor of the Lexington-Fayette Urban County Government for verification, and if so verified, consideration for adoption in the form of an ordinance by the Urban County Council. I further understand and agree that the Urban County Council may choose not to adopt an ordinance creating the proposed Management District, or may otherwise make changes to the proposed Management District in adopting an ordinance related to its creation. This petition shall expire December 31, 2015 if the Urban County Council has not adopted an ordinance to create a management district by that date.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name (please print or type): \_\_\_\_\_

Title: \_\_\_\_\_

Company (if applicable): \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_



**SAMPLE 5-YEAR BUDGET-SUBJECT TO DLMD BOARD AND LFUCG COUNCIL APPROVAL**

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
<u>CONTRACT SERVICES PACKAGE*</u>	240000	240000	240000	240000	240000
Cleaning					
Ambassadors					
Minor Repairs					
Safety/Hospitality					
Litter/Graffiti Removal					
Power Washing					
 <u>PEDESTIAN WAYFINDING</u>					
Added Signage	13750	13750			
Maintenance/Replacement	5000	5000	5000	5000	5000
 <u>BEAUTIFICATION</u>					
Plant Materials/Labor/Upkeep	6500	6500	6500	6500	6500
Centralized Trash/Recycle Storage					
3 locations/space rental	8640	8640	8640	8640	8640
Materials/Labor	7500				
Upkeep		500	500	500	500
 <u>SPECIAL PROJECTS</u>					
Enhancement Match Grants	15000	15000	15000	15000	15000
Capital Project Fund**	16740	23740	37490	37490	37490
 <u>SHERRIFF COLLECTION FEE</u>	14000	14000	14000	14000	14000
 <u>ADMINISTRATIVE COST</u>					
Space/Supplies/Management	35000	35000	35000	35000	35000
 <b>YEARLY BUDGET =</b>	<b>362130</b>	<b>362130</b>	<b>362130</b>	<b>362130</b>	<b>362130</b>

\* The cost for these services is based on an estimate from Block by Block, a firm that provides similar services to over 70 improvement districts.

\*\*Determine and begin larger improvement project in year 4 - Approx \$150,000 available for project

ORDINANCE NO. 52 -2015

AN ORDINANCE CREATING AND ESTABLISHING, PURSUANT TO KRS 91.750, ET SEQ., THE "DOWNTOWN LEXINGTON MANAGEMENT DISTRICT" AND PROVIDING FOR ITS BOUNDARIES; A FIFTEEN MEMBER BOARD, THE REQUIREMENTS AND APPOINTING PROCESS FOR BOARD MEMBERS, AND THEIR TERM LIMITS; THE POWERS OF THE BOARD; A FISCAL YEAR COMMENCING ON JULY 1<sup>ST</sup>, THE UNDERTAKING OF ECONOMIC IMPROVEMENTS BY THE BOARD; A BUDGET AND AUDIT PROCESS; AN AFFIRMATIVE ACTION PLAN; PUBLIC INFORMATION; AN ASSESSMENT NOT TO EXCEED \$.10 OF \$100 OF THE ASSESSED PROPERTY VALUE FOR EACH ASSESSED PROPERTY WITHIN THE DISTRICT; A CONTESTING AND APPEAL PROCESS; LIENS; AN ANNUAL REPORT TO PROPERTY OWNERS; ETHICAL REQUIREMENTS ON BOARD MEMBERS; TERMINATION OF THE DISTRICT IN NO LATER THAN 5 YEARS; BOARD GUIDELINES; CONTRACTING REQUIREMENTS; MANAGEMENT, MARKETING, AND ADMINISTRATION; REPORTING REQUIREMENTS; AN ADVISORY COUNCIL TO THE BOARD; SEVERABILITY; ALL EFFECTIVE UPON DATE OF PASSAGE WITH THE MANAGEMENT DISTRICT ASSESSMENT OF PROPERTIES WITHIN THE DISTRICT TO TAKE PLACE NO EARLIER THAN ALLOWABLE BY LAW.

