

# CHAPTER 160: DOWNTOWN MANAGEMENT DISTRICT

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## GENERAL PROVISIONS

### **§ 160.01 DISTRICT ESTABLISHED; BOARD OF DIRECTORS.**

(A) There is established pursuant to KRS 91.750 through 91.762 a management district to be known as the Louisville Downtown Management District (hereinafter referred to as "District") for the purpose of providing and financing economic improvements that specially benefit property within the District. The boundaries of the

District are designated by the map in attachment A which is incorporated by reference thereto and made a part of this chapter as if set out fully herein.

(B) The District shall constitute a body corporate, with the power to contract and be contracted with. The affairs of the District shall be managed and controlled by a Board of Directors composed of not more than 45 members, who shall be appointed for three-year terms, except as otherwise provided for the initial appointees, and who shall be eligible for reappointment to one additional term. At least two-thirds (66.7%) of the total number of Board members shall be property owners and/or representatives of property owners within the District. The remaining members of the Board, excluding the ex officio members, may also be property owners or representatives of property owners within the District and/or may include tenants within the District. Members of the Board shall be appointed as follows:

(1) The Executive Committee of the Board shall nominate individuals for membership on the Board and submit such names to the Mayor and the Metro Council. The Mayor, with approval of the Metro Council, shall appoint the members of the Board. Appointments shall include at least one individual who is:

- (a) An owner or manager of retail business;
- (b) An owner or manager of residential property;
- (c) An office building owner or tenant;
- (d) A parking facility owner or manager;
- (e) An owner or operator of a restaurant or food service facility; and
- (f) An owner or operator of a hotel/lodging facility.

(2) Ex officio members of the Board shall be as follows:

- (a) The Mayor, or his or her designee;
- (b) The Director of the Department of Public Works or that Department's successor;
- (c) The senior officer in command of that police district which includes the Management District;
- (d) The Executive Director of the Downtown Development Corporation or that Corporation's successor; and

(e) Any Metro Council member whose political district boundary, in whole or in part, lies within the District boundary.

(3) All members appointed to the Board of Directors, including ex-officio members, shall have the right to vote.

(C) The initial Board of Directors shall be comprised of one-third of such members serving a one-year term, one-third of such members serving a two-year term, and one-third of such members serving a three-year term. Which members serve which terms shall be determined by lot.

(D) Any member of the Board of Directors appointed by the Mayor may be removed by the Mayor for cause. Any member of the Board of Directors may be removed by the Mayor for violation of the rules, regulations or operating procedures adopted by the Board of Directors if the removal is recommended by a majority of the members of the Board of Directors. A vacancy shall be filled in the same manner as the original appointment for the unexpired term.

(1999 Lou. Code § 151.01) (Lou. Ord. No. 203-1991, approved 8-10-1991; Lou. Am. Ord. No. 20-1999, approved 2-25-1999; Lou. Metro Am. Ord. No. 14-2003, approved 2-28-2003; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

## **§ 160.02 POWERS OF BOARD.**

(A) The Board of Directors of the District shall have the right to transact business on behalf of the District immediately after the appointment of its members.

(B) The Board of Directors shall have full powers to name its organization and to make bylaws and rules for the regulation and management of the affairs of the District not inconsistent with the provisions of this chapter.

(C) The Board of Directors shall have all powers necessary and proper to conduct the affairs of the District not inconsistent with the provisions of this chapter, including but not limited to:

- (1) Preparing annually an Economic Improvement Plan and budget;
- (2) Implementing the Economic Improvement Plan;
- (3) Making policy for operation of the District;
- (4) Managing the fiscal affairs of the District;
- (5) Incurring, in the aggregate, short-term and long-term debt in amount not to exceed \$500,000; and
- (6) Such other powers as provided in KRS 91.750 through 91.762.

(D) The Board of Directors may contract with any person or corporation determined to have the needed expertise to manage and administer the day-to-day operations of the affairs of the District.

