

## **Exhibit B**

### **KENTUCKY KINGDOM, LLLP DEVELOPMENT AREA DEVELOPMENT PLAN**

#### **History**

The Kentucky Kingdom theme park is situated on 58 acres owned by the Kentucky State Fair Board ("KSFB") immediately east of the Kentucky Exposition Center ("KEC") and north of 1-264 and Louisville International Airport. The site was first developed as an amusement park ("Park") in 1987 and was owned and operated by several operators until it was closed in 2009. The Park was expanded several times, with new rides and attractions added, most notably a water park. While the Park enjoyed significant success for many years, the last operator went into bankruptcy and closed the Park.

The closure of the Park has had an adverse impact upon Louisville. At its peak, the Park attracted over one million visitors a year, including a large percentage from out of town. The Park employed nearly one thousand part-time employees each year, primarily high school and college age youth. The closing also resulted in a loss of sales taxes, income taxes and occupational license fees paid to the Commonwealth and Louisville.

#### **Proposed Project**

Kentucky Kingdom, LLLP proposes to renovate and refurbish the Park as well as add new attractions. The Park will open to the public May 24, 2014 ("Project"). The members of the partnership are Edward J. Hart, Al J. Schneider Company, C. Edward Glasscock, and W. Bruce Lunsford.

#### **Proposed Investment and Employment**

The total capital cost for Kentucky Kingdom, LLLP to undertake the Project is estimated at \$43.5 million over the next three years. A copy of Kentucky Kingdom, LLLP's Sources & Uses is included as Attachment A. The Project will be financed with a capital contribution from Kentucky Kingdom, LLLP and a loan from a financial institution.

When the Park opens in 2014, Kentucky Kingdom, LLLP expects to employ 60 full-time employees and nearly 800 part-time employees, with a total payroll of over \$6 million a year. The Park will be open no less than 100 days and as many as 124 days each year and is expected to attract 800,000 visitors in its first year of operation. Attendance is projected to increase each year as more rides and attractions are added.

#### **Proposed TIF District**

In order to induce Kentucky Kingdom, LLLP to undertake the Project, Louisville proposes to designate the 58 acres of the Park together with an additional 20 acres that Kentucky Kingdom, LLLP has an option to lease for a total of 78 acres as a Development Area pursuant to KRS 65.7041-65.7083 ("Act"). This area will be known as the Kentucky Kingdom Development Area and is illustrated on the map included hereto as Attachment B ("Development Area"). The Development Area will be for the release of local taxes only and no state taxes will be released. Louisville proposes to release 100% of the occupational license

fees generated from the wages and salaries of employees hired to work in the Development Area for a period not to exceed ten (10) years.

The taxes released from the Development Area will be paid by Louisville to the Metro Development Authority, Inc. ("MDA") pursuant to a local participation agreement entered into between Louisville and MDA ("Agreement"). MDA will pay the amounts received from Louisville pursuant to the Agreement to Kentucky Kingdom, LLLP as an inducement for Kentucky Kingdom, LLLP to undertake the Project ("TIF Incentive"). The estimated amount of the TIF Incentive to be paid each year the Agreement is in effect is set forth in Attachment C, attached hereto.

### **Need for TIF Incentive**

All of the initial capital costs of the Project will be borne by Kentucky Kingdom, LLLP through its own capital or debt. Those costs will be incurred to refurbish the existing facilities and construct new facilities. However, in accordance with the terms of the lease with the KSFB, all improvements remain the property of the KSFB. Because Kentucky Kingdom, LLLP will not own the facilities it is constructing and renovating, Kentucky Kingdom, LLLP would not be willing to make the initial investment without state and local incentives. Kentucky Kingdom, LLLP has received approval from the Kentucky Economic Development Finance Authority for sales tax rebates pursuant to the Kentucky Enterprise Initiative Act and approval from the Kentucky Tourism Development Finance Authority for tax incentives pursuant to the Kentucky Tourism Development Act.