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WHEREAS, the Mayor received a formal request and petition to create a management district in a portion of downtown Lexington, Kentucky, on February 23, 2015; and

WHEREAS, the petition satisfies the minimum requirements for the creation of a management district pursuant to KRS 91.754 and the Mayor has forwarded the petition to the Urban Council for further consideration; and

WHEREAS, the Urban County Council desires to create the requested management district as further provided herein.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – That an official copy of the petition requesting creation of the district shall be maintained by the Council Clerk and is incorporated herein by reference.

Section 2 - That the Urban County Council accepts the determination of the Mayor that the petition satisfies the minimum requirements of KRS 91.754, and hereby creates and establishes a management district pursuant to applicable state statute as follows:

Section 1. Downtown Lexington Management District.

This Ordinance shall be referred to hereinafter as the "Downtown Lexington Management District Ordinance" or the "Ordinance".

Section 2. General Provisions.

A. District Established. There is established pursuant to KRS 91.750 through 91.762 a management district to be known as the "Downtown Lexington

Management District" (hereinafter referred to as "District") for the purpose of providing and financing economic improvements that specially benefit property within the District. The boundaries of the District are designated by the map in Attachment A which is incorporated by reference hereto and made a part of this Ordinance as if set out fully herein. The Urban County Council may only decrease the level of publicly funded services within the District in accordance with KRS 91.756(5).

B. Board of Directors. The District shall constitute a body corporate, with the power to contract and be contracted with. The affairs of the District shall be managed and controlled by a Board of Directors composed of not more than fifteen (15) members, who shall be appointed for four (4) year terms, except as otherwise provided in this Ordinance for the initial appointees, and who shall be eligible for reappointment to one (1) additional four (4) year term (referred to hereinafter as the "Board"). At least ten (10) of the total number of Board members shall either be property owners or tenants within the District or representatives of property owners within the District as further provided by statute and below. An ex officio member shall not count towards the above requirement even if he or she owns property within the District. Members of the Board shall be appointed as follows:

- (1) The Board of the Downtown Lexington Corporation shall nominate individuals for suggested membership on the initial Board and submit such names to the Mayor and the Urban County Council for consideration. The Executive Committee of the Board shall do the same for future Boards. The Mayor, with approval of the Urban County Council, shall appoint the members of the Board, but shall not be limited to the above suggested list. The makeup of the Board shall be comprised as follows:
  - (a) At least one (1) Board member shall be an owner or designee of a retail business within the District;
  - (b) At least one (1) Board member shall be an owner of a residential property within the District or their permanent designee;
  - (c) At least three (3) Board members shall be owners of an office building(s) within the District or their permanent designees;
  - (d) At least one (1) Board member shall be a parking facility owner within the District or his permanent designee; and
  - (e) At least two (2) Board members shall be owners or their designees from the hospitality/entertainment sector within the District (e.g., an owner or an owner's designee whose property houses a restaurant, food service or hotel/lodging facility; and
  - (f) At least two (2) Board members shall be tenants representing the owners of properties within the District.
- (2) Ex officio members of the Board shall be as follows:
  - (a) The Mayor, or his or her permanent designee;
  - (b) The Chair of the Downtown Lexington Corporation or that Corporation's successor; and
  - (c) The Urban County Council member representing the area comprising the Management District and an At-Large Urban County Council member designated by the Mayor.
  - (d) The Chair of the Lexington Downtown Development Authority.
- (3) All members of the Board of Directors, including ex-officio members, shall have the right to vote.
- (4) Appointed Board members shall serve four (4) year terms. The initial Board shall be comprised of one-half of such appointed members serving a two (2) year term and one-half serving a four (4) year term as determined by the Mayor.

- (5) Any member of the Board appointed by the Mayor may be removed by the Mayor for cause. Any member of the Board may be removed by the Mayor for violation of the rules, regulations or operating procedures adopted by the Board of Directors if the removal is recommended by a majority of the members of the Board.
- (6) A vacancy on the Board shall be filled in the same manner as the original appointment for the unexpired term.