(E) The Board of Directors may undertake the following economic improvements within the District.

(1) The planning, administration, and management of development or improvement activities;

(2) Landscaping, maintenance, and cleaning, of public ways and spaces;

(3) The promotion of commercial activity or public events;

(4) The conduct of activities in support of business recruitment and development;

(5) The provisions of security for public areas;

(6) The construction and maintenance of capital improvements to public ways and spaces; and

(7) Any other economic improvement activity that specially benefits property.

(F) The District may operate on a calendar or fiscal year basis. No later than two months prior to the beginning of each year, the Board of Directors shall prepare and submit to the Metro Council for its approval an annual budget for the District. The Board of Directors shall also deliver a copy of the annual economic improvement plan to the Metro Council. The economic improvement plan shall describe the current and projected economic improvements to be undertaken in the year. The annual budget shall be presented in such form as shall be required by the Metro Government's Department of Finance and Budget or that Department's successor. The Board of Directors may not take any action or expend any money pursuant to the proposed budget until such time as it is approved by the Metro Council. If the Metro Council has not approved the proposed budget as of the first day of the new fiscal year, the budget of the previous year shall have full force and effect as if readopted until such time as a budget is approved.

(G) Prior to adopting the budget, the Metro Council shall hold a public hearing for the purpose of soliciting comments upon the proposed budget. Upon approval of the annual budget by the Metro Council, then the Board of Directors shall publish both it and the economic improvement plan pursuant to KRS Chapter 424 and shall mail by first class mail to each owner of benefited property a description of the economic improvement plan, the fair basis of assessment to be utilized, the estimated cost to the property owner, and the ratio that the cost to each property owner bears to the total cost of the economic improvements.

(H) The Board shall have an affirmative action plan consistent with Louisville/Jefferson County Metro Government Code of Ordinances §§ [37.65](#) through [37.71](#) for the hiring of the consultants or employees. The Board shall not discriminate on the basis of race, sex, sexual orientation and gender identity, marital status, religion, age 40 and over, color, national origin, because the person is a qualified individual with a disability, or because the individual is a smoker or nonsmoker, in any of its operations and shall include such prohibition in all of its contracts.

(1999 Lou. Code, § 151.02) (Lou. Ord. No. 203-1991, approved 8-30-1991; Lou. Ord. No. 0060-2001, approved 4-27-2001; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

### **§ 160.03 ASSESSMENTS.**

(A) The Board of Directors shall provide in the annual budget for the imposition of a rate of assessment on all benefited properties within the District. Such rate shall be sufficient to provide sufficient revenues to finance the current and projected economic improvements to be undertaken pursuant to the annual economic improvement plan.

(B) Assessments for the current and projected economic improvements shall be ratably apportioned among the benefited properties within the District based upon the assessed values of such properties as determined by the Jefferson County Property Valuation Administrator, in related to the total assessed value of all benefited property within the District. Properties owned and used by the Federal government, the Commonwealth of Kentucky or any political subdivision of the state shall not be assessed. The District may contract with the owners of any property exempt from property taxation or assessment for the provision of District services to such properties.

(C) The Board of Directors may enter into an agreement with the Metro Government for the collection of the assessments or otherwise provide for the collection of such assessments. The penalties and interest applicable to delinquent taxes shall be applied to delinquent assessments.

(D) Any owner of a benefited property may contest the assessment, provided that the assessment made by the PVA shall be conclusive as to the value of the property unless the property owner has successfully protested the amount of the assessment pursuant to KRS 133.120. All contests shall be in writing and shall be filed with the Board of Directors no later than 30 days after receiving notice of the assessment.

(E) A contesting property owner shall have the right to appear before the Board of Directors and present evidence. A record shall be made of the proceedings and the Board of Directors shall render a written decision. The decision of the Board of Directors may be appealed to the Circuit Court.

