

ORDINANCE NO. 73, SERIES 2002

AN ORDINANCE CREATING A DEVELOPMENT AREA PURSUANT TO KRS 65.700-65.703 WITHIN THE CITY OF LOUISVILLE TO BE KNOWN AS THE CHURCHILL DOWNS DEVELOPMENT AREA, DESIGNATING THE LOUISVILLE DEVELOPMENT AUTHORITY AS THE AGENCY AS DEFINED IN KRS 65.700 FOR AND ON BEHALF OF THE CITY IN ADMINISTERING THE CHURCHILL DOWNS DEVELOPMENT AREA, AUTHORIZING THE MAYOR TO EXECUTE ON BEHALF OF THE CITY A GRANT CONTRACT BETWEEN THE CITY AND THE LOUISVILLE DEVELOPMENT AUTHORITY, A GRANT CONTRACT AMONG THE COMMONWEALTH OF KENTUCKY, THE CITY AND THE LOUISVILLE DEVELOPMENT AUTHORITY, A GRANT CONTRACT AMONG JEFFERSON COUNTY, THE CITY AND THE LOUISVILLE DEVELOPMENT AUTHORITY, AND A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LOUISVILLE, ACTING BY AND THROUGH THE LOUISVILLE DEVELOPMENT AUTHORITY AND CHURCHILL DOWNS INCORPORATED. (AS AMENDED)

SPONSORED BY: ALD. GREGG

WHEREAS, Kentucky Revised Acts 65.700 through 65.703 (the "Act") authorizes the City to create a development area for the purpose of constructing one or more economic projects within such development area ("Development Area"); and

WHEREAS, the Act further authorizes each taxing district having jurisdiction over a Development Area to enter into a grant contract with a

designated agency to release to such agency up to eighty percent (80%) of new taxes created by the projects to be constructed in the Development Area, to be used by such agency solely for the purposes of the projects to be constructed within the Development Area; and

WHEREAS, Churchill Downs is a unique asset of the City of Louisville, being both a world famous cultural icon and a thriving business which contributes significantly to the economy of the City through employment, tourism and tax dollars; and

WHEREAS, Churchill Downs Incorporated, the owner of Churchill Downs, is commencing a major project to expand and upgrade the facilities of Churchill Downs ("Project") and has requested the City to establish a Development Area encompassing Churchill Downs so that the City, Jefferson County ("County") and the Commonwealth of Kentucky ("State") can provide assistance to the Project pursuant to the Act; and

WHEREAS, the Board has determined that the Project will enhance Churchill Downs and create new jobs for the community and increase tax revenues to the City, and that it is therefore in furtherance of the public purposes of the City to create the Development Area and provide assistance to the Project pursuant to the Act; and

WHEREAS, the Act requires the City to designate a department, division or development authority of the City to act as the designated agency to administer the Development Area and any grant contracts, and it has been determined that the Louisville Development Authority shall best serve the public purposes by acting as such designated agency; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF LOUISVILLE:

Section 1. That this Board authorizes the creation of a Development Area, pursuant to the Act, to be known as the Churchill Downs Development Area, such Churchill Downs Development Area being described in Exhibit A attached hereto.

Section 2. That the Mayor is authorized to execute, on behalf of the City, a grant contract by and between the City and the Louisville Development Authority ("LDA") for the release to LDA of up to eighty percent (80%) of new revenues, as defined in the Act, derived by the City from the Project to be undertaken within the Churchill Downs Development Area.

Section 3. That in order to assist the Project, this Board supports and pledges to cooperate with LDA and Churchill Downs Incorporated in obtaining a similar grant contract from the County of Jefferson and the Commonwealth of Kentucky in order to similarly release up to eighty percent (80%) of new revenues,

as defined by the Act, derived from the Project to be undertaken within the Churchill Downs Development Area; in the event the County agrees to enter into a grant contract, that the Mayor is authorized to execute, on behalf of the City, a grant contract for the release to LDA of up to eighty percent (80%) of new revenues, as defined in the Act, derived by the County from the Project to be undertaken within the Churchill Downs Development Area; and in the event the State agrees to enter into a grant contract, that the Mayor is authorized to execute, on behalf of the City, a grant contract by and among the City, State and LDA for the release of up to eighty percent (80%) of new revenues, as defined by the Act, derived by the State from the Project to be undertaken within the Churchill Downs Development Area.

Section 4. That the Mayor is authorized to execute on behalf of the City, acting by and through LDA, a development agreement with Churchill Downs Incorporated, which agreement shall provide that LDA shall pay to Churchill Downs Incorporated all revenues received by LDA pursuant to the grant contracts authorized in Sections 2 and 3 of this Ordinance provided Churchill Downs Incorporated undertakes the Project pursuant to terms and conditions acceptable to City.

Section 5. That LDA shall use all funds received by it pursuant to the grant contracts authorized by Sections 2 and 3 of this Ordinance solely for the

purposes of the Project pursuant to the terms and conditions of the development agreement authorized by Section 4 of this Ordinance.

Section 6. That the Mayor and other officers, employees or agents of the City are authorized to enter into, execute and acknowledge and deliver on behalf of the City the grant contracts, the development agreement and any and all other agreements, instruments or other documents necessary or convenient to complete the transactions authorized by this Ordinance and to take any and all necessary actions necessary to complete the transactions authorized by this Ordinance without further action of this Board.

Section 7. That this Ordinance shall become effective upon its passage and approval.

Kathleen J. Herron C.B.A. *Dorise B. Smith* P.B.A.

APPROVED: *6/19/02* *Daniel R. Clavin* MAYOR

APPROVED AS TO FORM:

Barbara E. Elliott
WILLIAM C. STONE
DIRECTOR OF LAW
CITY OF LOUISVILLE

BOARD OF ALDERMEN
READ AND PASSED
June 11, 2002

[2002ORD]CHURCHILL DOWNS
PROJECT ORDINANCE

EXHIBIT A

**CHURCHILL DOWNS RACETRACK PROPERTY LINE
FOR THE PROPOSED
TAX INCREMENT FINANCING (TIF) DISTRICT**

The area covered by the proposed TIF falls within the following boundaries:

On the north side from the intersection Taylor Boulevard east on Central Avenue to the intersection of Central Avenue and Third Street.

On the east side from the intersection of Third Street south to Southern Parkway to the intersection of Winn Avenue.

At the intersection of Winn Avenue west to Longfield Avenue.

Longfield Avenue west to the intersection of Wizard Avenue.

From the intersection of Wizard Avenue northeast to the intersection of Olenda Avenue.

From the intersection of Olenda Avenue southeast to the intersection of Warren Avenue

From the intersection of Warren Avenue northeast to the intersection of the alley which runs parallel to Homeview Drive.

From the intersection of the alley which runs parallel to Homeview Drive southeast to the intersection of Ninth Street.

From the intersection of Ninth Street northeast to the intersection of Central Avenue.

EXHIBIT A

The Tax Increment Financing District (TIF) created by this Ordinance is shown on LOJIC Geodesic Control Map A attached hereto. This TIF District consists of all of the land described in Exhibit A-1 as Tracts one (1) through nineteen (19) and which in the aggregate is the area shown on LOGIC Geodesic Control Map A-1 attached hereto, together with the land described in Exhibit A-2 and shown on LOGIC Geodesic Control Map A-2 attached hereto.