### **Compliance with Act**

The Act requires any development area established by a local government to comply with six criteria established by KRS 65.7049 as conditions precedent for the creation of development areas. The establishment of the Development Area meets the requirements of KRS 65.7049 as described below:

1. The Development Area is contiguous and, since its total area is 78 acres, it is less than three square miles;
2. The establishment of the Development Area will not cause the total assessed value of real property located in development areas in Louisville to exceed 20 % of total assessed value of real property in Louisville because the Development Area property is owned by KSFB and is therefore exempt from taxation and no real property taxes will be released;
3. The Development Areas possesses the following conditions as required by KRS 65.7049(3)(a):
  - (a) More than 50% of commercial structures in the Development Area are deteriorating rapidly.
    - Rides and attractions have not been properly cared for while the Park has been closed the past four years.
    - Proper winterization precautions were not followed when the Park was closed.
    - The pumps for the water attractions were not removed during the winter for inspection.
    - Many buildings have leaky roofs.
    - Rides need to be completely refurbished in order to ensure safety.
    - Vegetation has overtaken some of the attractions and walkways, making them unsafe.
    - At least 75% of current attractions are inoperable as of April, 2013.

(b) Substantial abandonment of commercial structures located in the Development Area has occurred.

- The facilities were abandoned without concern for future viability.
- Many items were placed in crates in order to be shipped to other parks operated by the previous owner.
- All rides and attractions were left in the operating state instead of being winterized.
- All buildings were abandoned and have significantly deteriorated over the last four years.
- All facilities were stripped of anything of value including roller coaster trains, lockers, inner tubes, parts for rides and attractions, etc.
- Restrooms were left with human waste and not winterized.
- All buildings require painting and carpentry work.

(c) The current conditions existing in the Development Area impair the growth and economic development of Louisville.

- Without a well-operated amusement and water park, the Park will continue to deteriorate.
  - The KEC will gain more events with a well-operated amusement and water park.
  - The reopened Park will bring increased revenue (through parking revenue, rent and sales) for the KEC and surrounding businesses.
  - The development of the Park will create jobs and encourage other businesses to expand and/or locate in the area. This includes hotels, restaurants, gift shops, gas stations and convenience stores.
  - Expected attendance of 800,000 in the first year, increasing each year, will increase the need for more support services and goods in the surrounding area.
4. The Development Area will not be developed without public assistance. As discussed above, Kentucky Kingdom, LLLP would not be willing to undertake the Project without state and local incentives.
  5. The public benefits of the Project exceed the public costs of the TIF incentives. As discussed above, the Development Area is currently abandoned, creates no tax revenues for Louisville and has no employment. After the Project is undertaken, almost 800 persons will be employed in the Development Area, with a yearly payroll of over \$6 million and more than 800,000 visitors will come to the Development Area, at least 25% of whom will be from other states. In addition, the Project will increase tax revenues to Louisville and increase tourism and convention business in Louisville.
  6. The area immediately surrounding the Development Area has not been subject to growth and development through investment by private enterprise. An adjacent hotel was demolished and nearby businesses, including restaurants and filling stations, have been hurt because of the loss of visitors to the Development Area after the amusement park closed.

### **Summary**

The establishment of the Development Area is in compliance with the requirements of the Act. The Project induced by the establishment of the Development Area will revive a dormant and shuttered amusement park that is currently a blight on the KEC property and transform it into an active and

