

ORDINANCE NO. 2017 - 01

AN ORDINANCE RELATING TO THE BOONE COUNTY FISCAL COURT APPROVING THE EXECUTION OF A LOCAL DEVELOPMENT AREA AGREEMENT RELATING TO THE ESTABLISHMENT AND IMPLEMENTATION OF A LOCAL DEVELOPMENT AREA TAX INCREMENT FINANCING DISTRICT KNOWN AS THE WALTON KENTUCKY INDUSTRIAL PARK LOCAL DEVELOPMENT AREA WITHIN THE CITY OF WALTON, KENTUCKY.

WHEREAS, the City of Walton, Kentucky (the "City") has proposed the adoption of an Ordinance establishing the Walton Kentucky Industrial Park Local Development Area Tax Increment Financing District (the "Local Development Area"), pursuant to the provisions of KRS 65.7041 to KRS 65.7083 (the "Act") to pay for project costs and redevelopment assistance (as defined and allowed in the Act) to support the development of the Local Development Area known as the Walton Kentucky Industrial Park Local Development Area (the "Project"); and

WHEREAS, the City has agreed to a pledge of certain new Incremental Revenues to support the Local Development Area through the execution of a Local Development Area Agreement, as hereinafter defined, and has requested the County of Boone, Kentucky (the "County") to pledge certain new Incremental Revenues generated from the Local Development Area to support the Local Development Area by being a party to the Local Development Area Agreement; and

WHEREAS, the City has created and designated the City of Walton Economic Development Authority, Inc., (the "Agency") as its agency for the oversight, administration, and implementation of the City's Local Development Area Ordinance; and

WHEREAS, the County has reviewed the request from the City and has determined that it is appropriate to make a pledge of new Incremental County Revenues created by the Local Development Area to pay for project costs and provide redevelopment assistance for the Project as provided in the Local Development Area Agreement as requested to promote development in the City and County.

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

SECTION ONE

Incremental Revenues. The County hereby approves the pledge of sixty percent (60%) of the Incremental Revenues from County real property ad valorem taxes and occupational taxes from employee payroll taxes generated within the Local Development Area for thirty (30) years to support the payment of project costs and redevelopment assistance, which costs shall be limited to the Site Development and Infrastructure Costs as defined in the Local Development Area Agreement, to promote the development of the Project and the Local Development Area, as more specifically set forth in a Local Development Area Agreement, which shall be executed in furtherance hereof.

SECTION TWO

Special Fund. That after activation of the Local Development Area (as provided by the Act and the Local Development Area Agreement), the County hereby directs that its Incremental

Revenues pledged to support the Project be annually transferred to the Special Fund for the Local Development Area established and maintained by the Agency to be used as provided by the Local Development Area Agreement and the Act.

SECTION THREE

Authorization. The County Judge/Executive is hereby authorized to execute and deliver, in the name and on behalf of the County, a Local Development Area Agreement, among the City, Agency and such other local special taxing districts that may elect to participate with a pledge of their Incremental Revenues, and to take such other actions as may be reasonably necessary to accomplish the foregoing and to carry out the County's obligations under the Local Development Area Agreement and this Ordinance. The form of Local Development Area Agreement to be signed by the County Judge/Executive on behalf of the County shall be in a form in conformance with the Act, and subject to approval of the County Judge/Executive and County Attorney, provided that the Local Development Area Agreement shall be consistent with this Ordinance and not substantially adverse to the County.

SECTION FOUR

Partial Invalidity. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions.

SECTION FIVE

Conflicting Instruments. All ordinances, resolutions, orders, or parts thereof, if any, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

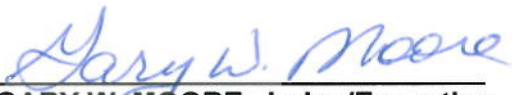
SECTION SIX

Effective Date. This Ordinance shall be in full force and effect from and after its adoption and publication as provided by law.

Adopted this 17th day of January, 2017

First Reading - the 20th day of December, 2016

Second Reading - the 17th day of January, 2017 Yes 4 No 0


GARY W. MOORE, Judge/Executive
Boone County Fiscal Court

Attest:


Sharon Burcham,
Fiscal Court Clerk

ORDINANCE NO. 2016 -

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Special Fund. That after activation of the Local Development Area (as provided by the Act and the Local Development Area Agreement), the County hereby directs that its Incremental

Revenues pledged to support the Project be annually transferred to the Special Fund for the Local Development Area established and maintained by the Agency to be used as provided by the Local Development Area Agreement and the Act.

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Authorization. The County Judge/Executive is hereby authorized to execute and deliver, in the name and on behalf of the County, a Local Development Area Agreement, among the City, Agency and such other local special taxing districts that may elect to participate with a pledge of their Incremental Revenues, and to take such other actions as may be reasonably necessary to accomplish the foregoing and to carry out the County's obligations under the Local Development Area Agreement and this Ordinance. The form of Local Development Area Agreement to be signed by the County Judge/Executive on behalf of the County shall be in a form in conformance with the Act, and subject to approval of the County Judge/Executive and County Attorney, provided that the Local Development Area Agreement shall be consistent with this Ordinance and not substantially adverse to the County.

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SECTION SIX

Effective Date. This Ordinance shall be in full force and effect from and after its adoption and publication as provided by law.

Adopted this ____ day of _____, 201__

First Reading - the 20th day of December, 2016

Second Reading - the ____ day of _____, 201__ Yes ____ No ____

**GARY W. MOORE, Judge/Executive
Boone County Fiscal Court**

Attest:

**Sharon Burcham,
Fiscal Court Clerk**

RECEIVED: JSE
7/11/16
(FOR 7/15/16 F.C.A.R.)

