

CITYVISIONS

ASSOCIATES

WEYLAND VENTURES/ CITY OF PADUCAH PRELIMINARY DEVELOPMENT AGREEMENT PADUCAH "CITY BLOCK"

THIS DEVELOPMENT AGREEMENT ("Development Agreement" or "Agreement") is made and entered into as of the 16th of Apr, 2019, (the "Effective Date") by and between WEYLAND VENTURES DEVELOPMENT, having an address of 815 West Market Street, Suite 110, Louisville, KY. 40202, (hereinafter referred to as the "**Developer**"); and CITY OF PADUCAH, a Kentucky second class city having an address of 300 South 5th Street, PO Box 2267, Paducah, KY 42002-2267 (hereinafter referred to as the "**City**").

WHEREAS, the City is the owner of certain real property bounded by Second Street, Broadway, North Water Street, and Jefferson Street; located fully within the proposed Tax Increment Finance District (hereinafter referred to as the "Site"); and

WHEREAS, the City seeks to continue the revitalization of its downtown area, increase the vibrancy and vitality of the area, add public space, improve connectivity, diversify housing options, and respect the urban character and design of its built environment; and

WHEREAS, the Developer has extensive experience in urban development that advances these objectives;

WHEREAS, the City and the Developer wish to enter into this Agreement to create a Development Program (hereinafter referred to as the "Program") for the Site.

NOW, THEREFORE, in consideration of the foregoing premises, the City and Developer do hereby agree to the following

- 1 The City shall grant the Developer, over a period of 12 months, the exclusive right to develop the Program, under the terms and conditions as specified in this Agreement; and
- 2 The Developer shall undertake all necessary actions to develop and execute the Program for the site, under the terms and conditions as specified in this Agreement; and
- 3 The Mayor is authorized to execute this Agreement on behalf of the City.

Section I. Obligations of the Developer

- I.1 Upon execution of the Agreement, the Developer shall immediately begin work, at its sole expense, to develop a development program and site plan for the specified property. Such a plan shall initially include – at a minimum - a hotel property and one or more mixed use buildings, public open space, and public parking. This initial development program and site plan shall be developed in coordination and collaboration with the City, and may change over time as new information, financial analysis, and market demand information become

available that may inform both the program and the site plan. The plan shall take into consideration issues of importance to the City, such as parking needs, view sheds, design character, market demand, and other matters that are brought to the attention of the Developer.

- I.2 The Developer shall review all information that has been developed and collected by the City regarding the site, the downtown, market demand, the proposed tax increment district, and other information that is relevant to the development of this property. The Developer may request additional information from the City.
- I.3 The Developer shall prioritize a downtown hotel as part of its development program, utilizing the information contained in the recently completed downtown hotel analysis conducted by ConsultEcon, and augmented by additional hotel market research that is deemed to be necessary. The Developer shall undertake all appropriate and necessary outreach to potential hotel developers, partners, and/or operators in its hotel due diligence efforts.
- I.4 The Developer shall also prioritize the creation of a new downtown open space on a portion of the property that will be open to the public and designed in a flexible manner so as to be utilized for a variety of public and civic functions.
- I.5 The Developer shall prioritize the continued use of a portion of the site for publicly available parking.
- I.6 The Developer shall evaluate the feasibility of other mixed-use or residential buildings on a portion of the Site.

- I.7 The execution of the Section I Tasks shall be undertaken within the schedule outlined in Attachment A, with the understanding that this is an estimated schedule and may change depending upon the collection and evaluation of information provided in Section I and Section II.

Section II. Obligations of the City

- II.1 Upon execution of this Agreement, the City shall make available to the Developer all relevant information and data related to the specified site, as well as relevant information related to downtown Paducah and the surrounding market. Such information and data shall include – at a minimum – survey information, elevations, utilities, geotechnical, flood plain, and all GIS data related to the site. The Developer may request that the City collect and provide additional information that currently may not exist.
- II.2 The City shall undertake – as owner of the property – a Phase 1 environmental analysis; and a Phase 2 analysis if deemed to be necessary.
- II.3 The City shall provide information regarding available utilities and capacity on the Site to meet the implementation needs of the Program.
- II.4 The City shall undertake a parking assessment for the Site. The assessment shall include benchmarking parking inventory, evaluating parking capacity in downtown Paducah, and determining occupancy trends. The assessment will analyze existing conditions, future development, and make specific recommendations for better management of the City’s parking assets that reflects input from businesses, employees, residents, and visitors.

- II.5 The City shall work with the Developer to assess zoning or other development regulations to implement the Program, and determine any appropriate revisions, amendments, variances, or other changes, if needed.
- II.6 The City work with the Developer to engage in input and consultations with City staff and appropriate downtown stakeholders.
- II.7 The City shall support efforts by the Developer to secure necessary project financing and/or investments, including but not limited to Opportunity Zones, Brownfields, Tourism Tax Credits, or other types of public financing assistance.
- II.8 The City shall continue its efforts to ensure that a Tax Increment Financing (TIF) District is in place prior to the transfer of the property to the Developer. Certain improvements to the real property - including but not limited to infrastructure, public open space, and parking - shall be deemed to be eligible for TIF proceeds and or City investments recouped via TIF proceeds.
- II.9 The City shall, under the terms and conditions herein and other agreements and cooperation efforts that ensue, transfer fee ownership of the development property for a minimum price of \$325.00. This transfer price, however, does not preclude other financial arrangements and participations accruing to the City as may be determined as part of the development's economic and financial due diligence. Any such additional arrangements shall be memorialized prior to the fee simple transfer of the property.

Section III. Other Provisions

- III. 1 Timing: The Agreement shall be effective the date of its execution and shall remain in effect for a period of twelve months hence. At that time, or sooner, one of the following shall occur:
- a) The Agreement will expire upon the execution of a subsequent Agreement covering the construction and operation of the Development; and the transfer of fee simple title to the property; and the financial closing allowing the initial phase of the Development to begin construction.
 - b) The Agreement is extended for a specified period of time upon the mutual consent of the parties due to circumstances currently unforeseen.
 - c) The Agreement expires and neither party shall have any further obligations or responsibilities to the other party. Any and all expenditures of either party incurred during the time of this Agreement shall remain with the parties and no transfers of funds or reimbursements shall occur.
- III. 2 Project Design: It is recognized by the parties to this Agreement that the project site plan and its individual buildings and elements shall be subject to 1) collaborative discussions and review with City staff; 2). informal consultations with stakeholders at the request of the City; followed by 3) all project design review procedures that are required of any development proposal under the City's zoning and development regulations.
- III.3 During the period in which this Agreement is in effect, the City shall enter into no other agreements that provide any new incentives for the development of a downtown hotel, new residential construction and/or mixed-use development with a residential component (other than the Developer) within the TIF District,


unless agreed to by the Developer. Development projects that qualify under existing City programs are exempt from this provision.

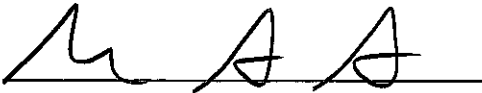
III.4 This Agreement may be revised and amended as may be deemed to be necessary and appropriate during the time of its existence at the mutual agreement of both parties. Such revisions if minor in nature can be undertaken administratively in order to expedite undertaking the provisions herein.

WITNESS the agreement of the parties hereto by their signatures affixed hereon.

CITY OF PADUCAH

WEYLAND VENTURES DEVELOPMENT

By: 

By: 

Title: Mayor

Title: CEO

Date: April 24, 2019

Date: 16 Apr 2019