

MINUTES OF MEETING HELD MARCH 24, 2025

The Common Council of the City of Somerset, Kentucky met in a regular meeting on Monday March 24, 2025, at 6:00 p.m. with the following present: Council Members David Godsey, Amanda Bullock, Tom Eastham, David Burdine, Brian Dalton, Brannen Wheeldon, Jimmy Eastham, Margaret Dick, Phyllis Lawson, Patrick Hunley, John Minton, Mayor Alan Keck, City Attorney John Adams, and City Clerk Nick Bradley. Absent: Jim Mitchell.

Mr. Dalton made a motion to approve the minutes of the regular meeting of March 10, 2025. Ms. Bullock seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Godsey, Ms. Bullock, Mr. T. Eastham, Mr. Burdine, Mr. Dalton, Mr. Wheeldon, Mr. J. Eastham, Ms. Dick, Ms. Lawson, Mr. Hunley and Mr. Minton.

Mr. T. Eastham made a motion to approve the following Resolution Number 25-07:
AUTHORIZING THE ISSUANCE OF UP TO \$90,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT TAXABLE INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2025A, AUTHORIZING THE ISSUANCE OF UP TO \$10,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT TAXABLE INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2025B, IN ORDER TO ASSIST C. M. FORD INVESTMENTS, LLC, OR ASSIGNS, TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF AN INDUSTRIAL BUILDING FACILITY AND RELATED INFRASTRUCTURE IMPROVEMENTS LOCATED WITHIN THE CITY OF SOMERSET, KENTUCKY AND TO IMPROVE SAID FACILITY; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SAID BONDS; AUTHORIZING A SPRINGING EXECUTORY INTEREST DEED; AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF SAID BONDS; AUTHORIZING A BOND PURCHASE OR BOND PLACEMENT AGREEMENT; AUTHORIZING A PILOT MORTGAGE TO SECURE PILOT PAYMENTS, AUTHORIZING A HOME OFFICE PAYMENT AGREEMENT, AND AUTHORIZING THE EXECUTION OF ANY FURTHER NECESSARY INSTRUMENTS, INCLUDING RELATED CUSTOMARY AND STANDARD DOCUMENTS THAT MAY BE REQUIRED BY A LENDER FOR THE PROJECT. Mr. Burdine seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Godsey, Ms. Bullock, Mr. T. Eastham, Mr. Burdine, Mr. Dalton, Mr. Wheeldon, Mr. J. Eastham, Ms. Dick, Ms. Lawson, Mr. Hunley and Mr. Minton.

RESOLUTION NO. 25-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOMERSET, KENTUCKY, AUTHORIZING THE ISSUANCE OF UP TO \$90,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT TAXABLE INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2025A, AUTHORIZING THE ISSUANCE OF UP TO \$10,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT TAXABLE INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2025B, IN ORDER TO ASSIST C. M. FORD INVESTMENTS, LLC, OR ASSIGNS, TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF AN INDUSTRIAL BUILDING FACILITY AND RELATED INFRASTRUCTURE IMPROVEMENTS LOCATED WITHIN THE CITY OF SOMERSET, KENTUCKY AND TO IMPROVE SAID FACILITY, PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SAID BONDS; AUTHORIZING A SPLITTING EXECUTORY INTEREST DEED; AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF SAID BONDS; AUTHORIZING A BOND PURCHASE OR BOND PLACEMENT AGREEMENT; AUTHORIZING A PILOT MORTGAGE TO RETURN PILOT PAYMENTS, AUTHORIZING A HOME OFFICE PAYMENT AGREEMENT, AND AUTHORIZING THE EXECUTION OF ANY FURTHER NECESSARY INSTRUMENTS, INCLUDING RELATED CUSTOMARY AND STANDARD DOCUMENTS THAT MAY BE REQUIRED BY A LENDER FOR THE PROJECT.

WHEREAS, the City of Somerset, Kentucky (the "Issuer") is by virtue of the laws of the Commonwealth of Kentucky, including Chapter 101 of the Kentucky Revised Statutes, and other authorities mentioned therein, authorized and empowered, among other things, (a) to assist in the financing of costs of industrial building facilities located within the boundaries of the Issuer, (b) to enter into an agreement with the Issuer of such facilities, and its subsidiaries and assigns, providing for payments in lieu of taxes which shall be pledged in part for repayment of such revenue bonds, (c) to secure such revenue bonds by a trust agreement or indenture between the Issuer and a separate trustee and by a pledge and assignment of such revenues, or provided for herein, and (d) to enact this Resolution (the "Bond Legislation") and enter into a Trust Indenture, upon the terms and conditions provided therein, and,

WHEREAS, it is hereby determined by the City Council of the Issuer (the "Legislative Authority") that the acquisition, construction and equipping of the Cumberland Commons Project, a mixed-use commercial and residential development (the "Project"), and improvement to said Project constitutes a valid governmental and public purpose and will require the resource, sale and delivery of the Project Bonds, hereinafter defined, in the maximum aggregate principal amount of \$100,000,000, all of which Project Bonds shall be payable and secured as provided herein and in the Trust Indenture, hereinafter defined.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SOMERSET, KENTUCKY, as follows:

That the provisions hereof shall be as follows:

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purpose of providing funds to be used to finance the Project and to finance improvements to said Project and to pay costs of issuance of said Project Bonds. The Project is and shall be owned by Issuer and leased to the Company. Said Project Bonds may, pursuant to the Trust Indenture, be issued in a multiple series beginning with the designation "Taxable Industrial Building Revenue Bonds, Series 2025A" ("Cumberland Commons Project") in a maximum aggregate amount of up to \$90,000,000 (the "Series 2025A Bonds"). In addition, the Issuer hereby authorizes the issuance of the Series 2025B Bonds. The Series 2025B Bonds, pursuant to Trust Indenture, shall be issued beginning with the designation "Taxable Industrial Building Revenue Bonds, Series 2025B" ("Cumberland Commons Project") in a maximum aggregate amount of up to \$10,000,000 (the "Series 2025B Bonds"), and together with the Series 2025A Bonds and Series 2025B Bonds the "Project Bonds"). The principal interest, and maturity requirements of the Project Bonds are specified in the Trust Indenture. The proceeds of the Project Bonds shall be applied (a) to provide funds to finance the acquisition, construction and installation of the Project and (a) to pay reasonable and customary closing costs associated with the issuance of the Project Bonds. Notwithstanding the above-designations, the Series 2025A Bonds and the Series 2025B Bonds may be issued in one or more series or sub-series, and at different times to meet the financing needs and phasing of the construction of the Project.

(b) **Terms.** The Project Bonds shall be issued in the forms and denominations, numbered, dated and payable as provided in the Trust Indenture, which is hereby authorized by the Legislative Authority. The Project Bonds shall mature as provided in the Trust Indenture, and have such terms, bear such interest, and be subject to redemption as provided in the Trust Indenture. The form of the Project Bonds attached to the Trust Indenture, subject to appropriate insertions and revisions in this Bond Legislation to comply with the provisions of the Trust Indenture, is hereby approved, and when the same shall be executed on behalf of the Issuer by the appropriate officers thereof in the manner contemplated hereby and by the Trust Indenture, at a principal amount of up to \$100,000,000 (being the sum of the maximum aggregate principal amount of the Series 2025A Bonds and the Series 2025B Bonds), shall represent the approved form of the Project Bonds of the Issuer.

