



May 14, 2012

**Fayette Alliance**  
603 West Short Street  
Lexington, Kentucky 40508  
859.281.1202 Phone  
859.281.1292 Fax  
info@fayettealliance.com  
fayettealliance.com

LFUCG Council  
Government Center  
200 East Main Street  
Lexington, KY 40507

Dear Vice Mayor Gorton and Council members,

My name is Knox van Nagell, and I am writing this letter on behalf of The Fayette Alliance.

Founded in 2006, The Fayette Alliance is a coalition of citizens dedicated to achieving sustainable growth in Lexington-Fayette County through land use advocacy, education, and promotion.

The Fayette Alliance believes that preserving our unique and productive Bluegrass farmland, advancing innovative development, and improving our infrastructure are essential to our collective success in Lexington.

Through our efforts and beyond, Lexington can become the model for sustainable growth, by connecting and balancing its vibrant city with its unique and productive Bluegrass farmland.

As a member of the Council's work-group that reviewed and revised the Goals and Objectives, we feel that the draft comprehensively speaks to the fundamental growth issues facing our community.

Economic development, environmental stewardship, water quality, development incentives, design guidelines, preservation, transportation, affordable and workforce housing, aging in place, the arts, public safety, and parks are just some of the land-use topics effectively addressed in the draft.

With these Goals & Objectives, Lexington has an historic opportunity to hold the line on expanding the Urban Services Area and Rural Activity Centers. In turn, we can be balanced in our growth approach, develop in an innovative way and create a sustainable world-class city in a world-class landscape.

Therefore, we respectfully request that you adopt the Goals and Objectives for the following three reasons:

**1. Hold the line on expansion, and save Lexington residents money**

**Board Members**

Jimmy Bell  
Price Bell, Jr.  
Todd Clark  
Susan Enlow  
Thomas Gaines  
Greg Goodman  
Gay Haggin VanMeter  
Dave Harper  
Stan Harvey  
Barry Holmes  
Patrick McGee  
John Phillips  
Tom Poskin  
Sam Razor  
Walt Robertson  
Don Robinson  
Sasha Sanan  
David Switzer  
Jack van Nagell  
Griffin VanMeter  
Holly Wiedemann  
Anthony Wright

**Community Partners**

Bluegrass Conservancy  
Dudley's on Short  
FCNC  
KY Horse Park

**Sustainers**

Josephine Abercrombie  
Helen Alexander  
Ian Banwell  
Antony Beck  
Gary Biszantz  
Darley  
Fayette Co. Farm Bureau  
Greg Goodman  
Dave Harper  
John Hendrickson  
Sally Humphrey  
Keeneland Association  
KTA  
Lane's End Farm  
Langley Properties Co.  
Deirdre Lyons  
Richard & Sue Ann Masson  
Ann McBrayer  
Don Robinson  
Bill Shively  
Tom VanMeter  
Derek Vaughan  
Misdee Wrigley Miller

**Executive Director**

Knox van Nagell, J.D.



As you know, our waterways do not meet Federal clean water standards. Our community suffers from flooding, raw sewage and creek contamination, public health problems, and property damage due to our dilapidated sanitary sewer and stormwater systems. 70% of creeks and streams in Fayette County are now impaired or polluted.<sup>1</sup>

As a result, the EPA ordered the city of Lexington to fix its water quality crisis.<sup>2</sup> Originally projected to cost \$300 million, it is now officially estimated to cost over \$500 million—which does not account for an expansion of the Urban Services Area or Rural Activity Centers.<sup>3</sup> The Blue Sky / Hickman Creek watershed alone will cost \$260.6 million—not including the Blue Sky SEP which will cost at least \$1.3 million.<sup>4</sup>

The citizens of Fayette County pay for these expenses. Each household deposits on average \$39 a month into a sewer improvement fund, via our water bill.<sup>5</sup> By financing increasingly expensive capital improvement projects and ongoing maintenance costs of our sewer system, there is no end in sight.

There is not enough money to fix the sewers that service Lexington today. It is projected that our sewer fees will double over the next ten years, amounting to over \$900 a year per household, to clean up the mess.<sup>6</sup> This amount does not include ongoing costs associated with stormwater run-off, police, fire, roads, and other infrastructure needed to service our city.

Lexingtonians are already feeling the pinch, and by expanding the Urban Services Boundary, we will be biting off more than we can chew.

Here is why: expansion will require new sewers, trunk lines, pump stations, etc. The size of our sewer system and related maintenance costs will increase.<sup>7</sup> So the question becomes, who will pay?