C. Powers of Board.

- (1) The Board shall have the right to transact business on behalf of the District immediately after the appointment of its members.
- (2) The Board shall have full powers to name its organization and to make bylaws and rules for the regulation and management of the affairs of the District not inconsistent with the provisions of this Ordinance.
- (3) The Board shall have all powers necessary and proper to conduct the affairs of the District not inconsistent with the provisions of this Section, including but not limited to:
  - (a) Preparing annually an Economic Improvement Plan (defined below) and budget;
  - (b) Implementing the Economic Improvement Plan;
  - (c) Making policy for operation of the District;
  - (d) Managing the fiscal affairs of the District;
  - (e) Incurring, in the aggregate, short-term and long-term debt in an amount not to exceed \$500,000; and
  - (f) Such other powers as provided in KRS 91.750 through 91.762.
- (4) The Board may contract with any person or entity determined by it to have the needed expertise to manage and administer the day-to-day operations of the affairs of the District or any portion thereof. A competitive process such as a formal Request for Proposal shall be utilized in selecting these services and the selection committee shall avoid any conflicts of interest.
- (5) The Board may undertake the following economic improvements within the District.
  - (a) The promotion of commercial activity or public events;
  - (b) The planning, administration, and management of development or improvement activities;
  - (c) Landscaping, beautification, maintenance, and cleaning, of public ways and spaces;
  - (d) The conduct of activities in support of business recruitment and development;
  - (e) The provision of security for public areas;
  - (f) The construction and maintenance of capital improvements to public ways and spaces; and
  - (g) Any other economic improvement activity that specially benefits property within the District.
- (6) The District will operate on a fiscal year basis as further provided herein. No later than two (2) months prior to the beginning of each year, the Board shall prepare and submit an annual budget for the District to the Urban County Council for its approval. The Board shall also deliver a copy of the annual Economic Improvement Plan to the Urban County Council. The Economic Improvement Plan



shall describe the current and projected economic improvements to be undertaken during that year (the "Economic Improvement Plan"). The annual budget shall be presented in such form as shall be required by the Urban County Government's Department of Finance or that Department's successor. The Board shall not take any action or expend any money pursuant to the proposed budget until such time as it is approved by the Urban County Council. If the Urban County Council has not approved the proposed budget as of the first day of the new calendar or fiscal year, the budget of the previous year shall have full force and effect as if readopted until such time as a new budget is approved.

- (7) Prior to adopting the budget, the Urban County Council shall hold a public hearing for the purpose of soliciting comments upon the proposed budget. Upon approval of the annual budget by the Urban County Council, the Board shall then publish both it and the Economic Improvement Plan pursuant to KRS Chapter 424 and shall mail by first class mail to each property owner a description of the Economic Improvement Plan, the fair basis of assessment to be utilized, the estimated cost to the property owner, and the ratio that the cost to each property owner bears to the total cost of the economic improvements.
- (8) The Board shall have an affirmative action plan consistent with those required by the Lexington-Fayette Urban County Government for the hiring of consultants or employees. The Board shall not discriminate on the basis of race, sex, sexual orientation and gender identity, marital status, religion, age 40 and over, color, national origin, because the person is a qualified individual with a disability, or because the individual is a smoker or nonsmoker, in any of its operations and shall include such prohibition in all of its contracts.
- (9) The District shall submit a yearly audit pertaining to the expenditure of funds to the Mayor and the Urban County Council. The Chair of the Board or his or her designee shall make an annual presentation to the Council regarding the operations of the District and any proposed projects, and shall otherwise appear at meetings as reasonably requested by the Urban County Government.
- (10) The District shall make information regarding its general operations and finances (including revenue and expenditures) publicly available through the District's website and other reasonable means.