(c) **Payment.** Bond service charges on the Project Bonds shall be payable, without deduction for the services of the Bond Registrar as paying agent, in the manner provided in the Trust Indenture.

(d) **Execution.** The Project Bonds shall be executed by the Mayor and City Clerk of the Issuer, provided that either or both of such signatures may be facsimiles.

(e) **Maximum Rate.** The per annum interest rate applicable to the Project Bonds shall at no time exceed the maximum rate allowable by the laws of the Commonwealth of Kentucky.

4. **Terms of all Project Bonds.** All Project Bonds shall bear such designation as may be necessary to distinguish them from Bonds of any other series. Bond service charges on all

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1. **Definitions.** All defined terms used herein and not otherwise defined herein shall have the meanings given assigned to them in the Trust Indenture between the Issuer and the Huntington National Bank, Cincinnati, Ohio and its successors in trust, as trustee (the "Trustee" or "Paying Agent"), securing the repayment of the Series 2025A Bonds and the Series 2025B Bonds (the "Trust Indenture").

Any reference herein to the Issuer, to the Legislative Authority, or to any officers thereof, shall include any person or entity which succeeds to its or their duties or responsibilities pursuant to or by operation of law. Any reference to a section or provision of the Kentucky Constitution or the Act or to a section, provision or chapter of the Kentucky Revised Statutes shall include such section or provision or chapter as from time to time amended, modified, revised, supplemented or superseded; provided, however, that no such change in the Constitution or laws (a) shall alter the obligation to pay the Bonds, service charges in the amounts and manner, at the times and from the sources provided in the Bond Legislation and the Trust Indenture, except as otherwise herein permitted or (b) shall be deemed applicable by reason of this provision if such change would in any way constitute an impairment of the rights of the Issuer or the Trustee or under the Trust Indenture.

Any reference to PULCO Agreement means that certain Agreement In-Lieu of Taxes related to the Project among the Issuer, the County of Pulaski, Kentucky, the Pulaski County School District and C. M. Ford Investments, LLC, a Kentucky limited liability company (the "Company"), dated May 3, 2024.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms "herein", "hereby", "hereto", "hereunder", and similar terms, mean this Bond Legislation.

Any capitalized term used but not defined herein shall have the meaning assigned to it in the Trust Indenture.

2. **Determinations of Legislative Authority.** The Legislative Authority hereby determines that the Project is an "industrial building" as that term is defined in Section 103.700 of the Kentucky Revised Statutes, and will benefit the people of the Issuer by creating or preserving jobs and employment opportunities and promoting the commercial and economic development of the Issuer and the State and is therefore a valid governmental and public purpose.

3. **Authorization and Terms of the Project Bonds.**

(a) **Authorization.** It is hereby determined to be necessary to, and the Issuer shall cause, sell and deliver, as provided and authorized herein and pursuant to the authority of the Act, up to \$100,000,000 maximum aggregate principal amount of Project Bonds for the

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Project Bonds shall be payable in lawful money of the United States of America. The Series 2025A Bonds and the Series 2025B Bonds shall be issued in Authorized Denominations and as fully registered bonds, defined in and in accordance with the Trust Indenture. All Project Bonds shall be negotiable instruments within the meaning of Chapter 101 of the Kentucky Revised Statutes, subject to applicable provisions for registration, and shall express on their faces the purpose for which they are issued and such other statements or legends as may be required by law.

All Project Bonds shall be executed in the manner provided for herein or in the manner provided by the applicable law in effect at the time of their issuance. In case any officer whose signature or a facsimile of whose signature shall appear on any Project Bond shall cease to be such officer before the issuance, authentication or delivery of such Project Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until that time.

Any notice of call for redemption of the Project Bonds shall be given in the manner provided in the Trust Indenture. If Project Bonds or portions of fully registered Project Bonds are duly called for redemption and if on such redemption date moneys for the redemption of all the Project Bonds to be redeemed, together with accrued interest to the redemption date, shall be held by the Trustee or Paying Agent as to be available therefor, then from and after such redemption date each Project Bond or portions of fully registered Bonds shall cease to bear interest.

5. **SECURITY PLEDGED FOR SERIES 2025A BONDS. THE SERIES 2025A BONDS SHALL BE PAYABLE SOLELY FROM THE REVENUES (AS DEFINED IN THE TRUST INDENTURE AND SECURED BY, AMONG OTHER THINGS, A PLEDGE OF AND LIEN ON MONEYS DEPOSITED IN THE CONSTRUCTION FUND AND THE BOND FUND, AND A PLEDGE AND ASSIGNMENT OF OTHER MONEYS CONSTITUTING REVENUE, AND FURTHER SECURED BY THE TRUST INDENTURE, AND ANYTHING IN THIS BOND LEGISLATION, THE SERIES 2025A BONDS, THE AGREEMENT, AND TRUST INDENTURE TO THE CONTRARY NOTWITHSTANDING, NEITHER THIS BOND LEGISLATION, THE SERIES 2025A BONDS, THE AGREEMENT, NOR THE TRUST INDENTURE SHALL CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER OR OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND THE HOLDERS OR OWNERS OF THE BONDS SHALL HAVE NO RIGHT TO HAVE TAXES LEVIED BY THE GENERAL ASSEMBLY OF THE STATE OR THE TAXING AUTHORITY OF THE ISSUER OR OF ANY OTHER POLITICAL SUBDIVISION OF THE STATE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2025A BONDS, BUT SUCH BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND SUCH BONDS SHALL CONTAIN ON THE FACE THEREOF A STATEMENT TO THAT EFFECT.**

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6. **Security Pledged for Series 2025B Bonds.** The principal of and interest (and any premiums) on the Series 2025B Bonds, unless otherwise provided herein, shall be payable solely from the Pledged Revenues in accordance with, and as defined in, the Trust Indenture Pledged Revenues being, for purposes of clarity, derived solely from these certain payments in form of taxes ("PILOTs") received in accordance with the PILOT Agreement and whose payment is secured by, among other things, the PILOT Mortgage. The PILOTs shall be levied, charged and collected in manner as set forth in the PILOT Agreement. Anything to the contrary notwithstanding, under this Bond Legislation, the Series 2025B Bonds, the PILOT Agreement and the Trust Indenture shall constitute a debt or a pledge of the faith and credit of the Issuer or of the State or any political subdivision thereof and the holders or owners of the Series 2025B Bonds shall have no right to have taxes levied by the General Assembly of the State or the taxing authority of the Issuer or of any other political subdivision of the State for the payment of the principal of, premium, if any, or interest on either the Series 2025B Bonds, but such Bonds are payable solely from the Pledged Revenues and such Bonds shall continue on the face thereof a statement to that effect.

