

ORDINANCE No. 708-2007

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DRY RIDGE, KENTUCKY, AUTHORIZING THE EXECUTION AND DELIVERY OF A GRANT CONTRACT BETWEEN THE CITY OF DRY RIDGE (THE "CITY") AND THE CITY OF DRY RIDGE TAX INCREMENT FINANCE DEVELOPMENT AUTHORITY, INC., A KENTUCKY NON-PROFIT CORPORATION (THE "AUTHORITY"); AUTHORIZING THE EXECUTION AND DELIVERY OF A DEVELOPMENT AGREEMENT AMONG THE CITY, THE AUTHORITY AND DIXIE TAFT DEVELOPERS, LLC ("DIXIE TAFT"); COLLECTING AND RELEASING CERTAIN AD VALOREM REAL PROPERTY TAXES AND IMPOSING AND RELEASING A JOB DEVELOPMENT ASSESSMENT FEE IN THE AMOUNT OF 1.5% ON THE GROSS WAGES OF ALL JOBS AS A CONDITION OF EMPLOYMENT, WHICH JOBS WERE NEWLY CREATED AS A RESULT OF THE CREATION OF THE DIXIE TAFT TAX INCREMENT FINANCE DEVELOPMENT AREA (THE "DEVELOPMENT AREA") AND RECOGNIZED AS A FEE TO BE IMPOSED IN ORDINANCE NO. 707-2007; TO APPOINT A MEMBER OF THE CITY COUNCIL TO THE AUTHORITY TO ACT AS CHAIRMAN THEREON; TO APPOINT ONE OTHER MEMBER/DIRECTOR OF THE AUTHORITY; AND TO TAKE ALL OTHER APPROPRIATE ACTIONS NECESSARY FOR THE IMPLEMENTATION AND EXECUTION OF THE PUBLIC PURPOSES FOUND HEREIN WITH RESPECT TO THE DIXIE TAFT TAX INCREMENT FINANCE DEVELOPMENT AREA.

RECITALS:

WHEREAS, House Bill 549 was passed by the Kentucky General Assembly on March 12, 2007 and in Section 29 of that House Bill an emergency was declared to exist that legislation needed to be effective upon approval by the Governor or upon its otherwise becoming a law;

WHEREAS, it is imminent that the Governor of the Commonwealth of Kentucky may sign House Bill 549 into law at any time;

WHEREAS, House Bill 549 provides that KRS 65.680 to KRS 65.699 shall only apply to development areas which are established under KRS 65.680 through 65-699 and for which a "grant contract" has been executed by a city or a county prior to the effective date of House Bill 549;

WHEREAS, the Development Area and the necessary incentives therein to develop this area as a viable commercial/retail/entertainment complex are dependent upon the provisions of KRS 65.680 through 65.699 and it is therefore necessary that the "grant contract" contemplated herein be executed prior to the date of House Bill 549;

WHEREAS, Dixie Taft has represented to the City that it will complete an access/connector road in the area of the Development Area, which is valuable and serves the public purposes of the City, which access road is essential to the economic development of the City and is of utmost importance to the City, hence, the City for the foregoing reasons believe that an emergency exists;

WHEREAS, that the structure of the Development Area has been premised on the provisions of KRS 65.680 through 65.699 and in order to proceed under those provisions, it is necessary that the grant contract contemplated herein be executed prior to the date of House Bill 549.

WHEREAS, the City pursuant to the Incremental Financing for Economic Development Act, Kentucky Revised Statutes, Sections 65.680 to 65.699, as amended (the "Act") held a public hearing after giving proper notice and thereafter adopted Ordinance No. 707-2007 (the "Ordinance") creating and authorizing the Development Area and designated the Authority to act as the agency as defined in KRS 65.680 to act for and on behalf of the City in administering the Dixie Taft Tax Increment Finance Development Area;

WHEREAS, in the Ordinance the City found and declared that the creation of the Development Area furthered the public purposes of the Act by supporting the economic development and improvement of the Development Area and would result in increased employment opportunities in and around the Development Area;

WHEREAS, the Ordinance authorized the City Council to appoint a member/director of the Authority and to appoint one member of the City Council to act as a member/director and chairman thereof;

