

KENTUCKY HISTORIC TAX CREDIT IMPACT ANALYSIS

Baker Tilly- February 2016

INTRODUCTION

The purpose of this report is to estimate the economic and fiscal impact of the State of Kentucky's recent Enhanced Historic Tax Credit (EHTC), enabling projects to claim the 20% rehabilitation tax credit. The approach in this report looks at the benefits of the program in terms of overall economic output, jobs created, tax revenue, and includes a cost-benefit analysis and pay-back schedule of the seven commercial, mixed-use projects that were approved and meet the minimum requirements under the EHTC program since July 15, 2014.

Cumulatively, the seven projects analyzed within this report have estimated total project costs of \$305.2 million, qualifying rehabilitation expenses (QREs) of \$205.09 million and are estimated to qualify for \$33.8 million in EHTC. The estimated \$33.8 million in EHTC will be paid out across 4 years (following construction completion), roughly \$8.45 million annually.

Kentucky is one of 33 states that offer a state Historic Tax Credit. Its EHTC program is comparable to 18 states that have no program-level cap. Nine additional states have annual program caps that exceed Kentucky's recent anticipated \$8.45 million 4 year annual EHTC award (\$33.8 million in aggregate). Compared to Kentucky's \$6 million per project cap, eighteen states also have no per-project cap for projects. While details to each state's program vary, ten states match Kentucky's 20% EHTC allowance.

HISTORIC TAX CREDITS

Information on comparable states is sourced from the National Trust for Historic Preservation.

10 STATES MATCH KENTUCKY'S 20%

DELAWARE, MARYLAND, MASSACHUSETTS, MINNESOTA, NEBRASKA, NEW YORK, OKLAHOMA, RHODE ISLAND, UTAH, WISCONSIN

18

STATES HAVE NO ANNUAL CAP

GEORGIA, ILLINOIS, KANSAS, LOUISIANA, MAINE, MINNESOTA, MONTANA, NEW MEXICO, NEW YORK, NORTH DAKOTA, NORTH CAROLINA, OKLAHOMA, SOUTH CAROLINA, TEXAS, UTAH, VIRGINIA, WEST VIRGINIA, WISCONSIN

33 STATES WITH HTCS

ALABAMA, ARKANSAS, COLORADO, CONNECTICUT, DELAWARE, GEORGIA, ILLINOIS, IOWA, KANSAS, KENTUCKY, LOUISIANA, MAINE, MARYLAND, MASSACHUSETTS, MINNESOTA, MISSISSIPPI, MISSOURI, MONTANA, NEBRASKA, NEW MEXICO, NEW YORK, NORTH DAKOTA, NORTH CAROLINA, OHIO, OKLAHOMA, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, TEXAS, UTAH, VERMONT, VIRGINIA, WEST VIRGINIA, WISCONSIN

9 STATES EXCEED KENTUCKY'S 20%

ALABAMA, CONNECTICUT, IOWA, MASSACHUSETTS, MISSISSIPPI, MISSOURI, NEBRASKA, OHIO, RHODE ISLAND

LEGISLATIVE HISTORY

Since 2005, the State of Kentucky has offered an Historic Tax Credit (HTC) on qualified rehabilitated expenditures on building projects and renovations across the state.

In the final days of the 2014 legislative session, the Kentucky Legislature passed HB445 that allowed for a limited-term Enhanced Historic Tax Credit (EHTC). At that point Kentucky's HTC program provided for a \$5 million annual program cap and a \$400,000 cap per project for commercial properties.

The legislation in HB445 took effect as of July 15, 2014 for qualifying projects that began construction prior to July 1, 2015. The limited-term EHTC program's qualifying requirements include:

- (1) The certified historic structure must be located within the jurisdiction of a consolidated local government or urban-county government;
- (2) The amount of qualified rehabilitation expenses (QRE) must exceed \$15,000,000;
- (3) The certified historic structure must be located within one-half (1/2) mile of a tax increment financing development area which has received at least preliminary approval.

Kentucky's approved EHTC allows for a 20% historic tax credit, based upon a project's QREs, with a per-project cap on the tax credit of \$6 million. There is no overall program cap to the EHTC, and tax credits can be claimed once the Kentucky State Historic Preservation Office has approved a project's EHTC Part III Application: Request for Certification of Completed Work and projects have yet to move forward into requests for approval of their Part Three applications, for this reason the QREs are estimated as actual data driven by approved Part Three's does not exist at this time. The EHTC is paid out over 4 years at a rate of 25% annually.