WALTON KENTUCKY INDUSTRIAL PARK LOCAL DEVELOPMENT AREA

FACT SHEET

- A. Legal Authority: KRS 65.7041 to KRS 65.7083.
- B. Establishing Jurisdiction: City of Walton, Kentucky
- C. Developer: Omaha Enterprises, LLC, a Kentucky limited liability company.
- D. Purpose: To assist with the establishment of the Walton Kentucky Industrial Park, a 290 acre development in the City of Walton, Kentucky, and in Boone and Kenton Counties.
- E. Area: Approximately 250 acres of the new industrial park are located in Kenton County and 40 acres of the park are located in Boone County.
- F. 2015 Taxes: The total 290 acre area has a 2015 taxable real estate tax assessment of \$744,570, and generated \$671 taxes to Kenton County, \$305 taxes to Boone County and \$618 taxes to Walton.
- G. Future Plans: The new industrial park is expected to provide up to 3.4 million square feet of new industrial/office use, involve new capital investment over \$150,000,000, and create over 1,300 new permanent jobs with a gross payroll exceeding \$30,000,000.
- H. TIF Pledge: The City of Walton has agreed to create a local development area TIF district and pledge 65% of its incremental taxes from real estate taxes for up to a 30 year period to reimburse Developer for Site Development and Infrastructure Costs needed to develop the Park. The City will also establish a new 1.2% payroll tax applicable only within the local development area to reimburse Site Development and Infrastructure Costs.
- I. TIF Use: Incremental Revenues pledged to the local development area will exclusively be dedicated to reimburse Developer for actual Site Development and Infrastructure Costs needed to develop the Park. These costs are estimated to be \$14,633,000, but will be capped at \$15,500,000. **The Developer will be responsible for any debt incurred with the development of the Park.**
- J. TIF Requests: In addition to the City of Walton, the City and Developer have requests pending to participate with a pledge of incremental revenues from Boone County, Kenton County and Planning and Development Services of Kenton County (PDS). The requests to Boone and Kenton County are to pledge a portion of their incremental tax revenues from real property taxes and employee payroll taxes and from PDS to pledge a portion of its incremental taxes from real property taxes.
- K. Maps: Maps of local development area are attached hereto.

**Cassidy
Turley**

Commercial
Real Estate Services

Walton Kentucky
Industrial Park (WKIP)

Aerial - North View



Walton Kentucky Industrial Park Development Cost Estimates
TIF District Development Agreement Attachment
Revised as of May 26 2016

		Estimated Budgeted Costs	
		Costs	Totals
1	Mitigation		
a.	Geological Services - Lee Otte	\$38,449	
b.	Geologist - Kleinbrink	\$35,000	
c.	Mitigation - Stream	\$4,073,100	
d.	Mitigation - Wetland	\$49,500	
e.	Mitigation - Forest	\$225,000	\$4,421,049
2	Engineering Cost		
a	VIOX & VIOX	\$35,000	
b	Berling	\$28,300	
c	Land Consultants	\$38,833	\$102,133
3	Utility Infrastructure Cost		
a	Sanitary Sewer Line	\$115,625	
b	Storm Sewer	\$140,972	
c	Water Main	\$105,975	
d	Dry Utilities incl. Relocation of Gas Transmission Line	\$134,550	\$497,122
4	Road Cost		
a	Clearing & Excavation	\$427,000	
b	Rock Excavation Allowance	\$25,000	
c	Pavement	\$1,092,950	
d	Culvert, Walls, Erosion Control, etc.	\$731,550	
e	Gas Line Relocation	\$300,000	
f	Geo/Tech Testing	\$80,000	
k	Genl Contractor Fee (2.25% Road Cost)	\$57,971	
l	Contingency Fee (5% Road Cost)	\$128,825	\$2,843,296
5	Landscape & Monument Sign	\$35,000	\$35,000
6	Professional Services		
a	Engineering/Attorney/Real Estate	\$200,000	\$200,000
7	Grading/Excavating Cost		
a	Grading Cost for Building B-1 Pad	\$5,525,336	
b	Rock Excavation	\$285,554	
c	Geo/Tech Testing	\$190,370	
d	Undercut/Backfill	\$152,296	
e	Top Soil Strip/Respread	\$380,739	\$6,534,295
Grand Total:			\$14,632,894

**PARCELS IN LOCAL DEVELOPMENT AREA
2015 TAX ASSESSMENT AND OLD REVENUES**

PARCEL ID	ADDRESS	2015 ASSESSMENT	WALTON TAX	KENTON TAX	BOONE TAX	PDS TAX
KENTON						
022-00-00-001.00	407 Jones Rd	\$88,100		\$130.90		\$25.55
022-00-00-003.00	454 Jones Rd	\$146,900	\$148.36	\$217.41		\$42.60
022-00-00-004.00	Jones Rd	\$300	\$0.30	\$0.44		\$0.09
022-00-00-004.01	494 Jones Rd	\$176,900	\$178.66	\$261.81		\$51.30
022-00-00-002.01	Jones Rd	\$41,000		\$60.68		\$11.89
BOONE						
077.00-00-057.01	Percival Rd	\$3,400			\$3.57	
078.05-11.012.01	High Steet	\$36,000	\$36.36		\$37.80	
077.00-00.057.00	Percival Rd	\$11,970	\$11.54		\$12.57	
078.00-06-008.00	Apex Dr	\$240,000	\$242.40		\$252.00	
Totals		\$744,570.00	\$617.62	\$671.24	\$305.94	\$131.43

LOCAL DEVELOPMENT AREA AGREEMENT
FOR
WALTON KENTUCKY INDUSTRIAL PARK LOCAL DEVELOPMENT AREA
BY AND AMONG
CITY OF WALTON, KENTUCKY
AND
COUNTY OF KENTON, KENTUCKY
AND
PLANNING AND DEVELOPMENT SERVICES
AND
COUNTY OF BOONE, KENTUCKY
AND
CITY OF WALTON ECONOMIC DEVELOPMENT AUTHORITY, INC.