7. **Sale of Project Bonds; Allocation of Proceeds.** The Legislative Authority is hereby authorized and directed to offer for sale the Series 2025A Bonds and the Series 2025B Bonds to CMI Bond Investments, LLC, a Kentucky limited liability company (in its role as purchaser of the Series 2025A Bonds and the Series 2025B Bonds) or its assigns (the "Purchaser"), for purchase by such respective Purchaser at the price or prices set forth in the respective Bond Placement Agreement or Bond Purchase Agreement, as the case may be, plus accrued interest, if any, in accordance with the terms and provisions of this Bond Legislation, and to make the necessary arrangements on behalf of the Issuer with such Purchaser to establish the date, location, procedure and conditions for the delivery of the respective Bonds to the Purchaser. The Mayor and City Clerk are further hereby authorized and directed to take all steps necessary to effect due authentication, delivery and security of the Project Bonds under the terms of this Bond Legislation, Bond Placement Agreement or Bond Purchase Agreement, and the Trust Indenture, and it is hereby determined that the aforesaid purchase price and the interest rate for the Project Bonds and the manner of sale, as provided in this Bond Legislation, are in compliance with all legal requirements. The City Clerk shall furnish to each Purchaser a true and certified transcript of proceedings with reference to the issuance of the Project Bonds, along with such information from his or her records as is necessary to determine the regularity and validity of the issuance of said Project Bonds.

The proceeds from the sale of the Project Bonds shall be paid into the proper fund or funds pursuant to the terms of the Trust Indenture and these proceeds are appropriated and shall be used for the purpose for which the Project Bonds are being issued. The net value to be received from the sale of the Project Bonds and any interest funds resulting from the issuance of the Project Bonds shall be used in the manner provided for such moneys in the Trust Indenture.

8. **Source of Payment - Series 2025A Bond Fund.** As provided in the Agreement, moneys sufficient in time and amount to pay the Series 2025A Bond service charges as they

come due are to be paid by the Company directly to the Trustee, including Lease Payments for the account of the Issuer and deposited in an appropriate account in the Bond Fund.

There is hereby created by the Issuer and ordered to be maintained, as a separate deposit account (except when increased as hereinafter provided) in the custody of the Trustee, a trust fund to be designated "City of Somerset, Kentucky Subfund" (known as the "Series 2025A Bond Fund" (herein called the "Series 2025A Bond Fund"). The Series 2025A Bond Fund (and accounts therein provided for in the Trust Indenture or in the Agreement) and the moneys and investments therein are hereby pledged to and shall be used for the payment of Bond service charges, all as provided herein and in the Trust Indenture and the Agreement, provided that no part thereof (except as may otherwise be provided for herein and in the Trust Indenture or the Agreement) shall be used to redeem or purchase, prior to maturity, any Series 2025A Bonds.

On or before each date when Series 2025A Bond service charges are due and payable, the Trustee shall transmit from moneys in the Series 2025A Bond Fund applicable thereto to any other Paying Agents, as appropriate, amounts sufficient to meet payments to be made by them of Bond service charges then to be due and payable; provided that to the extent the amount needed by any other Paying Agent is not sufficiently provable, the Trustee may but shall not be required to, make such credit arrangements with such Paying Agent as to partial meeting such payments.

There shall be deposited into the Series 2025A Bond Fund (and credited, if required) by the Trust Indenture or the Agreement, to appropriate accounts therein, as and when received, (a) all Lease Payments, to the extent and required to pay Lease Rent due under the Agreement which has not been paid and (b) all other Revenues, except those amounts required by the Trust Indenture or the Agreement to be deposited in any other separate insurance or condemnation proceeds account.

The Issuer hereby covenants and agrees that so long as any of the Series 2025A Bonds are outstanding it will deposit or cause to be deposited in the Series 2025A Bond Fund, moneys sufficient in time and amount to pay the Series 2025A Bond service charges in the same manner due and payable, and to this end the Issuer covenants and agrees that, so long as any Series 2025A Bonds are outstanding, it will diligently and promptly proceed in good faith and use its best efforts to enforce the Agreement, and that, should there be an event of default under the Agreement, the Issuer shall fully cooperate with the Trustee and with the Series 2025A Bondholders to protect fully the rights and security of the Bondholders hereunder. Nothing herein shall be construed as requiring the Issuer to use or apply in the payment of Bond service charges any funds or revenues from any source other than revenues or to expend any of its own funds to enforce the Agreement.

Notwithstanding anything herein to the contrary, the Issuer, Company, Purchaser and Trustee may enter into agreements that vary the method of payment of bond service charges, to the extent authorized by the Trust Indenture.

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9. **Source of Payment - Series 2025B Bond Fund.** There is hereby created by the Issuer and ordered to be maintained, as a separate deposit account (except when increased as hereinafter provided) in the custody of the Trustee, a trust fund to be designated "City of Somerset, Kentucky Cumberland Connector Project Series 2025B Bond Fund" (herein called the "Series 2025B Bond Fund"). The Series 2025B Bond Fund (and accounts therein provided for in the Trust Indenture) and the moneys and investments therein are hereby pledged to and shall be used for authorized purposes including the payment of Bond service charges, all as provided herein and in the Trust Indenture.

On or before each date when Series 2025B service charges are due and payable, the Trustee shall transmit from moneys in the Bond Fund applicable thereto to any other Paying Agents, as appropriate, in accordance with the terms of the Trust Indenture.

There shall be deposited into the Series 2025B Bond Fund (and credited, if required) by the Trust Indenture, to appropriate accounts therein, as and when received, all PILOT Payments, except those amounts required by the Trust Indenture to be deposited in any other separate account.

The Issuer hereby covenants and agrees that so long as any of the Series 2025B Bonds are outstanding it will diligently and promptly proceed in good faith and use its best efforts to enforce the PILOT Mortgage, and that, should there be an event of default under the PILOT Agreement or PILOT Mortgage, the Issuer shall fully cooperate with the Trustee and with the Series 2025B Bondholders, respectively, to protect fully the rights and security of the Series 2025B Bondholders hereunder. Nothing herein shall be construed as requiring the Issuer to use or apply in the payment of Bond service charges any funds or revenues from any source other than the Pledged Revenues.

10. **Covenants of Issuer.** In addition to other covenants of the Issuer contained in this Bond Legislation and the Indenture, the Issuer further covenants and agrees as follows:

(a) **Payment of Series 2025A Bond Service Charges.** The Issuer will, solely from Revenues pay or cause to be paid the Series 2025A Bond service charges on the dates, at the places and in the manner provided herein and in the Trust Indenture.

(b) **Collection of PILOTs.** The Issuer will, in good faith, diligently comply with the requirements of the PILOT Agreement and PILOT Mortgage, including the issuance of payment notices to tax bills to Owners in accordance with the PILOT Agreement.