Prior to the 2014 tax credit program expansion, Kentucky's HTC program had enabled 832 historic rehabilitation projects to be completed in Kentucky with a total of \$647.26 million in private investment.¹

KEY REPORT FINDINGS



- The program is estimated to see a complete return on investment (ROI) of the anticipated \$33.8 million in EHTC expended by the end of the second year of the credit period in direct State collected tax revenue alone. At this time more than \$42.4 million of direct State tax revenue is projected to be collected and offset against \$16.9 million of EHTC claimed for the period for a leverage value of \$2.5 : \$1.
- Kentucky's approval and limited use of a 20% Enhanced Historic Tax Credit has seen a healthy use of the program with significant economic activity and tax revenue produced as a result. The EHTC should see a complete ROI to State of Kentucky tax revenue within the pay-out period of the EHTC, generation of more than 3,400 FTE jobs, and total economic output and wages in excess of \$626.2 at stabilization with construction period output and first year stabilization combined.
- For the estimated \$33.8 million spent in EHTC, the program is anticipated to create more than 2,374 direct jobs, with 1,058 jobs as a result of construction activities and 1,317 permanent jobs in the state. The 7 projects are projected to create an additional 1,100 ripple-effect jobs (indirect and induced), with 666 additional construction related positions and 431 added permanent full-time equivalent positions.
- Overall, taxes from direct operations that are eligible for state collection are estimated to bring more than \$12.97 million annually to the State of Kentucky, as of project stabilization. By Year 10 it is estimated the State of Kentucky will have received more than \$164.8 million in direct tax revenue from these 7 projects. By Year 20, it is estimated the State of Kentucky will have received more than \$364.7 in direct tax revenue.
- Construction is estimated to create \$250.2 million in direct economic output and wages for Kentucky's economy, while secondary activity driven from this investment is anticipated to drive an additional \$120 million.
- The 7 projects supported by the EHTC program are projected to generate \$180.45 million in direct economic output, and \$75.1 million in secondary output, for a total impact on Kentucky's economy of \$255.5 million by the end of the first year of stabilized operations.*

*stabilized means the property has achieved economic sustainability

EMPLOYMENT AND LABOR INCOME



CONSTRUCTION

Analyzing the construction information provided for each project by the Louisville Downtown Partnership, the seven likely EHTC projects are anticipated in total to create a total of 1,723 jobs. These projected jobs are made up of 1,058 direct full time equivalent (FTE) jobs and another 665 FTE positions projected to be created through indirect and induced output.

CONSTRUCTION			
	Jobs	Labor Income	Output
Direct Effect	1,058	\$63,183,433	\$186,978,877
Indirect Effect	276	\$16,207,929	\$38,659,728
Induced Effect	390	\$17,681,613	\$47,966,158
Total	1,723	\$97,072,975	\$273,604,763

The construction spending from the HTC award properties is anticipated to support a total of \$97.0 million in labor income, with \$63.2 million in direct wages. Indirect and induced construction spending accounts for an additional \$33.9 million spent on wages within Kentucky's economy.

OPERATIONS

Once construction ends and tenant operations begin, the projects' stabilized tenant bases provide additional employment sources. The seven approved projects are projected to create 1,748 FTE positions. This includes 1,317 direct, permanent FTE jobs and another 431 FTE positions that are anticipated to be created through indirect and induced output.

OPERATIONS			
	Jobs	Labor Income	Output
Direct Effect	1,317	\$44,527,909	\$135,922,896
Indirect Effect	170	\$8,329,461	\$22,466,524
Induced Effect	261	\$11,994,153	\$32,301,666
Total	1,748	\$64,851,523	\$190,691,086

The annual labor income from operations is projected to contribute a base of \$64.9 million to Kentucky's economy, with \$44.5 million originating directly from employment located within the seven projects. An additional \$73.18 million in labor income is added to Kentucky's economy through secondary catalytic effects.

PROJECT OUTPUT AND ECONOMIC DEVELOPMENT IMPACTS

The approved EHTC projects are anticipated to contribute more than \$190.69 million in total output to Kentucky's economy in Year 1 of operations, with direct output contributing more than 70% of the total.