November 1, 2016

Exhibit A – Map of the Local Development Area
Exhibit B – Listing of Parcels Within Local Development Area
Exhibit C - Development Agreement
Exhibit D - Infrastructure and Site Development Costs

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 TO
 LOCAL DEVELOPMENT AREA AGREEMENT
 DATED
 NOVEMBER 1, 2016

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LOCAL DEVELOPMENT AREA AGREEMENT
Walton Kentucky Industrial Park Local Development Area

THIS LOCAL DEVELOPMENT AREA AGREEMENT (this "Agreement") is made as of the 1st day of November, 2016 (the "Effective Date") by and among the CITY OF WALTON, KENTUCKY, a Kentucky municipal corporation of the home rule class organized under the laws of the Commonwealth of Kentucky (the "City"), the COUNTY OF KENTON KENTUCKY, a county government organized under the laws of the Commonwealth of Kentucky ("Kenton County"), the COUNTY OF BOONE KENTUCKY, a county government organized under the laws of the Commonwealth of Kentucky ("Boone County"), the PLANNING AND DEVELOPMENT SERVICES OF KENTON COUNTY, KENTUCKY, a local taxing district organized pursuant to the provisions of KRS Chapter 147 ("PDS"), and the CITY OF WALTON ECONOMIC DEVELOPMENT AUTHORITY, INC., a Kentucky non-profit corporation organized pursuant to the provisions of KRS Chapters 58 and 273 (the "Agency"); and collectively (the "Parties");

RECITALS

WHEREAS, pursuant to the Act (as hereinafter defined) the City on the ___ day of _____, 2016, adopted Ordinance Number _____, (the "Local Development Area Ordinance"), whereby it established the Walton Kentucky Industrial Park Local Development Area (the "Local Development Area") for the purpose of encouraging and assisting with the development of an industrial park within the City; and

WHEREAS, the Parties recognize and determine that construction of the Project (as hereinafter defined) and as contemplated by this Agreement will contribute to the public welfare of the citizens of the City, Boone County and Kenton County, and will

thereby materially enhance the area and be in furtherance of the general health and welfare of the citizens of the City and respective Counties; and

WHEREAS, the Parties recognize that the development of the Local Development Area, will not occur without a public-private partnership and financial assistance provided to the Project by the City, Kenton County, Boone County, and PDS; and

WHEREAS, the Parties desire to set forth the duties and responsibilities of the Parties with respect to the administration, financing and pledging of Incremental Revenues in support of the development of the Project within the Local Development Area; and

WHEREAS, pursuant to the Local Development Area Ordinance, the City Council of the City has authorized the Mayor to execute and enter into this Agreement with Boone County, Kenton County, PDS, and the Agency, and the City desires to enter into this Agreement; and

WHEREAS, pursuant to Ordinance Number _____, adopted _____, 2016 the Fiscal Court of the Boone County has authorized its County Judge/Executive to execute and enter into this Agreement with the City, Kenton County, PDS, and the Agency, and Boone County desires to enter into this Agreement; and

WHEREAS, pursuant to Ordinance Number 971.8, adopted September 13, 2016 the Fiscal Court of the Kenton County has authorized its County Judge/Executive to execute and enter into this Agreement with the City, Boone County, PDS, and the Agency, and Kenton County desires to enter into this Agreement; and

WHEREAS, the pursuant to Resolution _____, adopted by the

Board of PDS, PDS has authorized its Chairman to execute and enter into this Agreement with the City, Kenton County, Boone County, and the Agency, and PDS desires to enter into this Agreement; and

WHEREAS, the pursuant to Resolution _____, adopted by the Board of the Agency, the Agency has authorized its Chairperson to execute and enter into this Agreement with the City, Kenton County, Boone County, and PDS, and the Agency desires to enter into this Agreement; and

WHEREAS, pursuant to the Act, the City, Kenton County, Boone County, PDS, and the Agency desire to set forth their mutual agreements, understandings and obligations in this Agreement, in order to facilitate development of the Project within the Local Development Area.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, and in consideration of the premises and the mutual covenants and undertakings contained herein, it is agreed and covenanted by and among the Parties hereto as follows:

SECTION I
Preambles

The Parties hereto agree that the above “preambles” or “preamble clauses” are incorporated herein by reference as if fully restated herein and form a part of the agreement among the Parties hereto.

SECTION II
Definitions

For the purposes of this Agreement, the following words and phrases shall have the meanings assigned in this Section II, unless the context clearly indicates that a

contrary or different meaning is intended.

1. "Act" or "the Act". Shall mean KRS 65.7041 to KRS 65.7083.
2. "Activation". Shall be the first day of the calendar year for the computation of Incremental Revenues, and which is provided in Section XIII of this Agreement.
3. "Agency". Shall mean the City of Walton Economic Development Authority, Inc.
4. "Agreement". Shall mean this Local Development Area Agreement, including all Exhibits attached hereto.
5. "Administrative Fee". Shall be a fee charged annually by the City after the Activation Date of two (2) percent of the annual amount of the Incremental Revenues paid to the Agency from the City, County of Kenton, County of Boone and PDS.
6. "Bonds". Shall mean increment bonds that may be issued by the City or other entity authorized to issue the Bonds to pay for or reimburse Infrastructure and Site Development Costs that are supported in-whole or in-part by Incremental Revenues.
7. "Boone County". Shall mean the County of Boone, Kentucky.
8. "City". Shall mean the City of Walton, Kentucky.
9. "Debt Service". Shall mean interest and principal payments due on the Bonds in the event Bonds are issued.
10. "Developer". Shall mean Omaha Enterprises, LLC or its assigns.
11. "Development Agreement". Shall mean the Development Agreement between the City and Developer dated June 1, 2016 attached as Exhibit C to this Agreement.