Lexington's current households will pay. Money paid into the sewer improvement fund will finance the maintenance costs of not only the current system, but an expanded one as well.

Lexington residents will front the money to float the ongoing costs of new sewers, before new households or users come onto the new system to help cover the expense. When this will happen is uncertain, thanks to today's unpredictable economic climate. We will be responsible for the maintenance costs of a new, expanded sewer system even though many of us won't be using it...and our monthly sewer fees will increase accordingly.

---

<sup>1</sup> KY Division of Water, 2006

<sup>2</sup> 2006 EPA Consent Decree

<sup>3</sup> Enclosure, LFUCG Sanitary Remedial Measures 1&2, 2012

<sup>4</sup> Id.

<sup>5</sup> Enclosure, LFUCG Projected Sewer Fee Increases, 2012

<sup>6</sup> Id.

<sup>7</sup> LFUCG Division of Water Quality, 2012

Furthermore, even if new users come on to the expanded sewer system, our fees will increase...again. Building and maintaining new infrastructure on perimeter of city is expensive.

For example, it's estimated to cost an average of \$16,529.00/acre to sewer farmland outside the Urban Services Area.<sup>8</sup> LFUCG determined this number in 2006, before the EPA came to town and our Consent Decree and "Capacity Assurance" requirements with it. In light of these realities, expanded sewers will exceed the bandwidth of our current resources in the sewer fund. More money will be needed to support an expanded system, and our fees will increase to cover the bill.

All across America, communities are facing similar financial challenges in supporting water infrastructure.

For instance, utilities across the United States need \$25 billion to \$60 billion a year for capital costs alone, and \$1.2 trillion over a 20-year period.<sup>9</sup>

*"Water and wastewater infrastructure funding is primarily a local matter. Nationally, over 80% of maintenance and capital is funded either with on-going service fees paid for by the customer (ratepayers), sometimes supplemented with development fees for new construction that are integrated into the price of development...The cost of system improvements can be a very heavy burden to spread over just a few rate payers."<sup>10</sup>*

The bottom line is that outward expansion is expensive and risky at best. Once it is done, current Lexington households will face immediate financial pressure to clean up our current sewer mess, AND support an expanded system as well.

We must learn from the conditions that led to our 2006 EPA Consent Decree. We can no longer "build it now", and kick the expense down the road to pay later. We must understand the impacts of short-term gains with long-term consequences. Cleaning up our current mess, and building efficient infrastructure systems in the future is key to living within our means.

No expansion is the first step...Or we will continue to pay the price.

## **2. We can grow needed jobs inside the current Urban Services Area**

We currently have a lot of raw land for economic growth in Lexington.

Overall, we have roughly 12,000 acres of vacant or underutilized land inside the Urban Services Area, which include:<sup>11</sup>

---

<sup>8</sup> LFUCG Rural Service Area Sanitary Sewer Capability Study, February 2006

<sup>9</sup> Rebuilding America: APA National Infrastructure Investment Task Force Report, October 2010, (pg. 61)

<sup>10</sup> Id. at pg. 62

<sup>11</sup> LFUCG Housing Market Study, 2009

50 million square feet of commercial space  
100 million square feet of industrial/research space  
1500 acres of VACANT employment sector land<sup>12</sup>  
429 acres of VACANT manufacturing land<sup>13</sup>  
UK Coldstream Park: 335 acres of land, 112,000+ square feet of office space<sup>14</sup>

Moreover, we have over 8,000 acres of economic development land in the “BEAM” region between Lexington and Louisville.<sup>15</sup>

We have plenty of local and regional land for economic growth—especially for advanced manufacturing uses—as demonstrated by many of Lexington’s benchmark cities such as Toledo, Grand Rapids, Baton Rouge, and Waco—whose advanced manufacturers are located on an average of 2 - 40 acre lots.<sup>16</sup>

So the real issue is not the availability of raw land, but rather, how do we incentivize and get “shovel ready” our current resources to create jobs in Lexington? A holistic, long-term strategy is needed. We can grow our economy in many ways...but to do so effectively, we need to play to our unique strengths and brand in Lexington.

We are currently a healthcare, education, high-tech, and agricultural hub. In addition, Lexington is an attractive mid-southern city that is not too big; rich in culture, history, and the arts; and has an emerging downtown, wonderful neighborhoods, and a beautiful rural landscape.

By leveraging our raw land and “intangibles”, we can play to our current economic strengths and grow new ones—from advanced manufacturing to animal science, food, and others.

With some work, we have what it takes to attract advanced manufacturers to Lexington. For example, communities with thriving advanced manufacturing bases have the following:<sup>17</sup>

- Strong tax and development incentives
- Readily available infrastructure such as sewer, rail, roads, predictable utilities
- Access to talent and capital
- Cultural & quality of life offerings for executives and workers.

