



Louisville Slugger Field Mixed-Use Development

Public Financing and Economic Impacts

Presented to: Labor and Economic Development Committee



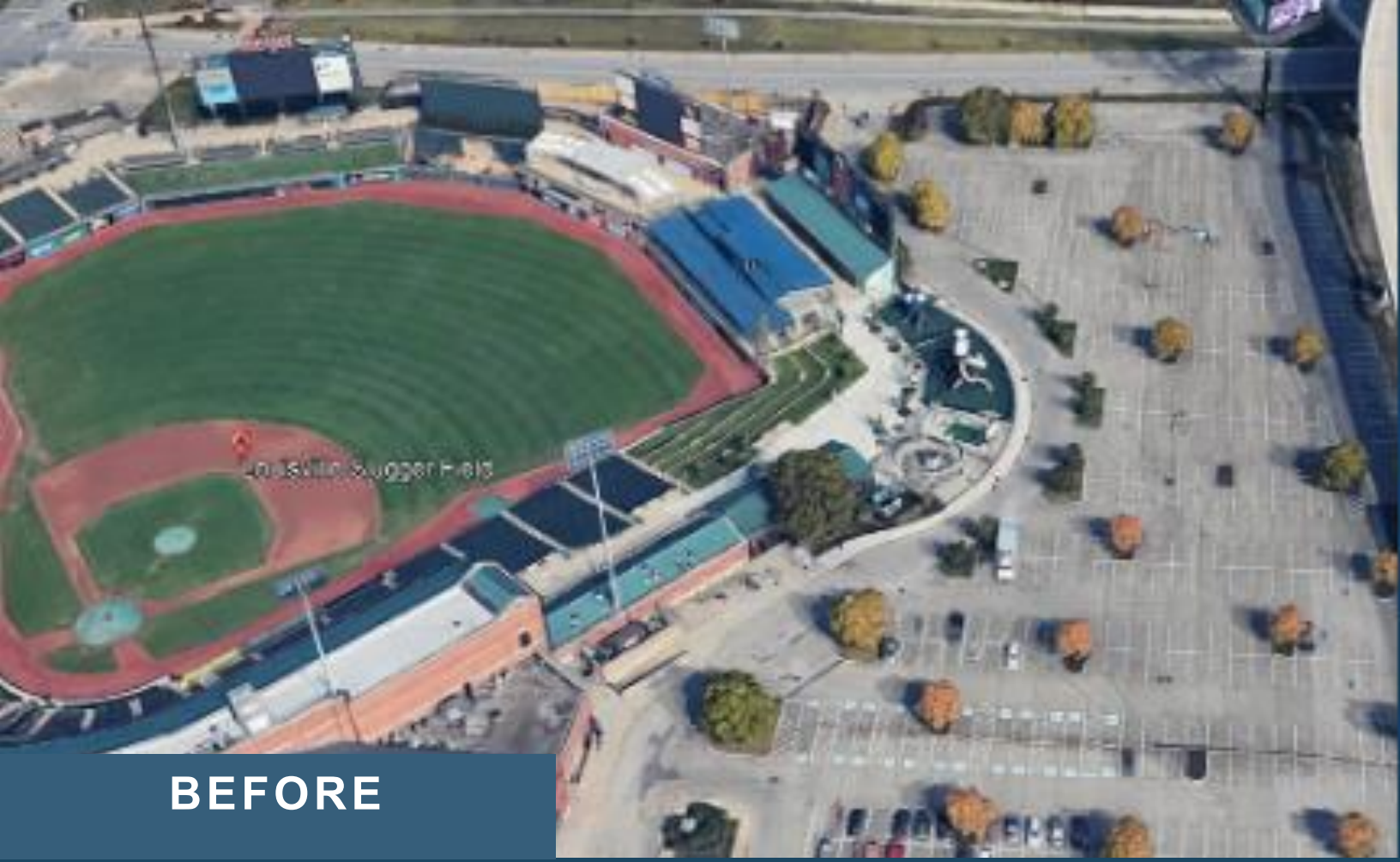