12. "Job Assessment Fees(s)". Shall mean the special 1.2% payroll occupational tax on the gross wages on new employees within the Local Development Area, established by the City in the Local Development Area Ordinance, as authorized by the Act, and applicable only within the Local Development Area.

13. "Kenton County". Shall mean the County of Kenton, Kentucky.

14. "Local Development Area". Shall have the meaning given in the Recitals to this Agreement, and more specifically described on Exhibit A attached hereto.

15. "Local Development Area Ordinance." Shall mean the ordinance referred to in the Recitals section of this Agreement.

16. "Effective Date". Shall have the meaning given in the introductory paragraph of this Agreement.

17. "Financing Plan". Shall mean the plan for financing the Project as described in SECTION XI of this Agreement, as it may be amended with the approval of the City and the Agency.

18. "Incremental Revenues". Shall mean the amount of revenues received by the City, Boone County, Kenton County and PDS with respect to the Local Development Area by subtracting Old Revenues from New Revenues in each calendar year after Activation.

19. "Infrastructure and Site Development Costs". Shall mean the costs identified in Exhibit D of this Agreement and the Development Agreement that may be paid for by Bonds (if Bonds are issued) or reimbursed to the Developer from Incremental Revenues, but such costs to be paid by Bonds or reimbursed to the Developer shall not exceed \$15,500,000.

20. "KBI Program". Shall mean the Kentucky Business Investment Program established pursuant to KRS Chapter 154 administered by the State Economic Development Cabinet.

21. "New Revenues". Shall mean for the City, Boone County and Kenton County the total tax revenues to the City, Kenton County and Boone County from real property *ad valorem* taxes, occupational taxes from employee payroll taxes, and Job Assessment Fees with respect to the Local Development Area in any calendar year beginning with the year in which Activation has occurred; and for PDS the total tax revenues to PDS from real property *ad valorem* taxes with respect to the Local Development Area in any calendar year beginning with the year in which Activation has occurred. Provided, however, that New Revenues shall not include any amount of occupational taxes from employee payroll taxes or Job Assessment Fees that are approved as a match to the KBI Program or similar program for companies that may locate within the Local Development Area.

22. "PDS". Shall mean the Planning and Development Services of Kenton County, a local taxing district organized pursuant to the provisions of KRS Chapter 147.

23. "Old Revenues". Shall mean the total tax revenues to the City, Boone County, Kenton County, and PDS from real property *ad valorem* taxes with respect to the Local Development Area for calendar year 2015, which are attached and set forth in Exhibit B of this Agreement.

24. "Project". Shall mean the development of the Walton Kentucky Industrial Park as described in the Development Agreement and in SECTION XI of this

Agreement.

25. "Special Fund". Shall mean the Walton Kentucky Industrial Park Local Development Area Special Fund established by the City and maintained by the Agency for the purpose of holding and disbursing City, Boone County, Kenton County and PDS Incremental Revenues pledged herein in connection with the development of the Project.

26. "State". Shall mean the Commonwealth of Kentucky.

27. "Unavoidable Delays". Shall mean delays due to labor disputes, lockouts, acts of God, enemy action, civil commotion, riot, governmental regulations not in effect at the date of execution of this Agreement, conditions that could not have been reasonably foreseen by the claiming party, inability to obtain construction materials or energy, fire, or unavoidable casualty, provided such matters are beyond the reasonable control of the party claiming such delay.

SECTION III Parties

The parties to this Agreement shall be the City, Boone County, Kenton County, PDS, and the Agency.

SECTION IV Duties and Responsibilities of City

The City shall have the following duties and responsibilities in connection with the development of the Local Development Area:

1. Provide for the establishment of the Special Fund to be maintained by the Agency for the collection and disbursement of Incremental Revenues pledged herein from the City, Boone County, Kenton County, and PDS.

2. Pledge sixty-five percent (65%) of the City's Incremental Revenues from real property ad valorem taxes generated within the Local Development Area for a thirty (30) year period to pay the Administrative Fee, and then next to pay Debt Service (if Bonds are issued), and then to reimburse Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds, which pledge is made in SECTION IX herein.

3. Establish a Job Assessment Fee within the Local Development Area, and pledge 100% of the amount of the Job Assessment Fee for a thirty (30) year period to pay the Administrative Fee, and then next to pay Debt Service (if Bonds are issued), and then to reimburse Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds, which pledge is made in SECTION IX herein.

4. Designate the Agency as the entity responsible for the oversight, administration, and implementation of the Local Development Area Ordinance.

5. If requested by Developer act as issuer of the Bonds, or facilitate the issuance of Bonds through an entity established by the Kentucky League of Cities or other entity authorized to issue the Bonds, with the understanding that the Bonds shall not be supported by a pledge of the full faith and credit of the City or other public entity.

6. Meet as may be required with the Agency for the purpose of reviewing the progress of the development of the Local Development Area and preparing an analysis of such progress for distribution to the respective legislative bodies of the City, Boone County, Kenton County, and PDS, and providing assistance and information to the

Agency as may be needed to compute the Incremental Revenues that are generated from the Local Development Area.

SECTION V
Duties and Responsibilities of Kenton County

The County shall have the following duties and responsibilities in connection with the development of the Local Development Area:

1. Pledge sixty percent (60%) of Kenton County's Incremental Revenues generated within the Local Development Area, and remit such Incremental Revenues to the Agency as required by this Agreement for a thirty (30) year period to pay the Administrative Fee, and then next to pay Debt Service (if Bonds are issued), and then to reimburse Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds,, which pledge is made in SECTION IX herein.

2. Provide assistance to the Agency as needed with the annual report required of the Agency as provided in SECTION VIII of this Agreement, and in computing the Incremental Revenues that are generated from the Local Development Area.