(F) The amount of any outstanding assessment on any property, and accrued interest and other charges, shall constitute a lien on the property. The lien shall take precedence

over all other liens, whether created prior to or subsequent to the assessment, except a lien for state and Metro Government taxes, and prior improvement assessments, and shall not be defeated or postponed by any private or judicial sale, by any mortgage, or by any error or mistake in the description of the property or in the names of the owners. No error in the proceedings of the Metro Council shall exempt any property from the lien for the economic improvement assessment, or from payment thereof, or from the penalties or interest thereon, as herein provided.

(G) The Board of Directors is authorized, but is not required to impose an annual rate of assessment which shall not exceed \$0.0831 per \$100 of assessed value, adjusted by the Board of Directors, in its discretion, either each year by the change from the preceding year in the Consumer Price Index (All Urban Consumers) or in the manner set forth in the final sentence of this subsection (G). In determining the rate of assessment to be established for any given year or years, the Board of Directors shall take into consideration: the current operations of the Management District and the revenue needed (taking into consideration the costs of operation for the immediately preceding and current year and the reasonably projected cumulative increase or decrease in such costs for the forthcoming fiscal year) to maintain such existing operations; whether the Management District intends to expand its operations in the forthcoming fiscal year into one or more areas of operation permitted under § [160.02](#), and if so, the revenue reasonably forecasted to be needed to adequately fund such expanded area or areas of operation; and the change in the Consumer Price Index (All Urban Consumers) between the effective date of the most recent adjustment in the rate of assessment and the date on which the new proposed rate of assessment will become effective. In the event that the Board of Directors has not imposed, for any fiscal year, the maximum annual rate of assessment permitted hereunder (which shall include the Consumer Price Index adjustment mentioned in the first sentence of this subsection), then any Consumer Price Index adjustment for any forthcoming fiscal year shall be limited to the difference between the actual rate of assessment then in effect adjusted for the cumulative change in the Consumer Price Index (All Urban Consumers) for the current year and the immediately preceding year and the actual rate of assessment then in effect.

(H) The Board of Directors shall, within 90 days following the end of the fiscal year, contract with a certified public accountant to prepare an audit of all funds controlled by the Board of Directors. A copy of the audit report shall be furnished to the Metro Council and the Department of Finance and Budget.

(I) The Board of Directors shall prepare an annual report to the owners of benefited properties within the District evaluating the District's effectiveness and describing its accomplishments during the preceding fiscal year. The report shall be sent to the owner of each benefited property at such time that the annual economic plan and budget is sent pursuant to § [160.02](#). A copy shall also be provided to the Metro Council.

(J) Members of the Board of Directors shall adhere to the ethics rules. Violation of any provision thereof shall be cause for removal by the Mayor pursuant to § [160.01](#).

(1999 Lou. Code, § 151.03) (Lou. Ord. No. 203-1991, approved 8-30-1991; Lou. Am. Ord. No. 0028-2002, approved 3-12-2002; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

#### **§ 160.04 TERMINATION OF DISTRICT.**

(A) The District shall continue in existence until it is terminated as provided for herein.

(B) The District shall be dissolved as provided in KRS 91.762(2).

(1999 Lou. Code, § 151.04) (Lou. Ord. No. 203-1991, approved 8-30-1991; Lou. Ord. No. 186-2001; approved 12-4-2001; Lou. Am. Ord. No. 0028-2002, § 1, approved 2-28-2002; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

### **GUIDELINES FOR BOARD OF DIRECTORS**

#### **§ 160.20 BOUNDARIES.**

It is the intent of the Metro Council that the economic improvements provided by the District should be extended to other areas of downtown as the need for economic improvements arises in such areas. The Board of Directors should identify additional areas in downtown which would benefit from the economic improvements provided by the District, and actively solicit and assist the property owners in the identified areas to petition the Mayor and the Metro Council pursuant to KRS 91.750 through 91.762 to expand the boundaries of the District to include their properties.