Direct economic impact through construction and operations can be measured in catalytic community output and wages.

LABOR WAGES & OUTPUT				
	Construction	Output & Wages At Stabilization	Output & Wages After 10 Years*	Output & Wages After 20 Years*
Direct	\$250,162,310	\$180,450,805	\$2,318,828,560	\$5,098,943,017
Total	\$370,677,738	\$255,542,609	\$3,300,187,367	\$7,237,203,340

*Including 3% annual inflation

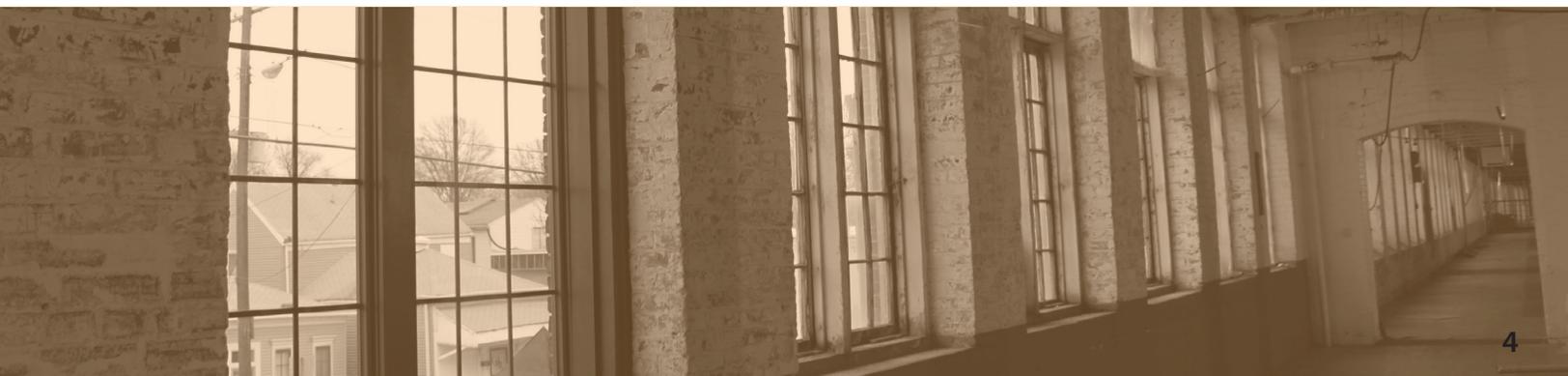
Prior to operations, the construction direct spending output alone is projected to generate an estimated \$187 million within Kentucky's economy and in total \$273.6 million in spending – more than 8 times the amount of the original tax credit awarded (as reflected in the chart on the prior page).

Direct community economic impacts from the properties' stabilized operations are projected to annually contribute \$190.7 million, not accounting for inflation. \$135.9 million is anticipated from direct impacts, with an additional \$54.8 million in secondary economic output.²

Combining labor wages and output, the projects supported by the EHTC program are projected to annually generate \$180.45 million in direct spending, and \$75.1 million in secondary spending, for a total impact on Kentucky's economy of \$255.5 million by the end of the first year of operations. Construction labor wages and output is estimated to create \$370.68 million in revenue for Kentucky's economy, direct wages and output contributing 2/3 of that revenue.

An investment of \$33.8 million in EHTCs is anticipated to yield an overall economic impact of \$430.6 million within the first year of stabilized operations, based on direct spending alone – more than 12.7 times greater than the original investment.

Based on economic output in the first year of annual stabilized operations, the seven projects under review are anticipated to exceed the EHTC investment by \$146.6 million in direct output, including wages, and to surpass the investment in total output at \$221.7 million in anticipated revenues and wages in this same period.



PROJECT OUTPUT AND ECONOMIC DEVELOPMENT IMPACTS

Based on the projected tax revenues to be collected by the State of Kentucky, the program is anticipated to never be an out of pocket expense for the state.