D. Assessments.

- (1) The Board shall provide in the annual budget for the imposition of a rate of assessment on all benefited properties within the District. Such rate shall be sufficient to provide sufficient revenues to finance the current and projected economic improvements to be undertaken pursuant to the annual Economic Improvement Plan.
- (2) The assessment shall be based upon assessed value basis as further provided in KRS 91A.210(5), and is in the form of an additional ad valorem assessment on real property within the District as further provided herein. Assessments for the current and projected economic improvements shall be ratably apportioned among the assessed properties within the District based upon the assessed values of such properties as determined by the Fayette County Property Valuation Administrator, as related to the total assessed value of all benefited property within the District.

Properties owned and used by the federal government, Commonwealth of Kentucky or any political subdivision of the state are not benefitted by the economic improvements and shall not be assessed. The District may contract with the owners of any property exempt from property taxation or assessment for the provision of District services to such properties.

- (3) The Board may enter into an agreement with the Lexington-Fayette Urban County Government or the Fayette County Sheriff's Office for the collection of the assessments or otherwise provide for the collection of such assessments. The penalties and interest applicable to delinquent taxes shall be applied to delinquent assessments.
- (4) Any owner of a benefited property may contest the assessment, provided that the assessment made by the PVA shall be conclusive as to the value of the property unless the property owner has successfully protested the amount of the assessment pursuant to KRS 133.120. All contests shall be in writing and shall be filed with the Board no later than thirty (30) days after receiving notice of the assessment.
- (5) A contesting property owner shall have the right to appear before the Board and present evidence. A record shall be made of the proceedings and the Board shall render a written decision. The decision of the Board may be appealed to Fayette Circuit Court.
- (6) The amount of any outstanding assessment on any property, and accrued interest and other charges, shall constitute a lien on the property. The lien shall be superior to all other liens, whether created prior to or subsequent to the assessment, except a lien for the Commonwealth of Kentucky and Urban County Government taxes, and prior improvement assessments, and shall not be defeated or postponed by any private or judicial sale, by any mortgage, or by any error or mistake in the description of the property or in the names of the owners. No error in the proceedings of the Urban County Council shall exempt any property from the lien for the economic improvement assessment, or from payment thereof, or from the penalties or interest thereon, as herein provided.
- (7) The Board is authorized, but is not required, to impose an annual rate of assessment which shall not exceed \$0.10 per \$100 of assessed value, adjusted by the Board, in its discretion, either each year by the change from the preceding year in the Consumer Price Index (All Urban Consumers) or in the manner set forth in the final sentence of this subsection. In determining the rate of assessment to be established for any given year or years, the Board shall take into consideration, without limitation, the following: (a) the current operations of the District and the revenue needed (taking into consideration the costs of operation for the immediately preceding and current year and the reasonably projected cumulative increase or decrease in such costs for the forthcoming calendar or fiscal year) to maintain such existing operations; (b) whether the District intends to expand its operations in the forthcoming calendar or fiscal year into one or more areas of operation permitted under this Section, and if so, the revenue reasonably forecasted to be needed to adequately fund such expanded area or areas of operation; and (c) the change in the Consumer Price Index (All Urban Consumers) between the effective date of the most recent adjustment in the rate of assessment and the date on which the new proposed rate of assessment will become effective.

- (8) The Board shall, within ninety (90) days following the end of the calendar or fiscal year, contract with a certified public accountant to prepare an audit or review of all funds controlled by the Board. A copy of the report shall be furnished to the Urban County Council and the Department of Policy and Division of Budgeting.
- (9) The Board shall prepare an annual report to the owners of benefited properties within the District evaluating the District's effectiveness and describing its accomplishments during the preceding fiscal year. The report shall be sent to the owner of each such property at such time that the annual economic plan and budget is sent pursuant to this Section. A copy shall also be provided to the Urban County Council.
- (10) Members of the Board shall adhere to the ethical rules and requirements of Article 16 of the Urban County Charter and violation of any provision thereof shall be cause for removal by the Mayor pursuant to section 2(B)(5).