(1999 Lou. Code, § 151.20) (Lou. Res. 231-1991, approved 8-30-1991; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

#### **§ 160.21 CONTRACTS.**

All contracts to be awarded by the Board of Directors should include a complete description of the services to be provided and duration, method of compensation, records to be maintained and submitted, and hold harmless agreements and limits of liability insurance requirements.

(1999 Lou. Code § 151.21) (Lou. Res. 231-1991, approved 8-30-1991; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

#### **§ 160.22 SECURITY SERVICES.**

(A) Maintaining a secure and safe environment in the downtown area through a comprehensive crime prevention approach should be a priority goal of the District. To further that goal, the Board of Directors should consider the following principles to assist

in the creation and maintenance of an environment where people can feel safe to live, work, travel or visit:

(1) *Natural surveillance.* The placement of physical features, activities and people in such a way as to maximize visibility. The lighting of public spaces and walkways at night.

(2) *Natural access control.* The physical guidance of people coming and going from a space by the placement of entrances, exits, fencing, landscaping and lighting.

(3) *Territorial reinforcement.* The use of physical attributes that express ownership, such as fences, pavement treatments, art, signage and landscaping.

(4) *Maintenance.* Allows for the continued use of a space for its intended purpose. Serves as an additional expression of ownership. Prevents reduction of visibility from landscape overgrowth and obstruction or inoperative lighting.

(B) The economic improvement plan should provide background information and an evaluation of the District, including data on crime, land use, housing and zoning, traffic and transportation and demographics. This data should be analyzed to determine relationships between the physical environment and crime. Once relationships have been determined, the District should outline a comprehensive strategy to reduce crime and improve the quality of the environment in the District.

(C) It is recommended that the Board of Directors conduct a crime survey of all businesses and residents to identify significant indicators from crime data and a consensus of perception of crime from the community of the District. Specific crime prevention measures that should be considered include business and residential block watches. The crime prevention strategy should also be in accordance with the comprehensive plan and the Metro Government's capital improvement program. Technical assistance and information services will be provided by the Metro Division of Police's Office of Crime Prevention or that Office's successor.

(D) It is anticipated the District will deploy a special corps of uniformed "community service officers" to supplement existing downtown security provided by the Metro Government and private property owners. The community service officers should include the following characteristics:

(1) Officers should be consumer friendly, unarmed but equipped with two-way communications that can be used to get instant information or to alert proper authorities to any situations that arise.

(2) Supervisors should be carefully selected to ensure high professional standards are observed, to provide continuous linkage to the Division of Police communications network and to operate with necessary police powers in the event of an emergency.

(3) Day-to-day operations of the security program should be managed by a private contractor to be selected through a competitive process. Criteria should include prior command experience with the Division of Police, to ensure effective liaison with the Division of Police for day-to-day downtown operations.

(4) Screening and training of community service officers must be given top emphasis. Personnel with prior or ongoing professional security training should be selected when possible.

(5) Development patterns should be strategic, emphasizing parking area and high pedestrian traffic corridors, including to and from places of work, entertainment and residences. Community service officers should be concentrated on blocks in private ownership, as public sector and tax exempt properties will receive no service and those public sector

(6) A key objective should be to provide a visible security presence at least once each hour during times of maximum deployment. Off-peak schedules will follow changes in activity from zone to zone, such as restaurant or performance hours.

(7) Criteria should be established for the selection of community service officers to ensure that candidates have the background, personality and leadership qualities necessary to perform tasks outlined in the position description.

(8) A training program should be established to ensure excellent performance by officers. The Division of Police should be approached about the design and implementation of such a training program for community service officers.

(E) Program effectiveness will be multiplied by emphasizing improved coordination and communication between security departments of property owners and the Division of Police. A steering Committee of private and public sector security professionals should be established to advise the District Board on methods for achieving maximum coordination of efforts, and to obtain the most cost-effective deployment of available District personnel.