WHEREAS, the Ordinance authorized the Authority to collect all incremental property taxes legally releasable which are the City of Dry Ridge Ad Valorem Real Property Taxes and to collect and impose the Job Development Assessment Fee ("Fee") imposed therein and to enter into grant contracts and releasing Taxes and Fees with respect to the Development Area;

WHEREAS, in furtherance of the Ordinance, the City now considers a 1.5% Job Development Assessment Fee to be an appropriate amount and has determined that all releasable Ad Valorem Real Property Taxes may be released thereto;

WHEREAS, it has been presented to the City Council by representatives of the Dixie Taft Developers, LLC ("Dixie Taft") that the development area is a previously undeveloped tract of land and that no more than 500 acres has been approved as a development area in Grant County in the past 12 months and is part of the Development Area and that the Project is a project as defined in KRS 65.680;

WHEREAS, the City desires to enter into a contract of release to be known as a Grant Contract between the City and the Authority authorizing the release of the incremental Taxes and a Fee as provided for below;

WHEREAS, in furtherance of the Ordinance, the City desires to enter into a Development Agreement among the City, the Authority and Dixie Taft;

WHEREAS, it has been determined that a special fund is necessary in which to deposit funds resulting in incremental Tax revenues excluding school taxes and fire district taxes and to deposit Fees consisting of 1.5% of gross wages for jobs newly created as a result of the development area;

WHEREAS, in furtherance of the Ordinance, it has been found and determined to be in the best interest of the City to release to the Authority all legally releasable Taxes generated as a result of such "Increment" and to impose the Fee all to be used in furtherance of the development of the Development Area.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DRY RIDGE, KENTUCKY, AS FOLLOWS:

Section 1. Incorporation of Preambles. It is hereby determined, declared and ordained that the statements of fact and intent set forth in the foregoing preambles to this Ordinance are true and accurate in all respects and the same, as well as with all defined terms therein, are incorporated in full in this Ordinance by reference and shall be an integral part thereof.

Section 2. House Bill 549 was passed by the Kentucky General Assembly on March 12, 2007 and in Section 29 of that House Bill an emergency was declared to exist that legislation needed to be effective upon approval by the Governor or upon its otherwise becoming a law.

Section 3. It is imminent that the Governor of the Commonwealth of Kentucky may sign House Bill 549 into law at any time.

Section 4. House Bill 549 provides that KRS 65.60 to KRS 65.699 shall only apply to development areas which are established under KRS 65.686 by a city or a county prior to the effective date of House Bill 549 and additionally must be subject to the provisions of a grant contract executed prior to the effective date of House Bill 549.

Section 5. That the structure of the Development Area has been premised on the provisions of KRS 65.680 through 65.699 and in order to proceed under those provisions, it is necessary that the grant contract contemplated herein be executed prior to the date of House Bill 549.

Section 6. Public Purposes. The City finds and declares that the creation of the Development Area will further the public purposes of the Act by supporting the economic development and improvement of the Development Area and result in increased employment opportunities in and around the Development Area and that the Development Area is a previously undeveloped tract of land and that the total acres approved as a development area in

Grant County in the prior 12 month period does not exceed 500 acres and that the Project consists of retail and/or mixed use businesses, which complies with the Act.

Section 7. Authorization of Grant Contract. In furtherance of and as specifically authorized by, the Ordinance, including without limitation, Section 4 thereof, the Mayor and the City Clerk of the City are hereby further authorized and directed to execute, acknowledge and deliver on behalf of the City a grant contract, attached hereto and made a part hereof as *Exhibit A*, between the City and the Authority authorizing the release of legally releasable incremental Taxes, exclusive of school taxes and fire district taxes, in the Development Area and imposing and releasing all Fees for jobs newly created in the Development Area in an amount not to exceed 1.5% upon the salary of each person employed or to be employed in the Development Area as a condition of employment, whose job was newly created as a result of the Development Area and as determined by the policies and procedures established by the Authority and the conditions in the Act.

Section 8. Authorization of Development Agreement. In furtherance of and as specifically authorized by, the Ordinance, including without limitation, Section 4 thereof, the Mayor and the City Clerk of the City are hereby authorized and directed to execute, acknowledge and deliver on behalf of the City a development agreement (the "Development Agreement") among the City, the Authority and Dixie Taft setting out the terms and conditions and obligations of Dixie Taft and the terms and conditions of the release of incremental Taxes as provided herein and therein, a copy of which is attached hereto and made a part hereof as *Exhibit B*.