Through focus, planning, and collaboration... we can strategically identify obstacles and solutions on how to competitively grow our economy. National site consultants can help this process, and The Fayette Alliance is committed to working with

---

<sup>12</sup> LFUCG Division of Planning, 2012

<sup>13</sup> Id.

<sup>14</sup> [www.uky.edu/coldstream/about-coldstream](http://www.uky.edu/coldstream/about-coldstream)

<sup>15</sup> Enclosure, Louisville-Lexington Area Chambers of Commerce, 2012

<sup>16</sup> Enclosure, Benchmark Cities, 2012

<sup>17</sup> George Livingston, “Trends Affecting Business Parks Today”, Site Selection Magazine, November 2010

Commerce Lexington, the University of Kentucky, LFUCG, and others on this initiative moving forward.

By holding the line on expansion, we not only prime the pump for economic growth inside our city, but also outside of it as well.

Fayette County is the capital of regional \$3 billion agricultural economy that supports over 28,000 employees in Lexington and supports over 100,000 statewide.<sup>18</sup> There are over 800 farms in Fayette County that are the factory floor of our equine, general agriculture, and local food enterprises.<sup>19</sup> These farms or businesses have many economic impacts on our community, through direct receipts, expenditures, and investments. For example,

Average Market Value of Products Sold per farm: \$622,377/ year

Average Expenses: \$489,290 / year

Average Net Farm Cash Income: \$168,566 / year<sup>20</sup>

In addition, our farms support a “cluster” of related business and payroll in Lexington such as sales, research, science, professional services, tourism, banking, construction, real estate, retail, hospitality, and travel.

Agriculture is an ever-evolving industry that will become more and more important as food, fuel, and natural resources become increasingly expensive. By growing our urban and rural enterprises, Lexington can continue to have a strong, diverse economy resistant to market fluctuations...as demonstrated by cities such as Madison Wisconsin, which is an international healthcare, biotechnology, and agriculture (\$9 billion) hub.<sup>21</sup>

By adopting the current Goals and Objectives and holding the line on expansion, we can accomplish a win-win for our city and farm economies... and in turn, achieve a sustainable win-win for all of us as well.

### **3. We can responsibly accommodate future population growth inside our current Urban Services Area.**

As mentioned above, it’s estimated that Lexington currently has roughly 12,000 acres of vacant and underutilized land—or twenty square miles—available for development inside our current Urban Services Area.<sup>22</sup> Under today’s zoning recommendations, this amounts to:

14,000+ housing units,

50 million square feet of commercial space

---

<sup>18</sup> Dr. Timothy A Woods, “Strategies for Developing Agricultural Opportunities in the Greater Lexington Area”, U.K. Department of Agricultural Economics, 2005; Lexington Convention & Visitor’s Bureau, 2010; USDA Economic Research Service Report, 2009

<sup>19</sup> Census of Agriculture, Fayette County KY Profile, 2007

<sup>20</sup> Id.

<sup>21</sup> “About Madison”, Commerce Lexington, Leadership Visit 2009

<sup>22</sup> LFUCG Housing Market Study, 2009

100 million of industrial/research space

In addition, Lexington has over 12,000 vacant housing units on the market.<sup>23</sup>

Lexington's population of 295,000 is growing and anticipated to increase by thirty thousand people in the next ten years.<sup>24</sup> Through balance and innovation, we can meet this demand without sacrificing what is special about Lexington's cityscape or farmland. Addressing the following issues are essential to our success:

- Design
- Development incentives
- Affordable housing
- Historic preservation
- Green ways, parks, trails
- Town & gown; university relations with the city
- Neighborhoods
- Downtown
- Recreation and tourism
- Aging in place
- Multi-modal transportation and carbon footprint
- Local food systems
- Regionalism

By holding the line on expanding the Urban Services Area, we challenge ourselves and set the stage for transforming a tired, sprawl-like growth model into an innovative one. Lexington can lead the Bluegrass Region by example, by creating a dynamic city that is connected to, and balanced with its surrounding farmland.

With the current Goals and Objectives in hand, our community can complete a needed comprehensive planning effort, which may include small area planning, land inventories, ordinance review, development incentives and design guidelines, and public-private partnerships, etc. This exercise will help us responsibly leverage our urban areas into attractive living and business environments. Balancing the community's competing interests will be difficult, but necessary as innovative city building and a new growth paradigm is in demand.