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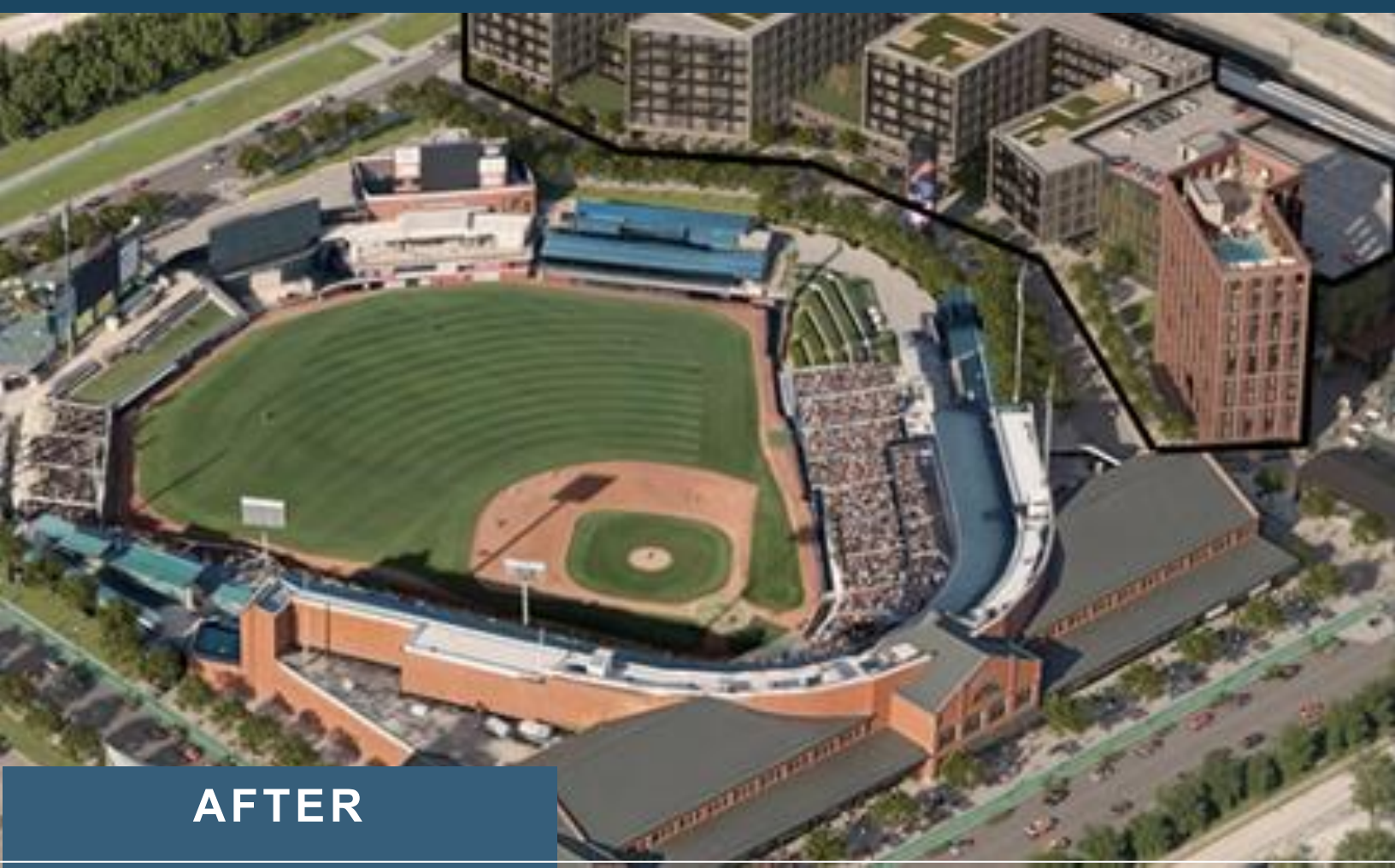
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BEFORE