(c) **Performance of Covenants, Authority and Actions.** The Issuer will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in the Bond Legislation, the PILOT Agreement, the Trust Indenture, the Bond Placement Agreement and Bond Purchase Agreement, as the case may be, and in any and every Project Bond created, authorized and delivered under the Trust Indenture, and in all

proceedings of the Issuer pertaining to the Project Bonds, the Trust Indenture, the Bond Placement Agreement and Bond Purchase Agreement, as the case may be, and the PILOT Agreement. The Issuer warrants and covenants that it is, and upon delivery of the Project Bonds will be, duly authorized by the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Project Bonds and to execute the Trust Indenture, the Bond Placement Agreement and Bond Purchase Agreement, as the case may be, and the PILOT Agreement, to provide the security for payment of the Bond service charges in the manner and to the extent herein and in the Trust Indenture set forth; that all actions on its part for the issuance of the Project Bonds and execution and delivery of the Trust Indenture, the PILOT Agreement, the respective Bond Purchase Agreement and the Bond Placement Agreement applicable to the Series 2025A Bonds and the Series 2025B Bonds, as the case may be, have been or will be duly and effectively taken, and that the Project Bonds in the hands of the holders thereof will be valid and enforceable legal obligations of the Issuer according to the terms thereof. Each provision of the Bond Legislation, the Trust Indenture, the PILOT Agreement, the Bond Placement Agreement or Bond Purchase Agreement, as the case may be, and the Project Bonds is binding upon each officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duties required by such provision, and each duty of the Issuer and of its officers undertaken pursuant to such proceedings for the issuance of the Project Bonds is established as a duty of the Issuer and of each such officer having authority to perform such duty, specifically imposed by law and resulting from an office, trust, or station within the meaning of the Kentucky Revised Statutes, providing for enforcement by writ of mandamus.

(d) **Revenues.** Except as otherwise provided in the Bond Legislation, the Trust Indenture and the PILOT Agreement the Issuer will not create or offer to be created any debt, lien or charge thereon, or make any pledge or assignment of or create any debt, lien or charge thereon, or make any pledge or assignment of or create any lien or encumbrance upon the Pledged Revenues, including the moneys in the Bond Fund other than the pledge and assignment thereof under this Bond Legislation, the Trust Indenture and the Agreement.

(e) **Recordings and Filings.** The Issuer will cause to the extent required by the laws of the State to perfect such instruments and/or the lien created thereby) all necessary financing statements, amendments thereto, continuation statements and instruments of similar character relating to the pledges and assignments made by it to secure the Project Bonds, to be recorded and filed in such manner and in such place and to the extent required by law in order to fully preserve and protect the security of the holders of the Project Bonds and the rights of the Trustee under the Indenture.

(f) **Inspection of Project Bonds.** All books and documents in the Issuer's possession relating to the Project or the Pledged Revenues shall at all times be open to inspection by such accountants or other agents of the Trustee or the Purchaser as the Trustee or the Purchaser may from time to time designate.

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11. **Investment of Bond Fund and Construction Fund.** Moneys in the Bond Fund, and any other fund, shall be invested and reinvested by the Trustee in the manner set forth for such purposes in the Trust Indenture.

12. **Trust Indenture, Springing Escrow, Interest Deed, PILOT Mortgage, Bond Purchase Agreement or Bond Placement Agreement and Home Office Payment Agreement.** In order better to secure the payment of the Bond service charges as the same shall become due and payable, the Mayor and City Clerk are hereby authorized and directed, on behalf of the Issuer, to execute and deliver the Trust Indenture, the Springing Escrow Interest Deed, which Springing Escrow Interest Deed shall automatically grant for title to the Company or its respective assigns at the time the Project Bonds are paid in full, the PILOT Mortgage, which PILOT Mortgage is intended to operate in lieu of a tax lien and not as security for the repayment of the Bond service charges, a Bond Placement Agreement or Bond Purchase Agreement for such series of Bonds, as the case may be, and Home Office Payment Agreement relating to the Series 2025A Bonds, in substantially the forms submitted to the Issuer, which instruments are hereby approved, with such changes therein not inconsistent with this Bond Legislation and not substantially adverse to the Issuer as may be permitted by the Act and approved by the officers executing the same. The approval of such changes by said officers, and that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of the Trust Indenture, the Bond Placement Agreement or Bond Purchase Agreement, as the case may be, the PILOT Mortgage, and the Springing Escrow Interest Deed, and the Home Office Payment Agreement respectively by such officers.

This Bond Legislation shall constitute a part of the Indenture as therein provided and for all purposes of said Indenture.

13. **Other Documents.** The Mayor and City Clerk are hereby further authorized and directed to execute financing statements, other assignments and any other agreements, documents and instruments as are, in the opinion of Bond Counsel to the Issuer, necessary or desirable to perfect the pledges set forth in the Indenture and to consummate the transactions provided for in the Trust Indenture, the PILOT Agreement, and the Bond Purchase Agreement or Bond Placement Agreement, as the case may be, and including any customary documents, that may be required of any lender that will be providing financing for the Project (the "Lender"), including, but not limited to a fee joinder to the mortgage granted by the Company to the Lender, collateral assignments and related documents.

14. **Compliance with Kentucky Revised Statutes.** It is hereby found and determined that all formal actions of this Legislative Authority concerning and relating to the passage of this Bond Legislation were taken in an open meeting of this Legislative Authority, and that all deliberations of this Legislative Authority and of any of its committees, if any, that resulted in such formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements of the Kentucky Revised Statutes.

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15. **No Personal Liability.** No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Bond Legislation, or in any Project Bond, or in the PILOT Agreement, the Trust Indenture, or the Bond Placement Agreement or Bond Purchase Agreement, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer, as such, past, present or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to any holder of any Project Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any of the Project Bonds. Any and all personal liability of every nature, whether in common law or in equity, or by statute or by constitution or otherwise, of any such officer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Issuer or any receiver thereof, or for or to the trustee or any holder of any Project Bond, or otherwise, of any sum that may remain due and unpaid upon any Project Bond, shall be deemed to be expressly waived and released as a condition of and consideration for the execution and delivery of the PILOT Agreement, Trust Indenture, and the Bond Placement Agreement or Bond Purchase Agreement, and the issuance of the Project Bonds.

16. **Unincorporated Development Business District.** The City hereby finds and affirms that the Project, as proposed by the Company, is located within a designated downtown business district, per KRS 101.200(1)(a).

17. **Bond Counsel.** The City hereby approves and designates Kristing Mackenzie A. Klekamp, (c/k/a/m/a), (f/b/a), as bond counsel ("Bond Counsel") for the issuance of the Project Bonds.

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That this Resolution shall be signed by the Mayor, attested to by the City Clerk, recorded and be effective upon adoption.
ADOPTED: March 24, 2025.


MAYOR

ATTEST: 
NICHOLAS BRADLEY, CITY CLERK

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CERTIFICATE

I, Nicholas Bradley, City Clerk for the City of Somerset, Kentucky (the "City"), certify that the foregoing is a true copy of Resolution No. 25-07 adopted by the City Council of the City on the 24th day of March, 2025, that all actions taken in connection with the Resolution were in compliance with the requirements of KRS 61.800 to 61.850, and that said Resolution is now in full force and effect, all as appears from the official records of the Board in my custody and under my control.