*"75 percent of home buyers over the next 15 years will have childless households...There is a historic reversal of home buying demand away from suburban and rural areas to cities and inner ring suburbs that are more walkable than driveable...It is projected there will be a nationwide surplus of 22 million suburban homes by 2025"*<sup>25</sup>

This is not just a national trend, but a local one as well.

---

<sup>23</sup> U.S. Census Bureau, 2010

<sup>24</sup> KY Data Center, 2012

<sup>25</sup> "In the Region-Housing Inventories on the Rise", The New York Times, December 2008

40% of Lexington's current market prefers to live in an "infill product" inside New Circle Road. This percentage is growing, as market perceptions evolve, transportation costs increase, and good infill product is built.<sup>26</sup>

This local trend is strengthening. The community wants a vibrant city surrounded by beautiful and productive farmland, as evidenced by polling in recent elections, and countless community surveys.

*We will protect and promote the signature rural landscape...continue the momentum to bring about a truly vibrant downtown, and ensure that all urban and suburban neighborhoods flourish. Acknowledging that the future will bring growth in population...[W]e will use proactive, cooperative regional planning to address change...while appropriately balancing the community's needs.*<sup>27</sup>

Lexingtonians have a clear vision for the community, and now it's time to get it done. No expansion of the Urban Services Area and Rural Activity Centers is a major step in the right direction.

## **Conclusion**

Expanding the Urban Services Area and Rural Activity Centers at this time, defies reason. Such language in the Goals and Objectives opens up the entire rural area for development, driving market forces away from needed investment inside the city. Under this scenario, we all lose.

We cannot solve our problems with the same thinking we used when we created them.<sup>28</sup>

Embrace this remarkable opportunity, and adopt current draft of the 2012 Goals and Objectives. The Comprehensive Plan is the tie that binds. With the Goals and Objectives in place, we can get to work and achieve a world-class city in a world-class landscape...for our economy, environment, and quality of life.

Thank you for your consideration, and dedication to responsible land-use planning.

Respectfully submitted,

Knox van Nagell, J.D.

---

<sup>26</sup> LFUCG Housing Market Study, 2009

<sup>27</sup> LFUCG Destination 2040

<sup>28</sup> Albert Einstein



**FAYETTE ALLIANCE**  
GROWING OUR CITY, PROMOTING OUR FARMS

603 W. Short St.  
Lexington, KY 40508  
(859) 281-1202  
www.fayettealliance.com

**Board Members**

Jimmy Bell  
Price Bell, Jr.  
Todd Clark  
Kip Cornett  
Susan Enlow  
Greg Goodman  
Gay Haggin VanMeter  
Dave Harper  
Stan Harvey  
Barry Holmes  
Patrick McGee  
John Phillips  
Tom Poskin  
Sam Razor  
Walt Robertson  
Don Robinson  
Sasha Sanan  
David Switzer  
Griffin VanMeter  
Holly Wiedemann  
Anthony Wright

**Community Partners**

Bluegrass Conservancy  
Dudley's on Short  
FCNC  
Fayette Co. Farm Bureau  
KY Horse Park  
KTA

**Sustainers**

Andover Mgmt Group  
Josephine Abercrombie  
Helen Alexander  
Ian Banwell  
Antony Beck  
Gary Biszantz  
Darley  
Fayette Co. Farm Bureau  
David & Philippa Fogg  
Greg Goodman  
Dave Harper  
John Hendrickson  
Sally Humphrey  
Keeneland Association  
KTA  
Murray & Teri Kessler  
Lane's End Farm  
Langley Properties Co.  
LisaLourie  
Deirdre Lyons  
Richard & Sue Ann Masson  
Ann McBrayer  
Joe Murphy  
Don Robinson  
Bill Shively  
Tom VanMeter  
Derek Vaughan  
Fra Vaughan  
Brian & Lori Wood  
Misdee Wrigley Miller

**Executive Director**

Knox van Nagell, J.D.

LFUCG Planning Commission  
Government Center  
200 East Main Street  
Lexington, KY 40507

October 15<sup>th</sup>, 2013

Dear Chairman Owens and Planning Commission members,

My name is Knox van Nagell, and I am writing this letter on behalf of The Fayette Alliance.

Founded in 2006, The Fayette Alliance is a coalition of citizens dedicated to achieving sustainable growth in Lexington-Fayette County through land use advocacy, education, and promotion.

The Fayette Alliance believes that preserving our unique and productive Bluegrass farmland, advancing innovative development, and improving our infrastructure are essential to our collective success in Lexington.

Through our efforts at government and beyond, Lexington can become the model for sustainable growth, by connecting and balancing its vibrant city with its unique and productive Bluegrass farmland.