SECTION VI
Duties and Responsibilities of Boone County

The County shall have the following duties and responsibilities in connection with the development of the Local Development Area:

1. Pledge sixty percent (60%) of Boone County's Incremental Revenues generated within the Local Development Area, and remit such Incremental Revenues to the Agency as required by this Agreement for a thirty (30) year period to pay the

Administrative Fee, and then next to pay Debt Service (if Bonds are issued), and then to reimburse Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds,, which pledge is made in SECTION IX herein.

2. Provide assistance to the Agency as needed with the annual report required of the Agency as provided in SECTION VIII of this Agreement, and in computing the Incremental Revenues that are generated from the Local Development Area.

SECTION VII Duties and Obligations of PDS

PDS shall have the following duties and responsibilities in connection with the development of the Local Development Area:

1. Pledge fifty percent (50%) of the PDS's Incremental Revenues generated within the Local Development Area, and remit such Incremental Revenues to the Agency as required by this Agreement for a thirty (30) year period to pay the Administrative Fee, and then next to pay Debt Service (if Bonds are issued), and then to reimburse Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds, which pledge is made in SECTION IX herein.

2. Provide assistance to the Agency as needed with the annual report required of the Agency as provided in SECTION VIII of this Agreement, and in computing the Incremental Revenues that are generated from the Local Development Area.

SECTION VIII

Duties and Obligations of the Agency

1. The Agency shall have the responsibility for the oversight, administration of the Local Development Area Ordinance, including the obligation to maintain the Special Fund for the deposit and disbursement of Incremental Revenues in accordance with this Agreement, the Development Agreement and the Act.

2. The Agency shall participate as necessary with the City, and Developer to assist with the overall development of the Project.

3. The Agency shall expend Incremental Revenues for the reimbursement of Infrastructure and Site Development Costs expended by the Developer related to the Project.

4. The Agency shall prepare by no later than June 30 of each year during the term of this Agreement an annual report and provide same to the respective legislative bodies of the City, Kenton County and Boone County and PDS that shall include, but not be limited to: (a) the total real property taxes, and occupational taxes, including Job Assessment Fees, collected within the Local Development Area during the previous calendar year; (b) a determination of New Revenues collected within the Local Development Area during the previous calendar year; (c), the amount, if any, of Incremental Revenues spent from the Special Fund on Infrastructure and Site Development Costs.

5. On or before April 1 after the end of the first calendar year of Activation, and then each year thereafter by April 1, so long as the pledge of Incremental Revenues as provided in this Agreement is in effect, the Agency shall calculate the New Revenues from the Local Development Area for the previous calendar year from the

City, Kenton County, Boone County, and PDS, and shall calculate and provide written notice to the City, Kenton County , Boone County and PDS of the Incremental Revenues that are due from the City, County, and PDS by June 30 of that year, and each June 30 thereafter, so long as the pledge of Incremental Revenues as provided in this Agreement is in effect.

6. Annually the Agency shall pay to the Developer (unless Bonds have been issued) for Infrastructure and Site Development Costs that have been expended by Developer, and as documented by Developer in accordance with the Development Agreement, any Incremental Revenues collected, less the Administrative Fee which shall be paid to the City, within thirty (30) days of their receipt from the City, Kenton County, Boone County, and PDS (but nothing shall require the Agency to withhold payment to Developer until all of taxing districts have paid their required Incremental Revenues to the Agency). Provided, however, if Bonds have been issued the Agency after paying the Administrative Fee shall next to pay Debt Service, and then pay any Incremental Revenues not needed for Debt Service to Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds. The Agency may assign any Incremental Revenues required to pay Debt Service directly to the trustee appointed related to the issuance of the Bonds.

SECTION IX Identification and Pledge of Incremental Revenues

1. The City hereby pledges sixty-five percent (65%) of the City's Incremental Revenues, from City real property *ad valorem* taxes and one hundred percent (100%) of the Incremental Revenues from the Job Assessment Fee imposed on gross wages of new employees generated within the Local Development Area, to pay the Administrative

Fee, and then next to pay Debt Service (if Bonds are issued), and then to reimburse Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds, within the Local Development Area for a thirty (30) year period starting from the 1st day of the calendar year following Activation. The Incremental Revenues shall be determined by calculating the New Revenues from the City collected from the Local Development Area, and subtracting the Old Revenues collected from the City within the Local Development Area for the base year, which is the calendar year 2015.

2. A listing of the parcels within the Local Development Area and the amount of Old Revenues collected by the City, Kenton County, Boone County and PDS from within the Local Development Area is attached hereto as Exhibit B.

3. Kenton County hereby pledges sixty percent (60%) of Kenton County's Incremental Revenues, from County real property *ad valorem* taxes and occupational taxes from employee payroll taxes generated within the Local Development Area, to pay the Administrative Fee, and then next to pay Debt Service (if Bonds are issued), and then to reimburse Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds, within the Local Development Area for a thirty (30) year period starting from the 1st day of the calendar year following Activation. The Incremental Revenues shall be determined by calculating the New Revenues from Kenton County collected from the Local Development Area, and subtracting the Old Revenues from Kenton County collected from within the Local Development Area for the base year, which is the calendar year 2015.

4. Boone County hereby pledges sixty percent (60%) of Boone County's

Incremental Revenues, from County real property *ad valorem* taxes and occupational taxes from employee payroll taxes generated within the Local Development Area, to pay the Administrative Fee, and then next to pay Debt Service (if Bonds are issued), and then to reimburse Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds, within the Local Development Area for a thirty (30) year period starting from the 1st day of the calendar year following Activation. The Incremental Revenues shall be determined by calculating the New Revenues from Boone County collected from the Local Development Area, and subtracting the Old Revenues from Boone County collected from within the Local Development Area for the base year, which is the calendar year 2015.

5. PDS hereby pledges fifty percent (50%) of PDS's Incremental Revenues, from PDS real property *ad valorem* taxes generated within the Local Development Area, to pay the Administrative Fee, and then next to pay Debt Service (if Bonds are issued), and then to reimburse Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds, within the Local Development Area for a thirty (30) year period starting from the 1st day of the calendar year following Activation. The Incremental Revenues shall be determined by calculating the New Revenues from PDS collected from the Local Development Area, and subtracting the Old Revenues from PDS collected from within the Local Development Area for the base year, which is the calendar year 2015.