Witness my hand as City Clerk this 24th day of March, 2025.

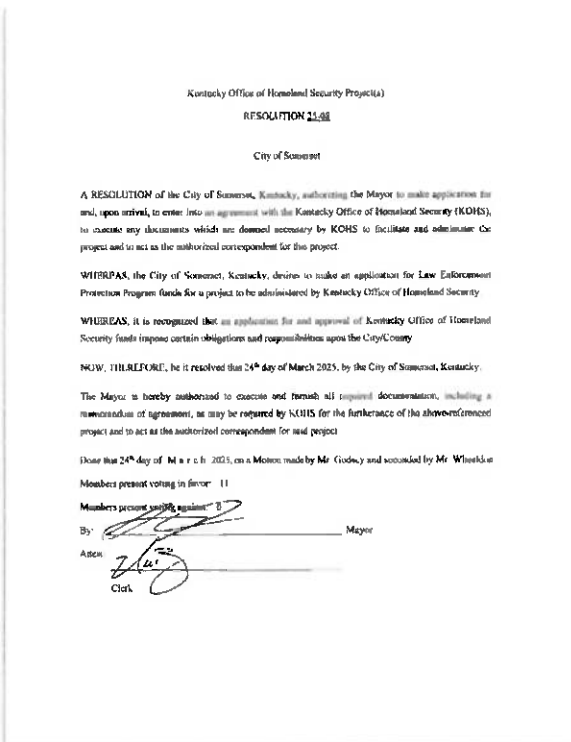

City Clerk

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Mr. Godsey made a motion to approve the following Resolution Number 25-08: AUTHORIZING THE MAYOR TO MAKE APPLICATION FOR AND, UPON ARRIVAL, TO ENTER INTO AN AGREEMENT WITH THE KENTUCKY OFFICE OF HOMELAND

SECURITY (KOHs), TO EXECUTE ANY DOCUMENTS WHICH ARE DEEMED NECESSARY BY KOHS TO FACILITATE AND ADMINISTER THE PROJECT AND TO ACT AS THE AUTHORIZED CORRESPONDENT FOR THIS PROJECT.. Mr. Wheeldon seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Godsey, Ms. Bullock, Mr. T. Eastham, Mr. Burdine, Mr. Dalton, Mr. Wheeldon, Mr. J. Eastham, Ms. Dick, Ms. Lawson, Mr. Hunley and Mr. Minton.



First reading was given the following Ordinance Number 25-08: AMENDING ORDINANCE NO. 00-18, KNOWN AS THE CITY'S ZONING ORDINANCE, AND ALTERING THE ZONING MAP TO REFLECT SAID AMENDMENT, BASED ON THE FINDINGS OF FACT MADE BY THE PLANNING AND ZONING BOARD, AND BASED ON SAID BOARD'S RECOMMENDATION OF A ZONE CHANGE OF A PORTION OF PARCEL NUMBER 049-0-0-05.7 FROM R-1 TO B-3

ORDINANCE NO. 25-06

AN ORDINANCE AMENDING ORDINANCE NO. 00-18, KNOWN AS THE CITY'S ZONING ORDINANCE, AND ALTERING THE ZONING MAP TO REFLECT SAID AMENDMENT, BASED ON THE FINDINGS OF FACT MADE BY THE PLANNING AND ZONING BOARD, AND BASED ON SAID BOARD'S RECOMMENDATION OF A ZONE CHANGE.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SOMERSET, KENTUCKY

That Ordinance No. 00-18, known as the Zoning Ordinance, Somerset, Kentucky, is hereby amended by altering the Zoning Map in the following manner:

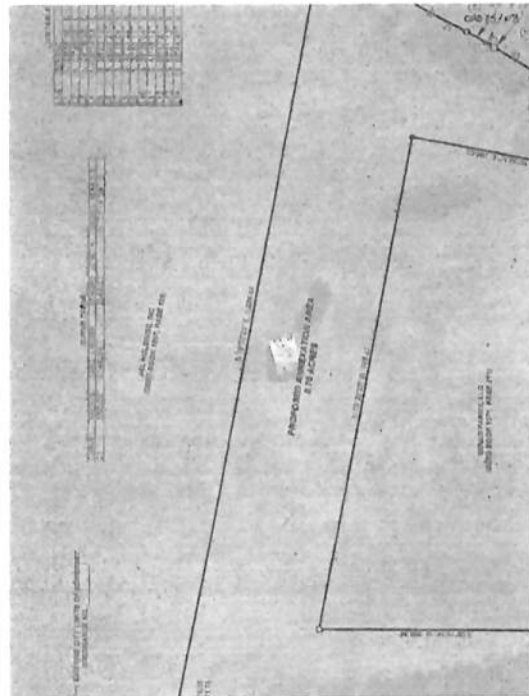
- I. By changing a boundary of land presently zoned R-1 to R-2, said properties being more particularly described in Exhibit "A" attached hereto and incorporated herein in full by reference, located at Undeveloped Property in 400-500 Block of Thurman Rd Somerset, Kentucky and having PVA Parcel # 049-0-0-05.7 (portion of)
- II. The City Clerk of the City of Somerset, Kentucky is hereby authorized to alter the Zoning Map to reflect said changes.
- III. This Ordinance shall be in full force and effect from and after adoption and publication according to law.

FIRST READING MARCH 24, 2025

SECOND READING _____

Approved _____
Mayor

Attest _____
City Clerk



Ord. 25-06

**CITY OF SOMERSET, KENTUCKY
PLANNING AND ZONING COMMISSION
FINDINGS OF FACT, CONCLUSIONS
AND RECOMMENDED MAP AMENDMENT**

CASE NO. _____

Re: Zone Change: Merlo Farms, LLC

For recording purposes,
listed below are the parties involved in the Zone Change for
630 Thurman Road
Somerset, Kentucky
8.7 acres and being a portion of TVA Parcels 049-0-0-05.7, and 049-0-0-06.1, as well as all of parcels
049-0-0-06.2 and 049-0-0-06.3.

Party One	Party Two
City of Somerset,	Merlo Farms, LLC
Planning & Zoning Commission	502 N Main Street
PO Box 989	Somerset, Kentucky, 42501
Somerset, Kentucky, 42502	

The Planning and Zoning Commission having heard testimony at a public hearing conducted before the Commission on the 11th day of March 2025 and based on the evidence presented, the Planning and Zoning Commission enters the following FINDINGS OF FACT, CONCLUSIONS AND MAP AMENDMENT.

FINDINGS OF FACT

Merlo Farms, LLC, is the owner of record of an 8.70 acre tract that is in the process of being annexed into the City of Somerset.

The tract is on the east side of Thurman Road.

It is a portion of the lands conveyed to Merlo Farms, LLC, by deed of conveyance dated the 15th of February 2025 and of record in Deed Book 1071 Page 211.