YEAR 10 OUTLOOK

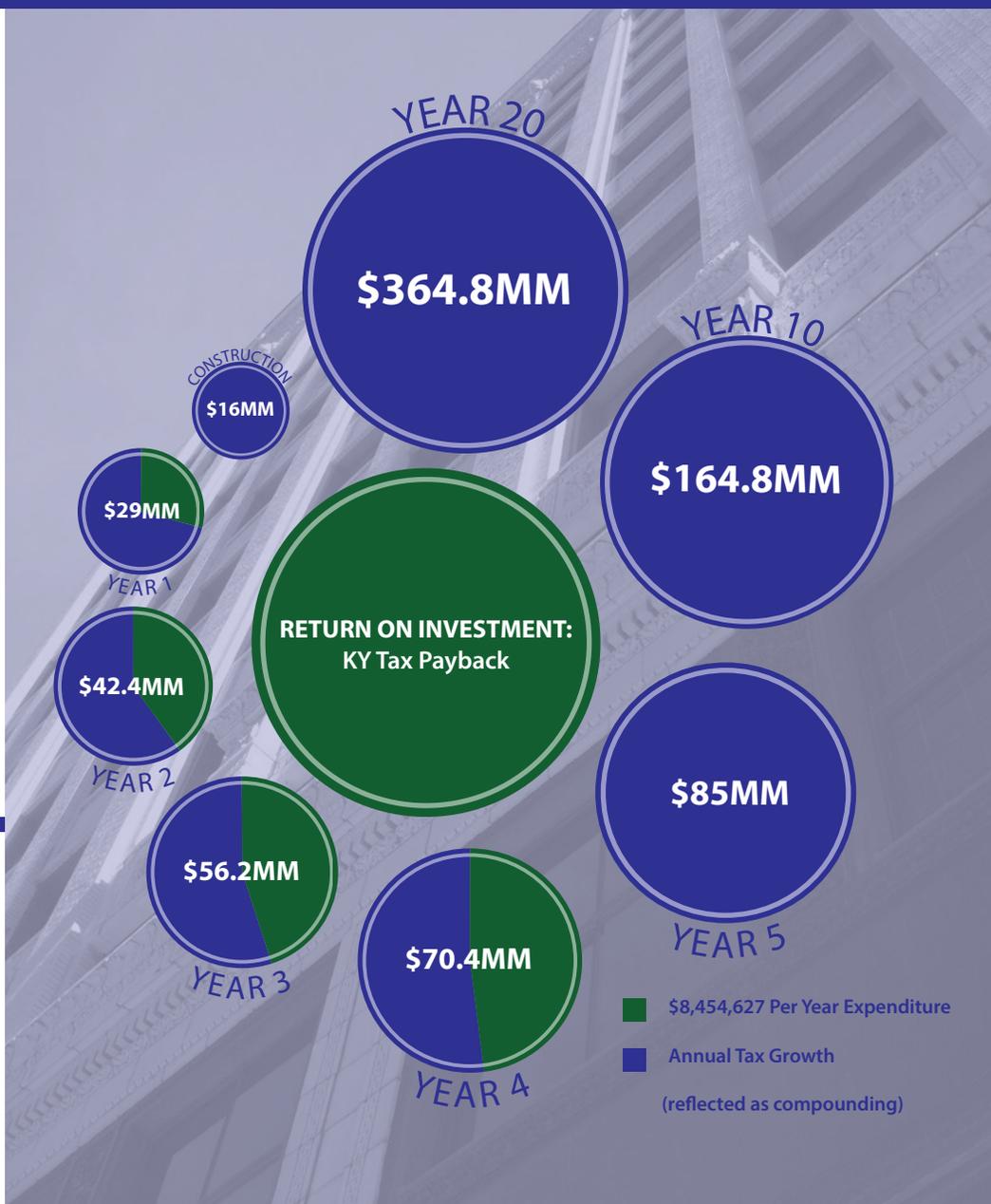
Projecting out future years, direct community output and wages at stabilization is estimated to bring by Year 10 of operations in excess of \$235.4 million annually, and cumulatively will have brought more than \$2.3 billion in direct effect to Kentucky's economy, a multiplier of over 68 times the EHTC investment of \$33.8 million.

Accounting for secondary effects, by Year 10 of operations it is anticipated that total economic output and wages of the 7 combined projects elevates the anticipated annual economic output to \$333.4 million. Cumulatively by Year 10 of operations, more than \$3.3 billion will have been generated in total economic output and wages since construction on these 7 projects.

YEAR 20 OUTLOOK

After 20 years, more than \$5.09 billion will have been received in Kentucky's economy through direct project sources from operational output and wages, with the annual economic output and wages projected at \$316.4 million in Year 20.