6. Incremental Revenues pledged by the City, Kenton County, Boone County and PDS in this SECTION IX shall be deposited at annually, no later than each June 30 after the first calendar year of Activation to the Special Fund and used solely to pay the

Administrative Fee, and then next to pay Debt Service (if Bonds are issued), and then to reimburse Developer for Infrastructure and Site Development Costs related to the Project not paid for by the proceeds of the Bonds, within the Local Development Area, which Developer is required to document as being expended as required by the Development Agreement. Such Special Fund shall be continued and maintained until the Termination Date as provided in Section XIII of this Agreement. Amounts in the Special Fund, together with interest accruing thereon, are hereby irrevocably pledged for the Administrative Fee and then toward the payment of costs for Infrastructure and Site Development Costs related to the Project.

7. At the Termination Date, as defined in the Act and as provided in Section XI of this Agreement, all amounts not needed to reimburse Developer for Infrastructure and Site Development Costs related to the Project shall be transferred to the General Fund of the City, Kenton County, Boone County and PDS in proportion to the respective contributions to the Special Fund by the City, Kenton County, Boone County, and PDS.

SECTION X

Anticipated Benefits to the City, Kenton County, Boone County and PDS

1. The City, Kenton County, Boone County and PDS anticipate receiving substantial benefits as a result of the pledge of their Incremental Revenues to support development of the Local Development Area as set forth herein. As set forth in Exhibit B of this Agreement, the taxable assessment for calendar year 2015 within Local Development Area was \$744,570, and that generated in calendar year 2015 \$617.62 in City, \$671.24 in Kenton County, \$305.94 in Boone County, and \$131.43 in PDS real property *ad valorem* taxes. The construction of the Project and related development will conservatively increase the taxable assessments within the Local Development Area by

over \$150,000,000, which will generate significant new tax revenues to the City, Kenton County, Boone County and PDS, even with deducting the Incremental Revenues pledged within this Agreement to pay for Infrastructure and Site Development Costs. Based upon the applicable 2015 real property *ad valorem* tax rates for the City, Kenton County, Boone County and PDS the development of the Project and set forth in this Agreement and the Development Agreement will generate new real estate taxes annually to the City in the amount of \$151,500, to Kenton County in the amount of \$222,000, to Boone County in the amount of \$157,500 and to PDS in the amount of \$43,500. In addition, the Project will generate significant new occupational taxes from the growth in employment and new businesses within the Local Development Area as a result of the Project. The new tax impact will increase over time as assessments and new payroll increase and as additional elements of the Project are constructed. In addition, the new tax impact to the City, Kenton County, Boone County and PDS will also increase from tax revenues not subject to the pledge of Incremental Revenues provided by this Agreement, including the tangible taxes, insurance premium taxes, etc.

2. The maximum amount of Incremental Revenues to be paid by the City shall be sixty-five percent (65%) of the Incremental Revenues from real property *ad valorem* taxes and one hundred percent (100%) of Job Assessment Fees generated from the Local Development Area; the maximum amount of Incremental Revenues to be paid by the Kenton County and Boone County shall be sixty percent (60%) of the Incremental Revenues from real property *ad valorem* taxes and occupational taxes from employee payroll taxes generated from the Local Development Area, and the maximum amount of Incremental Revenues to be paid by PDS shall be fifty percent (50%) of the

Incremental Revenues from real property *ad valorem* taxes generated from the Local Development Area. The maximum number of years the payment of Incremental Revenues to support the payment of Infrastructure and Site Development Costs for the development of the Local Development Area is thirty (30) years.

A detailed description of the Local Development Area is set forth in Exhibit A hereto.

SECTION XI
Description of Project; Costs

The Project shall be the comprehensive development of the Local Development Area as described in the Development Agreement.

SECTION XII
Financing Plan

The Financing Plan for the development of the Project is for Developer to pay the costs for the development of the Project, including the Infrastructure and Site Development Costs, and be reimbursed for Infrastructure and Site Development Costs over time annually as Incremental Revenues are generated, unless Bonds are issued to pay for or reimburse Infrastructure and Site Development Costs in which case Incremental Revenues will be first pledged to pay Debt Service, with any Incremental Revenues not needed to pay Debt Service being used to reimburse Developer for Infrastructure and Site Development Costs not paid for through the proceeds of the Bonds. Any financing, except for the Bonds, needed to develop the Project shall be the responsibility of Developer, or other private entities. It is understood that the Financing Plan for the Project may be amended with the approval of the City and Agency. It is understood by the Parties that Developer is authorized to pledge to any financing that it

obtains for the development of the Project the payments due Developer under this Agreement and/or the Development Agreement.

IT IS UNDERSTOOD THAT ANY BONDS AND/OR FINANCING OBTAINED BY DEVELOPER AND SECURED BY INCREMENTAL REVENUES SHALL NOT CONSTITUTE A DEBT OF THE CITY, KENTON COUNTY, BOONE COUNTY, PDS OR THE AGENCY OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY , KENTON COUNTY, BOONE COUNTY, OR PDS.

SECTION XIII

Commencement Date; Activation Date; Termination Date

This Agreement shall commence and be effective on October 1, 2016. The Activation for the pledge of Incremental Revenues as set forth in SECTION IX hereof shall be determined by the City in consultation with the Developer, but shall not be more than four (4) years from the date of this Agreement. This Agreement shall terminate thirty (30) years after the Activation. This Agreement shall not terminate upon the execution of any deeds or other agreements required or contemplated by this Agreement, or referred to herein, and the provisions of this Agreement shall not be deemed to be merged into the deeds, or any other such deeds or other agreements, it being the intent of the parties hereto that this Agreement shall survive the execution and delivery of any such agreements.