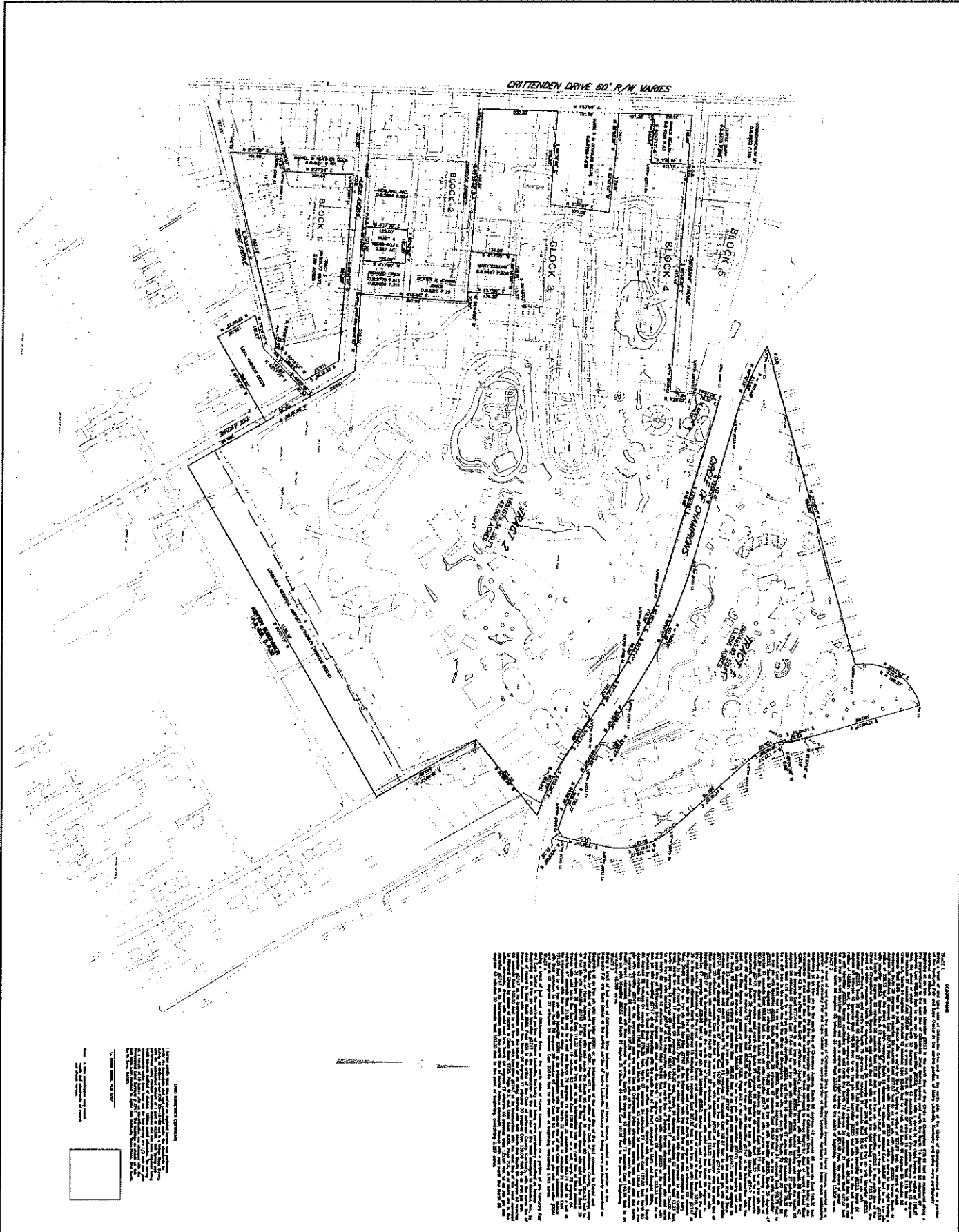
exciting recreational attraction that will create jobs, increase tourism to Louisville, and increase tax revenues for Louisville and the Commonwealth.