As a member of the Council's work-group that helped draft the adopted Goals and Objectives for the 2013 Comprehensive Plan, we feel that the proposed Land Use Element incorporates the Goals and Objectives, and speaks to the fundamental growth issues facing our community.

Economic development, environmental stewardship, water quality, development incentives, design guidelines, preservation, transportation, affordable and workforce housing, aging in place, the arts, public safety, and parks are just some of the land-use topics addressed in the Land Use Element.

With this Comprehensive Plan, Lexington has an historic opportunity to hold the line on expanding the Urban Services Area and Rural Activity Centers. In turn, we can be balanced in our growth approach, and develop in an innovative way to create a sustainable world-class city in a world-class landscape.

In furtherance of this vision, the current draft of the Comprehensive Plan is strong. However, **understanding the need for additional resources and funding for LFUCG's planning efforts, we propose executing the following policies in the Land-Use and Implementation Elements where applicable, so the Plan can better facilitate Lexington's growth opportunities over the next five years and into the future:**

III. Growing Successful Neighborhoods

- Pursue a **Southland Drive Small Area Plan**. A small area plan is needed to guide future investment and development in this unique neighborhood, without compromising its distinct character or quality of life.





- Complete a **Turfland Mall Small Area Plan**. Turfland Mall is a prominent, large, underutilized property along Harrodsburg Road. If redeveloped in an innovative way, it can be a catalytic development that can transform the area and contribute to the already special neighborhoods on the south-end of town.
- Establish a **“neighborhood sweeps” program** to facilitate the redevelopment of sub-standard housing. Already underway in the North Limestone Neighborhood Association, the LFUCG Departments of Engineering, Building Inspection, Public Safety, Code Enforcement, and others are working together to identify sub-standard housing, and use state and federal programs to successfully locate residents of these properties to better homes and living conditions, while ripening the subject properties for redevelopment and investment. Such an effort should be countywide in scope, and if successfully done, will support the land bank and vacant land commission initiatives in the future.

IV. Protecting the Environment

- Complete a **Greenway Master Plan update**, to advance trail construction and park programming on the **1,400 acres of underutilized greenways inside the Urban Services Area**.

V. Creating Jobs and Prosperity

- Feature **Agribusiness as a primary economic pillar** under the “Selected Employment Sector” section of the chapter. Reference the results of the 2013 University of Kentucky study, “The Influence of the Agricultural Cluster on the Fayette County Economy”, to illustrate agriculture’s role as a pillar of our local economy. Agriculture and its \$2.4 billion economic cluster support one in nine jobs in Lexington, is the foundation of our \$1 billion tourism industry, and is essential to the quality of life used to recruit other industry to Lexington.
- **Supplement the economic data on pgs. 55-56** with key findings from the “Influence of the Agricultural Cluster in Fayette County” study to accurately reflect the economic impacts of the ag-cluster in Lexington.
- Establish a collaborative **public-private partnership between LFUCG and interested community stakeholders** including Commerce Lexington, Fayette Alliance and others, **to identify development incentives and criteria for the 1500 acres of vacant land and countless other acres of underutilized employment sector land inside the Urban Services Area**. If completed, public and private resources can be used to improve the value and marketability of Lexington’s economic development land for the benefit of the entire community.

VI. Improving a Desirable Community

- As part of the Greenway Master Plan update, **establish a workgroup** comprised of interested state and local government agencies, and community stakeholders **to examine constructing a comprehensive multi-modal trail along scenic public thoroughfares in rural Fayette County**. If done, Fayette County can promote connectivity, and balance public access with the liability concerns of private property owners and signature livestock operations in the rural area.



VII. Maintaining a Balance Between Planning for Urban Uses and Safeguarding Rural Land

- **Update the 2009 Housing Market Study** findings, to better reflect current market, demographic, and land-inventory (vacant and underutilized) conditions affecting residential development in Lexington-Fayette County. A diverse steering committee comprised of government and community stakeholders should lead the effort and select needed independent consultants for the project.
- **Update the 1999 Rural Land Management Plan**, to promote the environmental, economic, and cultural resources of Fayette County’s acclaimed Bluegrass landscape. A steering committee comprised of government and community stakeholders—including leaders from the Ag sector—should spearhead the effort.

Thank you for your consideration of our suggested additions to the Land Use Element draft of the 2013 Comprehensive Plan. By implementing the Plan, we can sustainably leverage our built and natural environments to improve the economy, environment, and quality of life for all of us in Lexington-Fayette County. This is a remarkable opportunity and we must embrace it.

Respectfully submitted,

Knox van Nagell, J.D.