AFTER

INTRODUCTION

Transform Project Site

PURPOSE

- Activate an underutilized brownfield parking lot into a mixed-use destination in the heart of Louisville
- Create significant new revenue for Metro Louisville
- Capitalize on the success of the YUM Center to drive further economic development

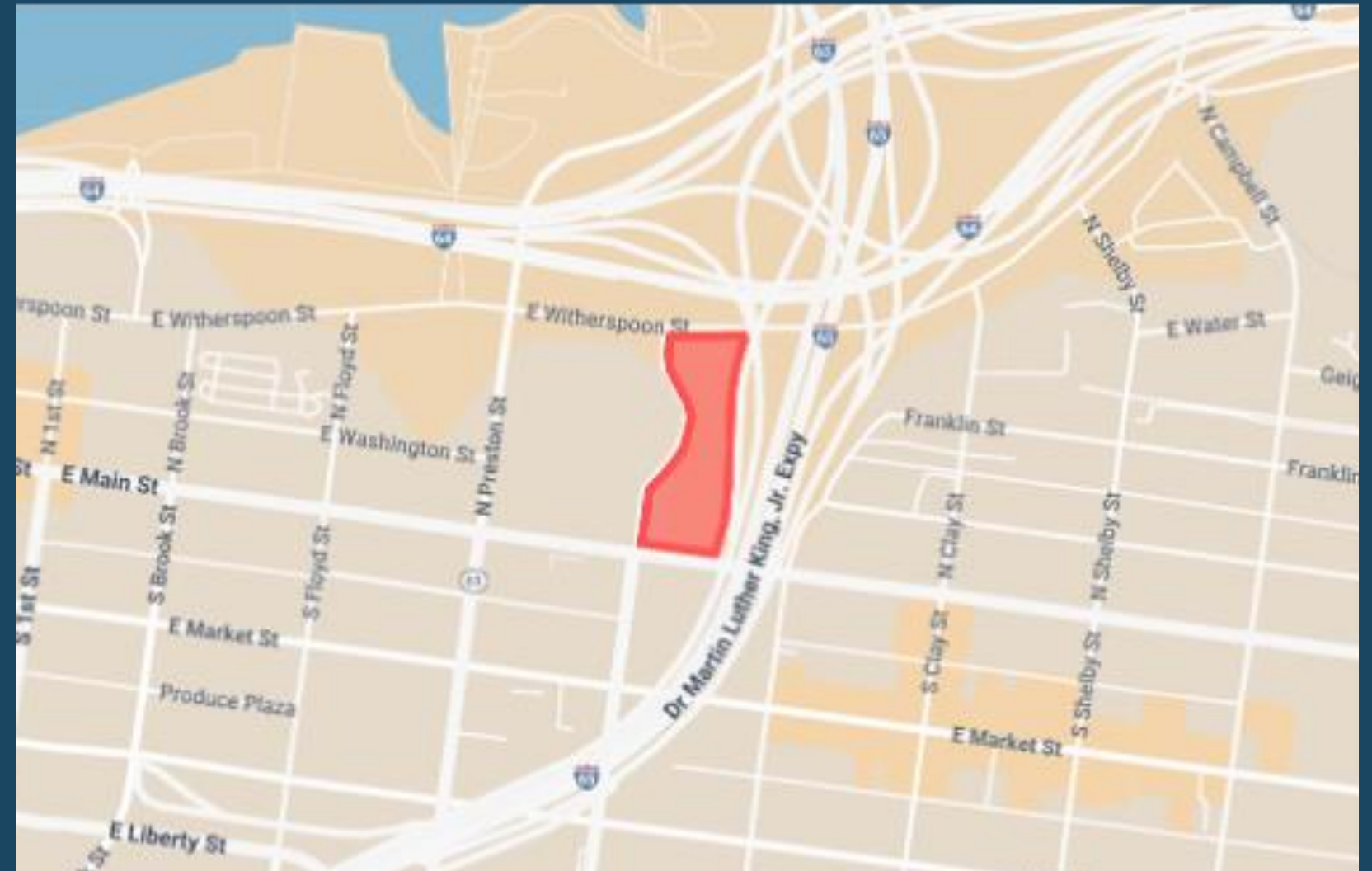
RESULTING IMPACTS

- \$200M+ investment creates year-round downtown activity where there currently is none
- Increase tax revenues to Metro Government, KFC Yum! Center, and JCPS
- Increase downtown housing and add 300+ new residents

Existing Condition & Location



CURRENT USE



LOCATION



BEFORE

INTRODUCTION

Previous Successes of YUM! Center

KFC Yum! Center started the long-term redevelopment vision to revitalize downtown Louisville and is now celebrating 15 years of success.