Section 9. The City Council hereby appoints Clay Grupper a member of the City Council to serve as member/director and Chairman of the Authority and appoints Michael Mulvey to the Authority.

Section 10. Further Acts and Deeds. The Mayor and City Clerk of the City, and other appropriate officers of the City, including the City Attorney, are hereby authorized and directed to execute, acknowledge, and deliver on behalf of the City any and all papers, instruments, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for entering into and effecting this Ordinance and the grant contract releasing any taxes to be released or wage assessments to be released.

Section 11. Prior Conflicting Actions Superseded. To the extent that any ordinance, resolution, order or part thereof is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall prevail and be given effect.

Section 12. Effective Date. This Ordinance shall become effective upon its passage and approval.

INTRODUCED, READ IN FULL AND ENACTED by a vote of two-thirds of the membership of the City Council of the City of Dry Ridge, Kentucky, as provided by Section 83A.060 and this Ordinance shall become effective upon passage, provided, however, the publication is required by KRS 83A.060 shall be accomplished within ten (10) days of the date hereof.

Dated: March 16, 2007

CITY OF DRY RIDGE, KENTUCKY

By: Clay Crupper
Mayor

Attest:

Cindy J. Harris
City Clerk

SUMMARY OF ORDINANCE NO. 107 SERIES 2007

I. SUMMARY

Notice is hereby given that an Ordinance, the title of which is set forth below, was passed at a meeting of the City Council of the City of Dry Ridge, Dry Ridge City Building in the Council Chambers located at 31 Broadway, Dry Ridge, Kentucky on February 26, 2007, at 7:00 p.m. local time.

II. TITLE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DRY RIDGE, KENTUCKY CREATING AND AUTHORIZING A TAX INCREMENT FINANCE DEVELOPMENT AREA TO BE KNOWN AS THE "DIXIE TAFT TAX INCREMENT FINANCE DEVELOPMENT AREA"; DESIGNATING THE DRY RIDGE TAX INCREMENT FINANCE DEVELOPMENT AUTHORITY, AS THE AGENCY AS DEFINED IN KRS 65.680 TO ACT FOR AND ON BEHALF OF THE CITY IN ADMINISTERING THE DIXIE TAFT TAX INCREMENT FINANCE DEVELOPMENT AREA; AND TO TAKE ALL OTHER APPROPRIATE ACTIONS NECESSARY FOR THE IMPLEMENTATION AND EXECUTION OF THE PUBLIC PURPOSES FOUND HEREIN WITH RESPECT TO THE DIXIE TAFT TAX INCREMENT FINANCE DEVELOPMENT AREA.

A summary of said Ordinance is as follows:

A. The Ordinance creates and authorizes a tax increment finance development area to be known as the "Dixie Taft Tax Increment Finance Development Area and establishes the boundaries thereof.

B. The Ordinance designates the Dry Ridge Tax Increment Finance Development Authority, as the agency as defined in KRS 65.680 to act for and on behalf of the City in administering the Dixie Taft Tax Increment Finance Development Area which shall initially consist of three (3) members and shall consist of one representative of the developer who intends to develop and operate the project to be located within the Dixie Taft Tax Increment Finance Development Area, a designee by the City of Dry Ridge, Kentucky, and a member of the City Council, who shall act as chairman.

C. The Ordinance authorizes the Mayor, the City Clerk and the City Attorney to take all other appropriate actions necessary for the implementation and execution of the public purposes found herein with respect to the Dixie Taft Tax Increment Finance Development Area.

The full text of this Ordinance is on file in the office of the undersigned City Clerk of the City of Dry Ridge, 31 Broadway, Dry Ridge, Kentucky, where it is available for public inspection between the hours of 8:30 a.m. and 4:30 p.m., Monday through Friday.

/s/ City Clerk

Cindy L. Harris

I, William L. Skees, Jr., hereby certify that I am an attorney-at-law in the Commonwealth of Kentucky, and that this is a true and accurate summary of the above-described Ordinance.

/s/ William L. Skees, Jr.

Bond Counsel