SECTION XIV

Default

If the City, Kenton County, Boone County or PDS (a "Defaulting Party") shall default in its obligation to make payments of Incremental Revenues set forth herein, the Agency (unless it is the Defaulting Party) shall have the power to enforce the

provisions of this Agreement against the Defaulting Party. If the City, Kenton County, Boone County or PDS materially breaches or defaults on any of its obligations under this Agreement, the Agency or any other Party may give notice that remedial action must be taken within thirty (30) days. The Defaulting Party shall correct such breach or default within thirty (30) days after such notice, provided however that if (i) the default is one which cannot with due diligence be remedied by the Defaulting Party within thirty (30) days and (ii) the Defaulting Party proceeds as promptly as reasonably possible after such notice and with all due diligence to remedy such default, the period after such notice within which to remedy the default shall be extended for such period of time as may be necessary to remedy the same with all due diligence.

The Parties agree that Developer shall have the authority to enforce the provisions of the Agreement in the event of a default should the Agency fail to take action to enforce the pledge of the payment of Incremental Revenues due, or the Agency fails to pay Developer for Infrastructure and Site Development Costs as required by this Agreement.

However, notwithstanding any other provision of this Agreement in the event of a default no remedy shall permit the withholding by the City, Kenton County, Boone County or PDS of the payment of any Incremental Revenues pledged in this Agreement if bonds or other financing obtained by Developer are outstanding that are secured by a pledge of those Incremental Revenues.

SECTION XV Governing Law

The laws of the State shall govern as to the interpretation, validity and effect of this Agreement.

SECTION XVI
Severability

If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be held in any proceeding to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it was held to be invalid or unenforceable, shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law, but only if and to the extent such enforcement would not materially and adversely frustrate the parties essential objectives as expressed herein.

SECTION XVII
Force Majeure

The City, Kenton County, Boone County PDS or Agency shall not be deemed to be in default in the performance of any obligation on such parties' part to be performed under this Agreement, other than an obligation requiring the payment of a sum of money, if and so long as the non performance of such obligation shall be directly caused by Unavoidable Delays; provided, that within fifteen (15) days after the commencement of such Unavoidable Delay, the non performing party shall notify the other party in writing of the existence and nature of any such Unavoidable Delay and the steps, if any, which the non-performing party shall have taken or planned to take to eliminate such Unavoidable Delay. Thereafter, the non-performing party shall, from time to time, on written request of the other party, keep the other party fully informed, in writing, of further developments concerning such Unavoidable Delay and the effort being made by the non-performing party to perform such obligation as to which it is in default. All provisions of any construction schedule shall be adjusted in accordance

with such Unavoidable Delay.

SECTION XVIII
Notices

Any notice to be given under this Agreement shall be in writing, shall be addressed to the party to be notified at the address set forth below or at such other address as each party may designate for itself from time to time by notice hereunder, and shall be deemed to have been given upon the earliest of (i) three (3) days following deposit in the U.S. Mail with proper postage prepaid, Certified or Registered, (ii) the next business day after delivery to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement, satisfactory with such carrier, made for the payment of such fees, or (iii) receipt of notice given by telecopy or personal delivery:

If to the City:	Office of the Mayor 40 N. Main Street P.O. Box 95 Walton, Kentucky 41094
With a Copy to:	Timothy Noyes Noyes & McMain, PLLC 8667 U.S. 42, Ste. 300 Union, Kentucky 41091
If to Kenton County:	Kenton County Judge/Executive 303 Court Street Covington, Kentucky 41011
With a Copy to:	County Attorney 303 Court Street Covington, Kentucky 41011
If to Boone County:	Boone County Judge/Executive 2950 Washington Street Burlington, Kentucky 41005
With a Copy to:	County Attorney 2950 Washington Street Burlington, Kentucky 41005

If to PDS

Executive Director of PDS
2332 Royal Drive
Fort Mitchell, Kentucky 41017

If to the Agency

Office of Mayor
40. N. Main
P.O. Box 95
Walton, Kentucky 41094

SECTION XIX
Approvals

Whenever a party to this Agreement is required to consent to, or approve, an action by the other party, or to approve any such action to be taken by another party, unless the context clearly specifies a contrary intention, or a specific time limitation, such approval or consent shall be given within thirty (30) business days and shall not be unreasonably withheld or delayed by the party from whom such approval or consent is required.

SECTION XX
Entirety of Agreement

As used herein, the term "Agreement" shall mean this Local Development Area Agreement and the Exhibits attached hereto. This Agreement embodies the entire agreement and understanding of the Parties hereto with respect to the subject matter herein contained, and supersedes all prior agreements, correspondence, arrangements, and understandings relating to the subject matter hereof. No representation, promise, inducement, or statement of intention has been made by any party which has not been embodied in this Agreement, and no party shall be bound by or be liable for any alleged representation, promise, inducement, or statement of intention not so set forth. This Agreement may be amended, modified, superseded, or cancelled only by a written

instrument signed by all of the parties hereto, and any of the terms, provisions, and conditions hereof may be waived only by a written instrument signed by the waiving party. Failure of any party at any time or times to require performance of any provision hereof shall not be considered to be a waiver of any succeeding breach of any such provision by any part.

SECTION XXI
Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. It is understood that the Incremental Revenues pledged to the Developer herein may be assigned by Developer to another developer or sub-developer that develops the Project in accordance with the Development Agreement.

SECTION XXII
Headings and Index

The headings in this Agreement and the Index are included for purposes of convenience only and shall not be considered a part of this Agreement in construing or interpreting any provision hereof.

SECTION XXIII
Exhibits

All exhibits to this Agreement shall be deemed to be incorporated herein by reference and made a part hereof, above the signatures of the parties hereto, as if set out in full herein.