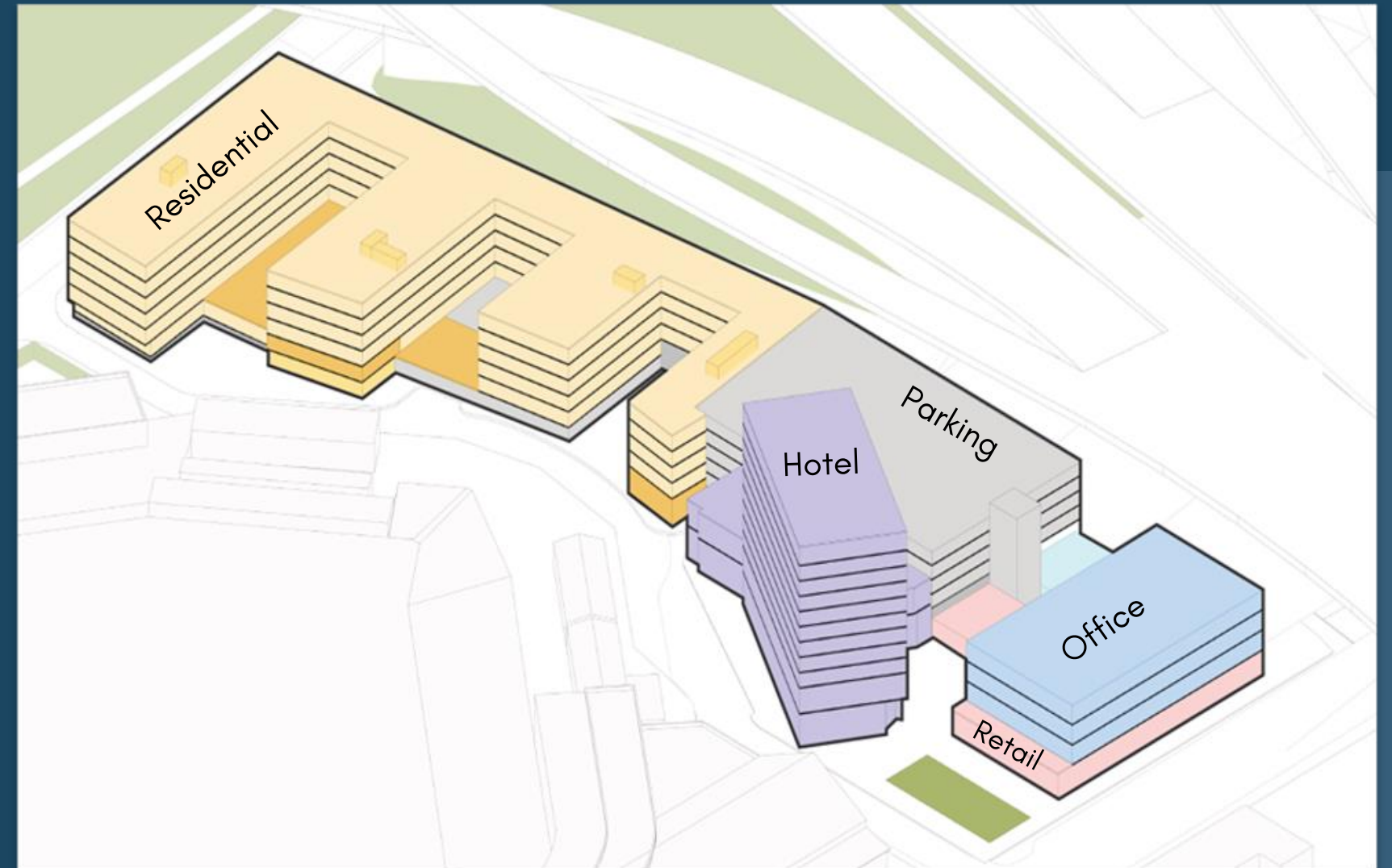
The resulting financial success has enabled us to consider large-scale, transformational developments within the downtown core, creating incentives for additional future investment and development in downtown.