The parcel is zoned R-1 (Low Density Residential) as accordance with Article 4.17.

The recently adopted comprehensive plan's future use map does not include any tracts outside the City Limits of Somerset.

Ord. 25-07

The land is improved, with a small commercial building and barn.

It is a portion of PVA Parcels 049-0-0-05.7, and 049-0-0-06.1, as well as all of parcels 049-0-0-06.2 and 049-0-0-06.3.

The tract is zoned as a 10.30 acre tract. The annexed portion contains 8.70 acres. There remains 0.60 acres in the country. The facility is located on that portion of Parcel 049-0-0-05.7 remaining in the country.

The parcel to the north 049-0-0-05.5, Thurman Road, JAL Holdings, LLC 20.31 acres, is in the unincorporated & not zoned.

The parcels to the west across Thurman Road are:
Thurman Road, Parcel 049-0-0-06, Thelma, 153 acres, unincorporated & not zoned.
Thurman Road, Parcel 049-0-0-04, David Dick, 0.30 acre, unincorporated & not zoned.
509 Thurman Road, Parcel 049-0-0-05, Robert Wayne Foster, residence, 0.4 acre, unincorporated & not zoned.
601 Thurman Road, Parcel 049-0-0-05.2, Kannon Hughes, residence, 0.5 acre, unincorporated & not zoned.

The parcels belonging to Merlo Farms to the south are:
Thurman Road, Parcel 049-0-0-06, Merlo Farms, LLC, 0.76 acre, unincorporated & not zoned.
500 Thurman Road, Parcel 049-0-0-05.7 (cornered), Merlo Farms, LLC, unincorporated & not zoned.

And these residences on Highland Road situate the annexed parcel along the north boundary
182 Ridge Hill Trail, Parcel 049-0-0-37, Corner, unincorporated & not zoned.
300 Ridge Hill Trail, Parcel 049-0-0-36, Harman, unincorporated & not zoned.
221 Ridge Hill Trail, Parcel 049-0-0-35, Seabolt, unincorporated & not zoned.
260 Ridge Hill Trail, Parcel 049-0-0-34, Seabolt, unincorporated & not zoned.
270 Ridge Hill Trail, Parcel 049-0-0-33, Russell, unincorporated & not zoned.
290 Ridge Hill Trail, Parcel 049-0-0-32, Russell, unincorporated & not zoned.
308 Ridge Hill Trail, Parcel 049-0-0-31, Giddens, unincorporated & not zoned.

As one can see, all adjoining tracts are in the country and not zoned.

During the public hearing, Mr. Richard Van Damm, principal of Merlo Farms, LLC stated the property was improved and should have been brought in as its current use. Mr. Adams, city attorney, stated that the property was brought in under R-1 because the current improvements are non-functioning. Mr. Van Damm countered that the property has been functioning as a commercial property since its construction in 2024.

Chairman Vaughn asked why it was requested as B-2 (Highway Commercial) instead of B-3 (Neighborhood Commercial). After a short discussion, Chairman Vaughn asked if the petitioner would change his request to B-3, to which the petitioner readily agreed after Mr. Adams stated that this would not affect the rezoning and the B-3 was more appropriate for the property due to the type of road upon which the tract is situated (country feeder road).



White Building and Black Building are remodeling in country, ten building and barn are on owner property.

During the Public Hearing, Mr. Larry Abbott, 564 Somerset Shale Drive, asked the following questions:

1. Q. This is going to be a distillery, and they are going to sell alcohol at that little building that he built, that little house. Is that what I am understanding?
A. Van Damme stated that they have already distilling and selling liquor in Kroger's and all local liquor stores for several years.
 2. Q. Does he have a liquor license for this location?
A. Vaughn: Yes, he's got it. Van Damme: Yes.
 3. Q. Does he have a liquor license for this building that you all are bringing into the city?
A. Vaughn: Yes, he has a liquor license because the (Palmdale) County is not wet?
 4. Q. How can he get a liquor license because the (Palmdale) County is not wet?
A. Vaughn: He can produce but not sell.
Q. Vaughn: Can you produce and not sell (directed to Van Damme)?
A. Van Damme: I can produce and sell, it is under the three licenses. I can sell direct to consumer, I can sell to distributor.
 5. Q. So, does that mean anybody in Palmdale County get those liquor license and sell?
A. Vaughn: If they had a distillery.
- At this point Mr. Abbott spoke for several minutes concerning the distillery and its impact on the adjoining home values and the consequences of producing liquor and the associated fire. He stated that I assume you are the gentleman (Van Damme) that moved in the mobile home, at which point Chairman Vaughn and Mr. Van Damme both stated that that was not so. Mr. Abbott then stated "I assumed that you guys made those mobile homes that look like that", to which Vaughn answered, that is in country and we have no jurisdiction over that. Van Damme stated that he asked the landowner to move the mobile home.
- At this point Mr. Abbott returned to the distillery building. Mr. Van Damme stated that he had been producing and selling at that location for over two years.
6. Q. You're been producing at that location, in that little building?
A. Van Damme, yeah, I'll give you a seat if you want.

At this time Mr. Abbott stated: Yeah, I don't think there is a good place for it, it needs to be. At this point Vaughn stated that it was in the county and we (city) have no jurisdiction over that. Mr. Abbott talked about the building (distillery) for several minutes and finally understood that the building in question was in the county. He then asked why the sign was at the driveway. Before getting an answer, Mr. Abbott asked several questions about selling liquor from the distillery, to which Vaughn and Buzan stated that it was in the county and that would have to be brought up with the state or county.

A discussion was held about licenses held by the applicants. It was finally clarified that sales were via mail order and no sales were occurring within the distillery.

After this discussion, the issue became the sign. Mr. Abbott asked that the sign be corrected and placed on the street and the meeting continued to a later date. Mr. Adams stated that the sign had served its purpose, and it had given proper notice to any passerby.

After this, Mr. Abbott was concerned about the noise change. Mr. Abbott asked that the meeting be continued about the noise change from that advertisement. Mr. Adams stated that changing it during the meeting was not an issue because it was in the same category and more restrictive than that requested and that the noise requested was not appropriate due to the road fronting along the subject tract. A question was asked by Buzan, and Mr. Adams responded on this issue by stating that he had been from a 15 to a 20 ft. noise, then it would need to be removed and continued to another date. Mr. Abbott then stated that the meeting should be continued once the adjoining owners were not aware that the meeting had been changed. Mr. Abbott was informed that letters had been sent to all adjoining landowners in accordance with the request letter. Upon further questioning, it was stated that 70 letters were sent out, including those owners with property adjoining the Marks (State) tract. Chairman Vaughn stated that it seemed that no adjoining owners had shown up. After this issue was resolved, Mr. Abbott continued to ask about the distillery directly to Mr. Van Damme and the Chairman asked him to step aside and present his concerns to provide so the meeting could continue. Mr. Adams had spoken on this matter for 15 minutes.

No adjoining property owners were in attendance and no others spoke on the matter during the public hearing.