E. Termination of District.

- (1) The District shall be dissolved upon the earlier of: (i) assessment of five (5) years from the effective date of this Ordinance; or (ii) pursuant to KRS 91.762(2).
- (2) The District may be dissolved as provided in KRS 91.762(2), which requires the presentation of a sufficient petition to the Urban County Council.

Section 3. Guidelines for Board of Directors.

A. Boundaries.

It is the intent of the Urban County Council that the economic improvements provided by the District may be extended to other areas of downtown as the need for economic improvements arises in such areas. The Board may identify additional areas in downtown which would benefit from the economic improvements provided by the District, if any, and actively solicit and assist the property owners in the identified areas to petition the Mayor and the Urban County Council pursuant to KRS 91.750 through 91.762 to expand the boundaries of the District to include properties of these identified property owners.

B. Contracts.

All contracts to be awarded by the Board shall include a complete description of the services to be provided and duration, method of compensation, records to be maintained and submitted, and hold harmless agreements and limits of liability insurance requirements.

C. Management, Marketing and Administration.

The Board shall provide for the District's day-to-day management and administration through a contract or otherwise as the Board deems appropriate. Management and administrative support services shall include:

- (1) Procurement of marketing, beautification and security services from vendors, administration of related contracts and supervision related to contract compliance and quality assurance;

- (2) Training activities to support services delivery;
  - (3) Annual development of an Economic Improvement Plan as required by state statute and the above referenced ordinance, including evaluation of program effectiveness and monitoring level of urban marketing, beautification, and security services;
  - (4) Provision of administrative support to the Board;
  - (5) Maintenance of all financial and administrative records, and yearly audit or review of expenses and revenues;
  - (6) Provision of liability insurance as needed to cover all operations;
- and
- (7) Provision of other necessary and appropriate business services for the District.
  - (8) Lend expertise, as requested or needed, with issues related to the District.

D. Report.

The Board is directed to submit a report to the Mayor and Urban County Council after the end of each year of the District's operation, detailing how it has addressed the directives and principles enumerated in this Ordinance. Such report shall be separate from and in addition to any other report required by this Ordinance.

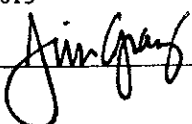
E. Advisory Council.

The Board may establish, pursuant to the bylaws adopted for the District, an Advisory Council to the Board. The membership of the Advisory Council shall encompass a broad range of benefited property owners and tenants and should also include persons with technical knowledge of aspects of property beautification, security, or other economic improvements provided by the District.

Section 3 - If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unlawful by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 4 - That this Ordinance shall become effective on the date of its passage, with the fiscal year of the Management District commencing on July 1st. However, the assessments against properties within the Management District provided under Section 2(D) of this Ordinance shall not commence any earlier than allowable by law.

PASSED URBAN COUNTY COUNCIL: May 7, 2015

MAYOR 

ATTEST:

  
 CLERK OF URBAN COUNTY COUNCIL

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 PUBLISHED: May 14, 2015-1t

**BYLAWS**  
**OF**  
**DOWNTOWN LEXINGTON MANAGEMENT DISTRICT**

*DRAFT OF PROPOSED BYLAWS*

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## **ARTICLE 1: ESTABLISHMENT OF DISTRICT**

(A) There is established, pursuant to KRS 91.750 through 91.762, and via Lexington-Fayette Urban County Government Ordinance No. 52-2015, a management district to be known as the “Downtown Lexington Management District” (hereinafter referred to as “District”) for the purpose of providing and financing economic improvements that specially benefit property located within the District. The boundaries of the District are designated by the map in Attachment A, which is incorporated by reference hereto and made a part of these Bylaws as if fully set out herein.

(B) The District shall constitute a body corporate, with the power to contract and be contracted with. Its affairs shall be managed and controlled by a Board of Directors.