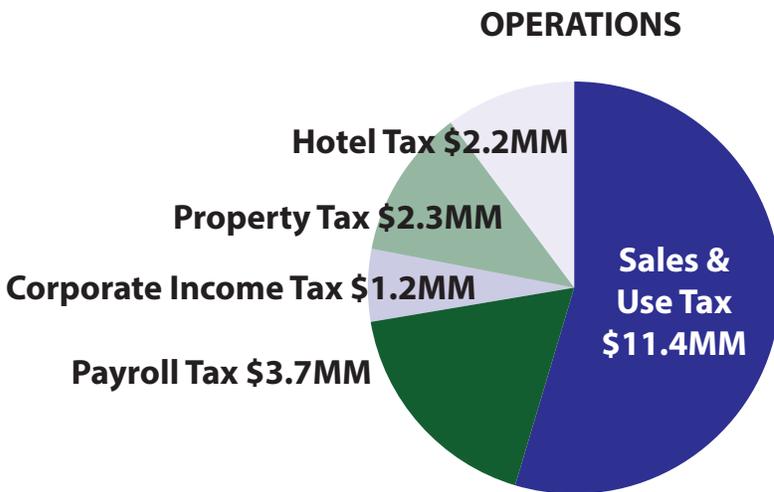
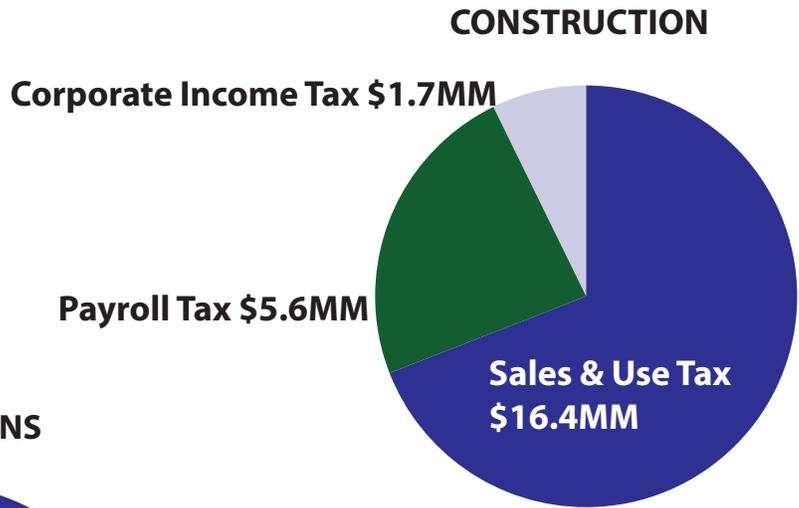
By Year 20, the 7 projects are anticipated to have an annual total contribution to Kentucky's economy of \$448 million in economic output and wages. Cumulatively by Year 20, total output and wages are estimated to have contributed more than \$7.2 billion.



IMPACT OF EHTC ON KENTUCKY TAXES

TOTAL COMMUNITY TAX IMPACT (State & Local)

CONSTRUCTION	
Direct	\$16,061,339
Total	\$23,770,228



OPERATIONS	
Direct	\$16,157,796
Total	\$20,967,696

CONSTRUCTION TAXES

CONSTRUCTION TAX IMPACTS

Direct Payroll Tax	\$3,664,639
Indirect & Induced Payroll Tax	\$1,965,593
Total Payroll Tax	\$5,630,233
Direct Sales Tax	\$11,218,733
Indirect & Induced Sales Tax	\$5,197,553
Total Sales Tax	\$16,416,286
Direct Corporate Income Tax	\$1,177,967
Indirect & Induced Corporate Tax	\$545,743
Total Corporate Sales Tax	\$1,723,710
Total Construction Taxes	\$23,770,228
Direct Taxes	\$16,061,339
Indirect & Induced Taxes	\$7,708,890

The construction period of the HTC program on the seven subject properties are estimated to contribute more than \$23.77 million when direct, indirect and induced taxes are considered. These figures are in addition to the \$311,700 the 7 projects had been paying in total in state and local property taxes, prior to rehabilitation. Cumulatively, new direct taxes from construction are estimated at \$16.06 million. Direct payroll taxes (calculated at 5.8%) are estimated at \$3,664,639 and direct corporate taxes (calculated at 6.0%) are estimated at \$1,177,967. Direct sales and use tax (calculated at 6%) is estimated to contribute \$11,218,733 in revenue to the State of Kentucky, allotted to construction material purchase. Secondary impacts are projected to produce an additional \$7,708,890 in Kentucky state tax revenue. \$1,965,593 from payroll tax, \$5,197,553 from sales tax and \$545,743 in corporate income tax.