CONCLUSIONS

As stated above, there were several concerns at the public hearing, however, no adjoining property owners were present. Mr. Abbott was the only one who spoke during the hearing as outlined above. The board felt that the proposed noise request (revised) is appropriate, as it allows the continued use of the property prior to its rezoning.

It is heard felt there were sufficient concerns to grant a noise change, voting 6-0 in favor of and change with Buzan, Floyd, Holland, Iyach, Struger and Vaughn voting in favor of the rezoning from R-1 to B-1.

RECOMMENDED MAP AMENDMENTS

Parcels 049-0-0-05.2, 049-0-0-05.5 and portions of PVA Parcels 049-0-0-05.7, and 049-0-0-06.1.

It is hereby recommended by the Commission that the map amendment be granted, having met the requirements of KRS 100.215 (1) (d), that the present zoning is inappropriate and the requested zone is appropriate and therefore the tract should be rezoned to Neighborhood Commercial (B-3).

A true and correct copy of this Findings of Fact, Conclusions and Recommended Map Amendment shall be sent to the City of Somerset City Council for adoption.

DONE AND ORDERED this 17th day of March 2025.

Chairman, Planning and Zoning Commission
City of Somerset
ATTEST:

Planning & Zoning Commission Clerk

This document was prepared by the staff of the Planning and Zoning Department under the supervision of John Adams, City Attorney.

City Attorney

First reading was given the following Ordinance Number 25-09: AMENDING ORDINANCE NO. 00-18, KNOWN AS THE CITY'S ZONING ORDINANCE, AND ALTERING THE ZONING MAP TO REFLECT SAID AMENDMENT, BASED ON THE FINDINGS OF FACT

MADE BY THE PLANNING AND ZONING BOARD, AND BASED ON SAID BOARD'S RECOMMENDATION OF A ZONE CHANGE OF A PORTION OF PARCEL NUMBER 061-8-1-66 FROM R-1 TO R-3.

ORDINANCE NO. 25-09

AN ORDINANCE AMENDING ORDINANCE NO. 00-18, KNOWN AS THE CITY'S ZONING ORDINANCE, AND ALTERING THE ZONING MAP TO REFLECT SAID AMENDMENT, BASED ON THE FINDINGS OF FACT MADE BY THE PLANNING AND ZONING BOARD, AND BASED ON SAID BOARD'S RECOMMENDATION OF A ZONE CHANGE.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SOMERSET, KENTUCKY:

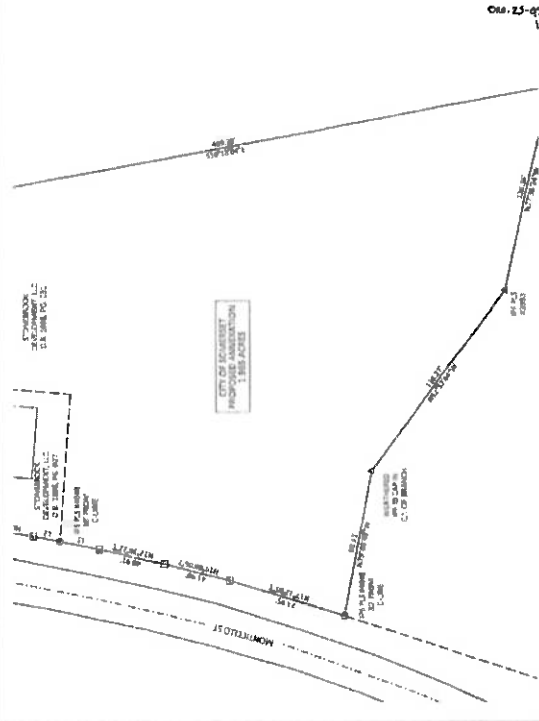
That Ordinance No. 00-18, known as the Zoning Ordinance, Somerset, Kentucky, is hereby amended by altering the Zoning Map in the following manner:

- I. By changing a boundary of land presently zoned R-1 to R-3, and properties being more particularly described in Exhibit 'A' attached hereto and incorporated herein in full by reference, located at **Undeveloped Property on Monticello St**, Somerset, Kentucky and having PVA Parcel # **061-8-1-66 (Portion of the Parcel)**.
- II. The City Clerk of the City of Somerset, Kentucky is hereby authorized to alter the Zoning Map to reflect said changes.
- III. This Ordinance shall be in full force and effect from and after adoption and publication according to law.

FIRST READING: MARCH 24, 2025

SECOND READING:

Approved: _____ Mayor
Attest: _____ City Clerk



CITY OF SOMERSET, KENTUCKY
PLANNING AND ZONING COMMISSION

FINDINGS OF FACT
R-3
ANNEXATION NO. 25-

R-3: Zone Determination: **Stonbrook Development, LLC**, PVA Parcels 062-4-0-22 and 062-4-0-23 former **Coalition for Higher Education in Southern Kentucky, Inc.** tracts on Monticello Street, Somerset, Kentucky

For recording purposes,

Listed below are the parties involved in the zone determination of the aforementioned **PVA** Parcels on Monticello Street, Somerset, Kentucky being annexed into the corporate limits of the City of Somerset.

PVA Parcels 062-4-0-22 and 062-4-0-23

Party One: City of Somerset, Planning & Zoning Commission, PO Box 989, Somerset, Kentucky, 40369
Party Two: **Stonbrook Development, LLC**, 460 Country Club Drive, Somerset, Kentucky, 40362

The Somerset Planning and Zoning Commission has been asked to zone two (2) tracts of land on Monticello Street (KY 2292) south of its intersection with Somerset Community College Drive (KY 2297).

The Planning and Zoning Commission having heard testimony at a public hearing conducted before the Commission on the 11th day of March, 2025 and based on the evidence presented, the Planning and Zoning Commission makes the following FINDINGS OF FACT, CONCLUSIONS AND MAP AMENDMENT:

The two tracts are to be combined in one parcel that measures 1.945-acres. The tracts are approximately 150 feet south of the intersection of Hwy 2292 (Monticello Street) and KY 2297 (Somerset Community College Drive).

The tract was purchased by the petitioner at Master Commissioner Auction conducted on the 26th of June 2024. The sales was confirmed by the Circuit Court on the 10th of July 2024 and a Commissioners Deed was made and recorded as Deed Book 1078 Page 11. The sale was the result of Civil Action 23-CV-01840 Divanec II styled Kentucky Yee Company, LLC vs Coalition for Higher Education in Southern Kentucky, Inc et al.

The petitioner has requested that this tract be zoned Medium Density Residential (R-3).

The 2010 comprehensive plan has this tract as undeveloped.

Zone Determination Findings of Fact
Annexation: **Stonbrook Development, LLC**, Monticello Street

Ord. 25-09

The recently adopted comprehensive plan does not include any tracts outside the City limits of Somerset.

The property is surrounded by the Kentucky Community and Technical College System on the north, east and south. Those sections of the KCTCS System Tracts within the City of Somerset are zoned Low to Moderate Density Residential (R-2).