(1999 Lou. Code, § 151.22) (Lou. Res. 231-1991, approved 8-30-1991; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

### **§ 160.23 MAINTENANCE SERVICES.**

(A) The District should offer a basic package of maintenance services, to include policing all privately owned sidewalks once per day, seven days per week. Principal alleys should be policed once per week. Basic coverage would include picking up trash and spot weeding as needed.

(B) The estimated first-year funding is sufficient to provide additional maintenance beyond the basic level, as needed to achieve consistent standards and attractive

appearance. Secondary treatment could include scheduled maintenance of tree grates, bus stop zones, and intensified cleaning for selected zones of high pedestrian concentration.

(C) Maintenance services should be provided by a commercial vendor under a multi-year contract to the District. Maintenance personnel should be closely supervised to ensure consistent performance. Identifiable uniforms and equipment should be utilized to help create public awareness for the District's efforts to improve the downtown environment.

(D) The District should closely coordinate its efforts with the Metro Government to ensure existing public maintenance services are continued or improved.

(1999 Lou. Code, § 151.23) (Lou. Res. 231-1991, approved 8-30-1991; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

#### **§ 160.24 MARKETING SERVICES.**

(A) A strong, economic development-oriented program of marketing should be developed for the District. It should focus on two primary markets:

- (1) Downtown consumers and visitors; and
- (2) Businesses that could move downtown, or that should remain and expand downtown.

(B) The marketing program should build on prior marketing strategies. Consumer marketing should receive roughly 50% of the budgetary emphasis.

(1999 Lou. Code §151.24) ( Lou. Res. 231-1991, approved 8-30-1991; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

#### **§ 160.25 MANAGEMENT AND ADMINISTRATION.**

The Board shall provide for the District's day-to-day management and administration as it deems appropriate. Expenditures for management and administration should not exceed 15% of the District budget. Management and administrative support services should include:

(A) Procurement of security, maintenance and marketing services from vendors, administration of related contracts and supervision related to contract compliance and quality assurance;

(B) Training activities to support services delivery;

(C) Annual development of an Economic Improvement Plan as required by state statute and the above referenced ordinance, including evaluation of program effectiveness and monitoring level of metropolitan services;

(D) Provision of administrative support to the District Board of Directors;

(E) Maintenance of all financial and administrative records, and yearly audit of expenses and revenues;

(F) Provision of liability insurance as needed to cover all operations;

(G) Provision of a conveniently located, fully-equipped office with space for District meetings;

(H) Dedicated phone service including answering machine and fax capabilities; and

(I) Provision of office supplies, postage and incidentals.

(1999 Lou. Code, § 151.25) (Lou. Res. 231-1991, approved 8-30-1991; Lou. Am. Ord. No. 269-1998, approved 12-21-1998; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

#### **§ 160.26 REPORT.**

The Board of Directors is directed to submit a report to the Mayor and Metro Council after the end of each year of the District's operation, detailing how it has addressed the directives and principles enumerated in §§ [160.20](#) through [160.25](#). Such report shall be separate from and in addition to any other report required by the above referenced provisions establishing the District.

(1999 Lou. Code, §151.26) (Lou. Res. 231-1991, approved 8-30-1991; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

#### **§ 160.27 ADVISORY COUNCIL.**

The Board of Directors of the District may establish, pursuant to the bylaws adopted for the District, an Advisory Council to the Board of Directors. The membership of the Council should encompass a broad range of benefited property owners and tenants and should also include persons with technical knowledge of aspects of property maintenance, security, or other economic improvements provided by the District.

(1999 Lou. Code, §151.27) (Lou. Res. 231-1991, approved 8-30-1991; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)

#### **§ 160.98 SEVERABILITY.**

If any provision of this chapter as now or later amended or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

(1994 Jeff. Code, § 10.01) (Jeff. Ord. 36-1994, adopted and effective 12-20-1994; Lou. Metro Am. Ord. No. 195-2006, approved 10-31-2006)