



Business Lexington
Fayette Alliance Infill Platform
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In the dawn of a new year, Lexington-Fayette County faces unparalleled opportunity. The pulse of potential for our community to improve its environment and quality of life can be felt on the street and at city hall. Lexington-Fayette County is on the verge of greatness, and yet the question remains- will we courageously realize our potential or squander the opportunity?

Indeed, much is at stake. Lexington-Fayette County can become one of the visionary municipalities of the modern era. A place that protects its prime farmland for use by its \$3 billion equine and general agricultural industries, while promoting its signature Bluegrass landscape for cultural tourism and community enjoyment; A place that secures the infrastructure necessary to achieve environmental conditions vital to the health and happiness of every Fayette County citizen; A place that sustainably uses its urban lands to secure long-term economic development, artistic dynamism, affordable housing, historic preservation, public transportation and green space.

While it is easy to dream of such promise, we owe it to ourselves and to future generations of Lexingtonians to make it a reality. This is a tall order-one that calls for innovation, teamwork, and the necessary leadership to seize the many opportunities at our doorstep. From the 2010 World Games to the EPA lawsuit, Lexington-Fayette County is faced with real prospects for change-change that if responsibly pursued, will help us achieve our full potential.

However, no opportunity is more immediate or within our grasp than using infill redevelopment to revitalize our city while accommodating our future growth needs. This year, the Kentucky Data Center estimates that roughly 60,000 people will move to our city by 2030. Moreover, according to a recent study conducted by the LFUCG Division of Planning, Lexington-Fayette County has roughly 5,000 acres of vacant, blighted, or underutilized land inside its city limits. Specifically, there are 116 acres downtown, 568 acres between downtown and New Circle Road, and 4,011 acres from New Circle Road to the Urban Service Boundary fringe.

Under current zoning designations, LFUCG believes that roughly 14,000 housing units, over 50 million square feet of office/commercial/retail development, and almost 100 million square feet of industrial/research space can come on-line inside our current city limits. Further, the U.S Census Bureau estimates that Fayette County has approximately 13,000 empty residential units due to its abundant supply of housing stock and weakened real estate market.

After doing the math, it's apparent that Lexington should use innovative land use practices to support its population projections over the next 22 years rather than needlessly consuming its finite environmental resources.

However, meeting Lexington's needs is more complex than numbers or inventories reveal. By developing vacant or underutilized parcels in established parts of town, infill has many physical, economic, legal, and social challenges. Protecting the design integrity of established neighborhoods, dealing with antiquated sewer systems, providing affordable housing with high land prices, and feasibly constructing projects while navigating cumbersome regulatory processes are just some of the issues at hand.

In the fall of 2007, the Fayette Alliance—a coalition of developers, farmers, and neighborhood interests—began addressing these challenges by drafting a preliminary list of infill policy recommendations. They include:

- Establish a comprehensive affordable housing initiative in Lexington-Fayette County that will include:
 - The definition of affordable housing is a housing cost that is up to 120% of the average median income.
 - Adopting a zoning ordinance that meaningfully incentivizes developers to construct affordable housing units in their projects. Incentives may include density bonuses, fee waivers, expedited permitting, ability to mix housing types, reduced parking requirements, the use of progressive materials, and targeted reductions or eliminations of local property taxes.
 - If feasible, expand the jurisdiction of the Lexington Community Land Trust
- Historic preservation and neighborhood design requirements should be streamlined if necessary, and strongly implemented in LFUCG land use codes to protect the integrity of established neighborhoods while encouraging infill projects;
- LFUCG must expeditiously comply with and enforce the requirements and spirit of the 1973 Clean Water Act in all its governmental functions.
- Establish a land bank in which a pool of funds is used to purchase land and buildings to create larger parcels of property for redevelopment;
- Develop a vacant and abandoned property program in which a LFUCG commission determines if certain urban property is vacant or abandoned. If vacant or abandoned, the property is then subject to a threefold property tax increase to facilitate redevelopment;
- Promote the use of New Market Tax Credits that provide low-interest loans to developers interested in constructing infill projects in downtown Lexington;

- Establish a Tax Increment Financing district in Lexington that will allow investors to recoup money from various taxes-offsetting expensive construction and infrastructure costs associated with infill projects. *

*To learn more or review the entire list of recommendations, please visit www.fayettealliance.com

These recommendations will likely evolve upon further community review and input. However, they represent an important first step in addressing the challenges and opportunities associated with infill development-a tool essential to strengthening our city and saving our irreplaceable Bluegrass brand.

While infill redevelopment is a more complicated approach than a suburban development model, together we can confront the difficult issues and determine solutions. We are only limited by our imagination and resolve. So back to the original question-will we realize our potential or squander the opportunity? With the continued leadership of LFUCG and Lexingtonians alike, I am confident that we will achieve greatness one day at a time.