## **ARTICLE 2: ESTABLISHMENT OF THE BOARD OF DIRECTORS**

(A) There is established a Board of Directors (hereinafter “the Board” or “the Board of Directors”) to manage and control the affairs of the District.

(B) The Board of Directors shall be composed of not more than fifteen (15) members, who shall be appointed to four (4) year terms, except as otherwise provided in Lexington-Fayette Urban County Government Ordinance No. 52-2015 and these Bylaws. Members of the Board shall be appointed as follows:

(1) Inaugural Board: The Board of the Downtown Lexington Corporation shall nominate individuals for membership on the Board, and shall submit such names to the Mayor and Urban County Council for consideration.

(2) Vacancies After Inaugural Board: The Board of Directors shall nominate individuals to fill vacancies on the Board of Directors, and shall submit such names to the Mayor and Urban County Council for consideration.

(C) The Board shall be comprised of the following members:

(1) Regular Members

(a) At least one (1) Board member shall be an owner or designee of a retail business within the District;

(b) At least one (1) Board member shall be an owner of a residential property within the District or their permanent designee;

(c) At least three (3) Board members shall be owners of an office building or buildings within the District or their permanent designees;

(d) At least one (1) Board member shall be a parking facility owner within the District or his permanent designee;

(e) At least two (2) Board members shall be owners or their designees from the hospitality/entertainment sector within the District (e.g., an owner or designee whose property houses a restaurant, food service, or hotel/lodging facility; and

(f) At least two (2) Board members shall be tenants representing the owners of properties within the District.

(2) Ex-officio Members

(a) The Mayor, or his permanent designee;

(b) The Chair of the Downtown Lexington Corporation or that corporation's successor;

(c) The Urban County Council member representing the area comprising the District and an At-Large Urban County Council member designated by the Mayor; and

(d) The Chair of the Lexington Downtown Development Authority

(D) All members of the Board of Directors, including ex-officio members, shall have the right to vote.

(E) Members of the Board of Directors shall serve four (4) year terms; however, the Inaugural Board will be comprised of one-half of such members serving a two (2) year term and one-half serving a four (4) year term as determined by the Mayor. A member of the Board is eligible for reappointment to one (1) additional four (4) year term.

(F) Any appointed member of the Board may be removed by the Mayor for cause.

(G) Any member may be removed by the Mayor for violation of rules, regulation, operating procedures, or these Bylaws as adopted by the Board of Directors. Such recommendation of removal shall be made by the Board of Directors on a majority vote, with such recommendation then forwarded to the Mayor.

(H) Any vacancy on the Board shall be filled in the same manner as the original appointment for the unexpired term.

(G) The Board shall elect officers from its membership, including a Chair, Vice-Chair, Secretary, and Treasurer. Each officer shall serve a two (2) year term, and shall be eligible to serve one (1) additional term. Each officer shall be elected by a majority vote of the Board of Directors.

(1) An officer may be removed from the office by a two-thirds (2/3) vote of the Board of Directors.



- (2) Any vacancy shall be filled in the same manner as the original appointment for the unexpired term.

**ARTICLE 3: POWERS OF THE BOARD OF DIRECTORS**

(A) The Board shall have the right to transact business on behalf of and manage the financial affairs of the District, including the ability to contract with any person or entity determined by the Board to have the needed expertise to manage and administer the day-to-day operations of the affairs of the District or any portion thereof.

(B) The Board shall have all powers necessary and proper to conduct the affairs of the District not inconsistent with KRS 91.750 through 91.762, Lexington-Fayette Urban County Government Ordinance No. 52-2015, and these Bylaws, including, but not limited to:

- (1) Preparation of an annual Economic Improvement Plan. An “Economic Improvement Plan” shall describe the current and projected economic improvements to be undertaken during that year.
- (2) Preparation of an annual budget on a fiscal year basis.
- (3) Implementation of the Economic Improvement Plan.
- (4) Determination of policy and procedures for operation of the District.
- (5) Incurring, in the aggregate, short-term and long-term debt in an amount not to exceed \$500,000.