AFTER

Proposed Development Plan

Property Type	Units / Rooms	GSF
Residential		
Multi-Family	242	236,394
Sub-total Residential	242	236,394
Commercial		
Hotel	151	99,500
Office	-	50,163
Retail	-	
General	-	5,925
F&B		9,680
Sub-total Commercial	151	165,268
Total Development	393	401,662
Parking		
Multi-Family	88	-
Public Garage	575	-
Total Parking	663	-



Capital Stack & Funding Gap



Project capital stack includes equity, debt, and anticipated public incentives



Material funding gap remains after private investment and conventional financing

- Without additional support, the project will not proceed



Pursuing State Decontamination Tax Credit to utilize available resources

- Only after exhausting options is IRB support requested



IRB Support Is Essential



Community Impact

Project complements the KFC Yum! Center brownfield revitalization and generates incremental Metro and State tax revenues



Underutilized Land

Brownfield and flood plain site development is ~\$30M more expensive than a greenfield site



Lost Opportunity

IRB issuance allows for shortfalls in traditional financing to be overcome and enable downtown development

Overview

Project leverages two primary public financing tools:

- Arena Pilot Tax Increment Financing (TIF)
- **Industrial Revenue Bonds (IRB)** → *Today's focus*

These tools are structured to bridge funding gaps and support impactful redevelopment initiatives

Programs are structured to eliminate city risk, as they provide benefits only if the project performs, while still supporting project viability and public benefit



IRB Program

Abatement of local metro real estate taxes and reduction of state real estate taxes.

- Local metro tax rate abated: 0.437% of assessed value
- State real estate tax reduced to KEDFA-approved rate of 0.015%

Projected assessed value at build-out: \$110M

- Annual appreciation of 2%

Jefferson County Public Schools (JCPS) to receive a 100% PILOT

- PILOT results in ~\$30M in net new revenue over 40 years



Metro Louisville Economic Impact Analysis (EIA)

<i>Economic Impacts to Metro Louisville</i>	Current Revenue ¹ (2024)	Annual Impacts At Stabilization (2030)	Cumulative Impacts (40 Years) ³
Local real property tax increment revenues (non-pledged) ²	\$0	\$0	\$0
Local occupational license tax revenues (non-pledged) ²	\$1,308	\$56,589	\$7,907,664
Local transient room tax revenues	\$0	\$869,120	\$46,962,276
Additional tax revenues	\$0	\$61,822	\$3,340,531
Total projected tax revenues to Metro Louisville	\$1,308	\$987,531	\$58,210,471

¹The current economic impacts are based on tax revenues generated by the parking lot. Gross annual revenues (\$142,000), net annual revenues (\$50,000), and labor income, employment, and output calculated using IMPLAN Group, LLC.

²Represents 20% of revenues excluded from the developer’s 30-year TIF pledge, allocated to Metro Louisville. Upon expiration of the TIF, 100% of revenues are allocated to Metro Louisville.

³Annual impact escalated at 2% annually.

Off-Site Economic Impact Analysis (EIA)

<i>Off-Site Economic Impacts</i>	Permanent Impacts		Temporary Construction	Total
	Annual Impacts At Stabilization (2030)	Cumulative Impacts (40 Years)		
<i>Metro Louisville:</i>				
Occupation license tax revenues	\$361,711	\$19,544,808	\$386,334	\$19,931,142
<i>State:</i>				
Sales and use tax revenues	\$808,615	\$43,692,907	\$1,337,620	\$45,030,527
Employer payroll withholding tax revenues	\$381,649	\$20,622,110	\$695,169	\$21,317,279
Corporate income tax revenues	\$275,703	\$14,897,383	\$305,095	\$15,202,477
Total off-site economic impacts	\$1,827,678	\$98,757,208	\$2,724,217	\$101,481,425

WHY IT MATTERS

Employment Impacts

<i>Permanent Employment Impacts</i>	Permanent Jobs	Annual Income
Total direct impacts	326	\$21,330,177
Total off-site impacts	311	\$22,071,888

<i>Temporary Construction Employment Impacts</i>	Temporary Jobs	One-Time Income
Total direct impacts	567	\$43,057,077
Total off-site impacts	336	\$24,804,797

Source: IMPLAN

WHY IT MATTERS

Strategic Benefits



Tax base growth

Increases property, sales, and payroll taxes



Downtown revitalization

\$200M+ investment activates underutilized land and attracts new residents, businesses, and visitors



Catalyst for further investment

Spurs additional development and enhances Louisville's regional competitiveness

- Continuation of downtown revitalization and public investment started with the KFC Yum! Center





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