The tract across Monticello Street (PVA Parcel 062-1-0-46) (Coalbrook Development, LLC) is not in the City of Somerset and not zoned. It is vacant.

The latest construction along the Monticello Street corridor was the Foothills Academy residential units at the intersection of Monticello Street and Wallace Avenue (Parcel 062-4-0-11). It is Zoned Low-Moderate Density Residential (R-2).

Along the Monticello Street Corridor there are four apartment complexes, the previously mentioned Foothills Academy complex, 750 Monticello Street, Eagle Creek Apartments, a 50 unit apartment complex at 3040 Monticello Street (Parcel 062-1-0-79), unincorporated, Magnolia Apartments, 16 unit apartment complex at 740 Monticello Street (Parcel 061-6-2-01) and zoned Highway Oriented Commercial (B-3) and Somerset Village Apartments (10-unit building-152 units-Parcel 061-6-2-04) zoned R-2, off Monticello Street near an intersection with F. Washington Drive.

There is a Senior Living Community- Eagles Landing, (Parcel 062-4-0-19-1) Zoned R-3, on Patton's Way, to the south of Somerset Village Apartments.

In addition, there are two duplexes at the Monticello Street/Ford Drive intersection (804 Monticello Street & 100 Ford Drive), and two fourplexes on Ford Drive (114 & 116). These four units are zoned Low-Moderate Density Residential (R-2).

Somerset Village Apartments is an older complex that was in place prior to the adoption of the current zoning ordinance (R-18) and is a large nonconforming. The property would be zoned R-3 if it was to be developed in the present.

Monticello Street (KY 2292) is a secondary north-south artery that is used by traffic headed to or from the Downtown Business District to bypass the heavily traveled US 27 to the west.

Monticello Street was the main artery for north-south traffic prior to the construction of US 27 in the early 60's. The former businesses along Monticello Street have been repurposed or razed. There are several single-family residences interspersed amongst the businesses along Monticello Street and the Community College, and Rural Economic Development Center.

While the tract is almost two acres in size, and has 280 feet of frontage along Monticello Road, there are topographical issues that make a portion of the tract unsuitable. Allen Branch runs through or near the north property line resulting in sloping that makes a portion unsuitable for development.

The traffic has been cited in a past zone change of a 3-building single-family residence (R-2) on Monticello Street into a R-3 zone as the reason why they are having trouble renting the property. Tenants did not like the volume of traffic and raising their children in close proximity to noise. The owner mentioned it be rezoned so they could use the house as real estate offices for a company he owned/operated.

Zone Determination Findings of Fact
Annexation: **Stonbrook Development, LLC**, Monticello Street

While the corridor has high traffic counts, it appears that this has not corresponded to a high demand for properties along the stretch of the Monticello Street corridor. The peak concentration along the corridor seems to have been exposure of businesses located on larger lots that have direct access onto I-57 as well as secondary access onto Monticello Street (Allen Blackie Ford, Fiat & Peugeot Bank, Don Franklin Nissan, and Country and Somerset).

A major issue in the topography, as the intersection area is in the transition zone from the highly rolling topography north of the Monticello Street/Somerset Community College Drive intersection to the rugged drainage area along Allen Branch that intersects Monticello Street to the south. After crossing Monticello Street/Somerset Community College Drive intersection, Monticello Street drops 50 feet to Allen Branch (500 feet) and then rises approximately 100 feet before intersecting I-57 at roughly 150 feet. The road rises approximately 100 feet in this stretch. Much of the adjoining property is above or below the road grade making development costly or requiring larger lots so that the entrance can be lengthened to overcome the differences in grade. This is very apparent on the west side of Monticello Street through the stretch, so much so that one of the larger sites on the west side of Monticello Street was developed with US-27 access as a key feature instead with no access and access onto Monticello Street.

The tract has been vacant for over 35 years. There was a building on the site from the mid 50's to the late 60's. It appears to have been a service station based on a past owner.

It is presumed that the property has been listed for sale by the current owner for a sufficient time so that the Kentucky Community and Technical College System would have had knowledge of the availability and had enough time to approach and under an offer for the property.

Since it appears that purchase by the KCTCS System for assembly with the campus is not a possibility, one must consider alternate uses.

Based on its location or size, the following uses are impractical:

Single Family Residential (R-1), due to heavy volume of traffic and the street limited depth.
Highway Oriented Commercial (B-2) Retail, or Office as possible, but impractical due to its proximity to I-57 and the amount of retail units available along same and the cost of constructing a commercial building. In addition, there are better sites to the north that are all Monticello Street that would be better suited for these uses, one of which is under construction.

Agricultural uses are not physically possible.
Light Industrial may be possible, but the amount of usable area on the site may preclude the use in this sector. SPEDA owned two larger tracts on E. Broadway Road for light industrial development but had no offers during their ownership period (2005-2020-15 years) so the use in this sector is impractical as well.

The applicants requested zoning: Medium Density Residential, develops the property to the maximum extent and could be considered the lightest and best use of the tract. The proposed use and its location abutting the Campus of the Somerset Community College are ideal for R-3 type buildings. This is further exemplified by the number of R-2 and R-3 type buildings cited above that are found along streets on and off the Monticello Street Corridor.

Zone Determination Findings of Fact
Amendment: Stroudbrook Development, LLC, Monticello Street

Colleen Parg, member, Stroudbrook Development, LLC, represented the LLC at the meeting. He made a brief presentation.

No other persons made statements, comments, or asked questions about this parcel during the public hearing.

4. PUBLIC USES

As noted above, there were several concerns at the public hearing but no one came forward during the comments session of the public hearing concerning this property.

The board felt that the proposed zone is appropriate, as it is similar to uses along the Monticello Street corridor and Ford Drive, a local street off Monticello Street that also serves as the north entrance to Somerset Community College.

The board felt there were sufficient grounds to grant the requested zone designation, voting 4-1 in favor of and change with Design, Type, Height, and Volume voting in favor of the zoning to Medium Density Residential R-3.

RECOMMENDED MAP AND NDAD N1

It is hereby recommended by the Commission that the map amendment be granted, that the requested zoning (R-3) is appropriate. This hearing was conducted per Article 10.3 of the City of Somerset Zoning Ordinance (2011) as well as the guidelines and/or requirements of KRS 100.020. The property came into the city, unimproved, and did not have to meet the requirements of KRS 100.020.

A true and correct copy of the findings of fact, conclusions and recommended map amendment shall be sent to the City of Somerset Lay Council for adoption.

DO NOT SIGN (OR SIGN) this 1st of March 2025.


Chairman, Planning and Zoning Commission
City of Somerset

NOTED:

Planning/Zoning Commission Clerk


City Attorney

This document was prepared by the staff of the Planning and Zoning Department under the supervision of John Adams, City Attorney.


City Attorney


City Attorney


City Attorney

Zone Determination Findings of Fact
Amendment: Stroudbrook Development, LLC, Monticello Street

There being no further business, the meeting was adjourned at 6:48 p.m.

APPROVED: 

MAYOR

ATTEST: 

CITY CLERK