(C) The Board may undertake any of the following economic improvements within the District:

- (1) The promotion of commercial activity or public events;
- (2) The planning, administration, and management of development or improvement activities;
- (3) Landscaping, beautification, maintenance, and cleaning of public ways and spaces;
- (4) The conduct of activities in support of business recruitment and development;
- (5) The provision of security for public areas
- (6) The construction and maintenance of capital improvements to public ways and spaces; and

(7) Any other economic improvement activity that, as determined by the Board, specially benefits property within the District.

(D) The Board of Directors may appoint committees of the Board of Directors as reasonably necessary and prudent.

**ARTICLE 4: DUTIES OF THE BOARD OF DIRECTORS**

(A) The Board shall provide for the day-to-day management and administration of the District through a contract or otherwise as the Board deems appropriate. Such management and administration support services shall include:

(1) Procurement of marketing, beautification, and security services from vendors, administration of related contracts and supervision related to contract compliance and quality assurance;

(2) Training activities to support services delivery;

(3) Annual development of an Economic Improvement Plan as required by state law and Lexington-Fayette Urban County Government Ordinance No. 52-2015, including evaluation of program effectiveness and monitoring level of urban marketing, beautification, and security services;

(4) Provision of administrative support to the Board;

(5) Maintenance of all financial and administrative records, and yearly audit or review of expenses and revenues;

(6) Provision of liability insurance as needed to cover all operations; and

(7) Provision of other necessary and appropriate business service for the District, or lend of expertise, as requested or needed, with issues related to the District.

(B) The Board shall utilize a competitive process, such as a formal Request for Proposal, to award contracts and otherwise procure services, except for the collection of assessments.

(1) The Board may appoint a selection committee to aid in the review of response submitted to a Request for Proposal.

(2) The Board shall avoid any conflicts of interest in appointing any selection committee.

(3) All contracts to be awarded by the Board shall include a complete description of the services to be provided and duration, method of compensation, records to be maintained and submitted, and hold harmless agreements and limits of liability insurance requirements.

(4) Collection of assessments shall be via agreement with either the Lexington-Fayette Urban County Government or the Fayette County Sheriff's Office.

(C) The Board shall submit the annual budget to the Urban County Council for approval at least two (2) months prior to the beginning of each Fiscal Year, and shall simultaneously transmit the Economic Improvement Plan. The budget shall be presented in such form as required by the Lexington-Fayette Urban County Government.

(1) In the event that the submitted budget is not timely approved by the Urban County Council, the budget of the previous year shall have full force and effect as if readopted until such time as a new budget is approved.

(2) Upon approval of the budget by the Urban County Council, the Board shall publish the budget and Economic Improvement Plan pursuant to KRS 424 and shall mail, by first class mail, to each property owner a description of the Economic Improvement Plan, the fair basis of the assessment to be utilized, the estimated cost to the property owner, and the ratio that the cost to each property owner bears to the total cost of the economic improvements.

(3) The Board shall provide in the annual budget for the imposition of a rate of assessment on all benefitted properties within the District, including an appeal procedure, as specified in Lexington-Fayette Urban County Government Ordinance No. 52-2015, attached hereto as Attachment B, and which is incorporated by reference hereto and made a part of these Bylaws as if fully set out herein.

(D) The Board shall implement an affirmative action plan consistent with those required by the Lexington-Fayette Urban County Government for the hiring of consultants or employees. The Board shall not discriminate on the basis of race, sex, sexual orientation and gender identity, marital status, religion, age 40 and over, color, national origin, because the person is a qualified individual with a disability, or because the individual is a smoker or nonsmoker, in any of the District's operations and shall include such prohibition in all of its contracts.

(E) The Board shall, within ninety (90) days following the end of a fiscal year, cause to be prepared and submit a yearly audit pertaining to the expenditure of funds to the Mayor, Urban County Council, and the Department of Policy and Division of Budgeting. Such audit shall be completed by a certified public accountant and shall review all funds controlled by the Board.