**ATTACHMENT A**  
**KENTUCKY KINGDOM: Estimated Sources & Uses of Funds**  
**2013 - 2016**

SOURCES:		USES:	
<b>2013 - July 2014</b>			
		<b>BUILDINGS</b>	
Capital Contribution	\$ 19,000,000	- Refurbish existing	\$ 2,878,302
		- New technical services building	\$ 600,000
Bank Loan	\$ 15,000,000		
		<b>REPAIR AND REFURBISH RIDES</b>	\$ 3,694,254
		- Suspended looping coaster	\$ 954,000
		<b>NEW RIDES</b>	
		- Water park	\$ 10,500,000
		- Kraken Racer (6-lane mat slide) - deferred	
		- Steel coaster	\$ 4,710,000
		- 135-foot giant swing ride	\$ 503,500
		<b>NEW EQUIPMENT</b>	\$ 3,785,700
		<b>LANDSCAPING AND SITE WORK</b>	\$ 650,000
		<b>PROFESSIONAL SERVICES</b>	\$ 350,000
		<b>CONSTRUCTION LOAN INTEREST</b>	\$ 174,833
		<b>BANK FEE AND CLOSING COSTS</b>	\$ 214,000
		<b>2013-2014 WORKING CAPITAL</b>	\$ 4,744,812
		<b>CONTINGENCY</b>	\$ 240,599
<b>TOTAL</b>	<b>\$ 34,000,000</b>	<b>TOTAL</b>	<b>\$ 34,000,000</b>
<b>June 2014 - July 2014</b>			
		<b>REPAIR AND REFURBISH RIDES</b>	
Capital Contribution	\$ 3,334,000	- Suspended looping coaster (balance)	\$ 246,000
		<b>NEW RIDES</b>	
		- Steel coaster (balance)	\$ 1,240,000
		- 135-foot giant swing ride (balance)	\$ 387,500
		- Kraken Racer (6-lane mat slide)	\$ 1,100,000
		<b>REFURBISH BUILDINGS (balance)</b>	\$ 302,000
		<b>PROFESSIONAL SERVICES (balance)</b>	\$ 58,500
<b>TOTAL</b>	<b>\$ 3,334,000</b>	<b>TOTAL</b>	<b>\$ 3,334,000</b>
<b>August 2014 - October 2016</b>			
		2015 - Water Attraction	\$ 1,500,000
Capital Contribution	\$ 6,166,000	2016 - "Twisted Twins" Coaster	\$ 4,666,000
<b>TOTAL</b>	<b>\$ 6,166,000</b>	<b>TOTAL</b>	<b>\$ 6,166,000</b>
<b>GRAND TOTAL</b>	<b>\$ 43,500,000</b>	<b>GRAND TOTAL</b>	<b>\$ 43,500,000</b>

**ATTACHMENT B**

**(See next page)**



1. ALL DIMENSIONS SHALL BE AS SHOWN ON THIS PLAN UNLESS OTHERWISE SPECIFIED.  
2. ALL DISTANCES SHALL BE AS SHOWN ON THIS PLAN UNLESS OTHERWISE SPECIFIED.  
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6. ALL DISTANCES SHALL BE AS SHOWN ON THIS PLAN UNLESS OTHERWISE SPECIFIED.

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**SURVEY**  
FOR  
**KENTUCKY STATE FAIRGROUNDS**

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DESIGNED: [Name]  
BY: [Name]

REVISIONS:		DESCRIPTION
NO.	DATE	

KENTUCKY KINGDOM

**ATTACHMENT C**  
**KENTUCKY KINGDOM: Estimated Payroll & TIF Incentive**  
**2014 - 2023**

<b>Year</b>	<b>Estimated Payroll</b>	<b>Estimated Occupational Taxes</b>	<b>Estimated TIF Incentive</b>
2014	\$ 6,321,000	\$ 79,013	\$ 79,013
2015	\$ 6,940,000	\$ 86,750	\$ 86,750
2016	\$ 7,468,000	\$ 93,350	\$ 93,350
2017	\$ 7,617,360	\$ 95,217	\$ 95,217
2018	\$ 7,769,707	\$ 97,121	\$ 97,121
2019	\$ 7,925,101	\$ 99,064	\$ 99,064
2020	\$ 8,083,603	\$ 101,045	\$ 101,045
2021	\$ 8,245,275	\$ 103,066	\$ 103,066
2022	\$ 8,410,181	\$ 105,127	\$ 105,127
2023	\$ 8,578,385	\$ 107,230	\$ 107,230