SECTION XXIV
No Waiver

No waiver of any condition or covenant of this Agreement to be satisfied or performed by the City, Kenton County, Boone County, PDS or Agency shall be deemed

to imply or constitute a further waiver of the same, or any like condition or covenant, and nothing contained in this Agreement nor any act of any party, except a written waiver signed by such party, shall be construed to be a waiver of any condition or covenant to be performed by the other party.

SECTION XXV
Construction

No provisions of this Agreement shall be construed against a party by reason of such party having drafted such provisions.

SECTION XXVI
Multiple Counterparts

This Agreement may be executed in multiple counterparts, each of which shall constitute an original document.

SECTION XXVII
Relationship of the Parties

Except as expressly stated and provided for herein, neither anything contained in this Agreement nor any acts of the Parties hereto shall be deemed or construed by the Parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of association among any of the Parties of this Agreement.

SECTION XXVIII
No Third Party Beneficiary

Except as otherwise specified herein, the provisions of this Agreement are for the exclusive benefit of the Parties, and Developer and their successors and permitted assigns, and not for the benefit of any other person or entity, nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any other person or entity.

SECTION XXIX
Diligent Performance

With respect to any duty or obligation imposed on a party to this Agreement, unless a time limit is specified for the performance of such duty or obligation, it shall be the duty or obligation of such party to commence and perform the same in a diligent and workmanlike manner and to complete the performance of such duty or obligation as soon as reasonably practicable after commencement of the performance thereof. Notwithstanding the above, time is of the essence with respect to any time limit specified herein.

End of Page

Signature Page on Next Page

IN WITNESS WHEREOF, the Parties hereto have hereunto set their hands on the date and year first above set forth herein, to be effective as of the Effective Date.

CITY OF WALTON, KENTUCKY

Approval as to Form:

By: _____
Mark Carnahan
Mayor

Timothy Noyes
City Attorney

COUNTY OF KENTON, KENTUCKY

Approval as to Form:

By: _____
Kris Knochelmann
County Judge/Executive

Stacy Tapke
Kenton County Attorney

COUNTY OF BOONE, KENTUCKY

Approval as to Form:

By: _____
Gary W. Moore
County Judge/Executive

Robert Neace
Boone County Attorney

PLANNING DEVELOPMENT SERVICES OF
KENTON COUNTY

By: _____

Chairperson

CITY OF WALTON ECONOMIC DEVELOPMENT
AUTHORITY, INC.

By: _____

EXHIBITS

Exhibit A: The Local Development Area

Exhibit B: Listing of Parcels Within Local Development Area

Exhibit C: Development Agreement

Exhibit D: Infrastructure and Site Development Costs

Exhibit A

The Local Development Area

(A-1)

EXHIBIT B

Listing of Parcels Within Local Development Area

PARCEL ID	ADDRESS	2015 ASSESSMENT	WALTON TAX	KENTON TAX	BOONE TAX	PDS TAX
KENTON						
022-00-00-001.00	407 Jones Rd	\$88,100		\$130.90		\$25.55
022-00-00-003.00	454 Jones Rd	\$146,900	\$148.36	\$217.41		\$42.60
022-00-00-004.00	Jones Rd	\$300	\$0.30	\$0.44		\$0.09
022-00-00-004.01	494 Jones Rd	\$176,900	\$178.66	\$261.81		\$51.30
022-00-00-002.01	Jones Rd	\$41,000		\$60.68		\$11.89
BOONE						
077.00-00-057.01	Percival Rd	\$3,400			\$3.57	
078.05-11.012.01	High Street	\$36,000	\$36.36		\$37.80	
077.00-00.057.00	Percival Rd	\$11,970	\$11.54		\$12.57	
078.00-06-008.00	Apex Dr	\$240,000	\$242.40		\$252.00	
Totals		\$744,570.00	\$617.62	\$671.24	\$305.94	\$131.43

EXHIBIT C

Development Agreement

(C-1)

EXHIBIT D

**Walton Kentucky Industrial Park Development
Infrastructure and Site Development Costs**

		Estimated Budget Costs	
		Costs	Totals
1	Mitigation		
	a. Geological Services – Lee Otte	\$38,499	
	b. Geologist – Kleinbrink	\$35,000	
	c. Mitigation – Stream	\$4,073,100	
	d. Mitigation – Wetland	\$49,500	
	e. Mitigation – Forest	\$225,000	\$4,421,049
2	Engineering Cost		
	a. VIOX & VIOX	\$35,000	
	b. Berling	\$28,300	
	c. Land Consultants	\$38,833	\$102,133
3	Utility Infrastructure Cost		
	a. Sanitary Sewer Line	\$115,625	
	b. Storm Sewer	\$140,972	
	c. Water Main	\$105,975	
	d. Dry Utilities incl. Relocation of Gas Transmission Line	\$134,550	\$497,122
4	Road Cost		
	a. Clearing & Excavation	\$427,000	
	b. Rock Excavation Allowance	\$25,000	
	c. Pavement	\$1,092,950	
	d. Culvert, Walls, Erosion Control, etc.	\$731,550	
	e. Gas Line Relocation	\$300,000	
	f. Geo/Tech Testing	\$80,000	
	g. Genl Contractor Fee (2.25% Road Cost)	\$57,971	
	h. Contingency Fee (5% Road Cost)	\$128,825	\$2,843,296
5	Landscape & Monument Sign	\$35,000	\$35,000
6	Professional Services		
	a. Engineering/Attorney/Real Estate	\$200,000	\$200,000
7	Grading/Excavating Cost		
	a. Grading Cost for Building B-1 Pad	\$5,525,336	
	b. Rock Excavation	\$285,554	
	c. Geo/Tech Testing	\$190,370	
	d. Undercut/Backfill	\$152,296	
	e. Top Soil Strip/Respread	\$380,739	\$6,534,295

			Grand Total:	\$14,632,894

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