(F) The Board Chair or his designee, on behalf of the Board, shall make an annual presentation to the Urban County Council regarding the operations of the District, and shall appear at any other meeting as reasonably requested by the Lexington-Fayette Urban County Government.

(G) The Board shall ensure that information regarding the general operations and finances (including revenue and expenditures) is publicly available through the District's website and other reasonable means;

(H) The Board shall prepare an annual report to the owners of benefited properties within the District evaluating the District's effectiveness and describing its accomplishments during the preceding fiscal year, which shall be sent at the same time the Economic Improvement Plan and budget are sent pursuant to this Article, section (B), part (2), with such report also forwarded to the Urban County Council.

(I) The Board shall submit a report to the Mayor and Urban County Council within sixty (60) days of the end of a fiscal year regarding the District's operation and detailing how it has addressed the directives and principles articulated in Lexington-Fayette Urban County Government Ordinance No. 52-2015. Such report is separate and distinct from any other report required herein.

(J) The Board may identify additional areas in downtown which would benefit from the economic improvements provided by the District, if any, and actively solicit and assist the property owners in the identified areas to petition the Mayor and the Urban County Council, in accord with state law, to expand the boundaries of the District to include these additional properties.

#### **ARTICLE 5: MEETINGS OF THE BOARD OF DIRECTORS**

(A) The Board of Directors shall regularly meet on the \_\_\_\_\_ of the month at \_\_\_\_\_ at \_\_\_\_\_ in Lexington, Kentucky.

(B) Quorum shall be defined as a majority of the total number of members of the Board of Directors.

(1) Quorum shall be required in order to the Board of Directors to transact any business.

(2) In the absence of quorum, the Board may take no official action aside from implementing measures to achieve quorum or adjourning the meeting.

(3) A member of the Board of Directors is deemed present for purposes of calculating quorum if they are physically present at the site of the meeting or if they are participating in the meeting through teleconferencing, videoconferencing, or any other device that allows all members participating to simultaneously hear each other during the meeting, unless otherwise prohibited by law.

(C) A special meeting of the Board of Directors may be called at any time by the Chair or by any three members of the Board. All members of the Board of Directors shall be notified of a special meeting via electronic mail, regular mail, or facsimile, with notice to be sent at least seventy-two (72) hours in advance of the meeting. Such meeting shall take place at the regular meeting location or at any place specified within the meeting notice.

(D) The act of a majority of the members of the Board of Directors entitled to vote present at a meeting at which quorum is present shall be the act of the Board of Directors.

**ARTICLE 6: TERMINATION**

The District shall be dissolved upon the earlier of (a) May 7, 2020, or (b) pursuant to KRS 91.762(2).

**ARTICLE 7: MISCELLANEOUS PROVISIONS**

(A) The Board of Directors shall have the power and authority to alter, amend, or repeal these Bylaws by the vote of a majority of all members of the Board of Directors.

(B) The Fiscal Year of the District shall coincide with the Fiscal Year of the Lexington-Fayette Urban County Government.

(C) The proceedings of the Board of Directors, the Advisory Council, and any committees shall be governed by and conducted in accordance with the latest edition of *Robert's Manual of Parliamentary Rules*, except where in conflict with these Bylaws.

(D) Unless the context specifically requires otherwise, any reference in these Bylaws to any gender shall include all genders, any reference to the singular shall include the plural and any reference to the plural shall include the singular.

(E) If any provision of these Bylaws, or its application to any person or circumstances, is held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of these Bylaws, or the application of such provisions to persons or circumstances other than those to which it was held to be invalid or unenforceable, shall not be affected thereby, and to this extent, the provision of these Bylaws are severable.

The above Bylaws were duly adopted effective as of  
\_\_\_\_\_ (date)

\_\_\_\_\_  
Secretary, Board of Directors

# Map of Area (attachment A)