IMPACT OF EHTC ON KENTUCKY TAXES

TAXES ON ANNUAL OPERATIONS

ANNUAL OPERATIONS TAX IMPACTS

Property Taxes - State Only	\$213,169
Property Taxes - School Only	\$1,255,047
Property Taxes - Other City / County	\$867,015
Total Property Taxes	\$2,335,232
Room Tax - City & Local	\$1,058,339
Transient / Lodging Tax - State	\$156,716
State Sales Tax	\$1,013,202
Total Hotel Taxes	\$2,228,258
Direct Payroll Tax	\$2,582,619
Indirect & Induced Payroll Tax	\$1,178,770
Total Payroll Tax	\$3,761,388
Direct Sales Tax	\$8,155,374
Indirect & Induced Sales Tax	\$3,286,091
Total Sales Tax	\$11,441,465
Direct Corporate Income Tax	\$856,314
Indirect & Induced Corporate Tax	\$345,040
Total Corporate Income Tax	\$1,201,354
Annual Operational Taxes	\$20,967,696

Overall, the 7 properties are estimated to provide more than \$20.97 million in taxes annually, with approximately \$16.16 million from direct sources.

New property taxes across all jurisdictions in Kentucky are estimated to generate an estimated total annual property tax for the 7 subject properties of \$2,335,232, compared to the construction period property taxes of \$311,700. The State of Kentucky is estimated to receive \$213,169, local school taxes would be \$1,255,047, and combined city and county taxes would add \$867,015 in tax revenues.

For the two subject properties that include a hotel component, total annual hotel taxes are estimated at \$2,228,258, with the State of Kentucky realizing \$1,013,202 in sales tax, and \$156,716 in a transient/lodging tax. An additional \$61,058,339 in room tax is projected to be realized by the local communities.³

Total payroll taxes for the 7 properties are estimated at \$3.76 million, with direct payroll taxes comprising \$2,582,619. Total corporate taxes are estimated at \$1.2 million annually, with those from direct sources comprising \$856,314. Total operational sales and use taxes are estimated to contribute more than \$11.4 million, with \$8,155,374 from direct sources in revenue annually to the State of Kentucky

DIRECT ANNUAL TAXES*

State of KY	\$12,977,394
City / County	\$1,925,355
School District	\$1,255,047
Total	\$16,157,796

*Property taxes, Hotel room tax, Payroll, Sales & Use, Corporate Income

Overall, taxes from direct operations that are eligible for state collection are estimated to bring more than \$12.97 million annually to the State of Kentucky, as of project stabilization.

By Year 10 it is estimated the State of Kentucky will have received more than \$164.8 million in direct tax revenue from these 7 projects. By Year 20, it is estimated the State of Kentucky will have received more than \$364.7 in direct tax revenue.

CALCULATING TAX CREDIT BENEFIT AND RETURN

Having previously discussed that economic output to Kentucky's economy alone would repay the \$33.8 million of EHTC awards before Year 1 of operations and during construction, we now turn our attention to directly analyzing tax payment return on investment (ROI) to the State of Kentucky:

Considering both construction and stabilization periods, and only looking at direct tax outputs, the Kentucky EHTC program is estimated to have a full ROI on the \$33.8 million of tax credit paid out by Year 2 of project operations.

The program is anticipated to create more than \$16 million in direct State of Kentucky taxes during construction, and more than \$12.9 million in direct annual taxes in Year 1. **By Year 2 of operations, more than \$42.4 million in tax revenues will have been received by the State, fully recovering the \$33.8 million of anticipated EHTC to be paid** over the first four years of operations to the 7 qualifying properties. (Note that only \$16.9 million in EHTC is estimated to be claimed in year 2).

Considering taxes paid to all government jurisdictions, the 7 properties are anticipated to have paid more than \$44.7 million in total taxes, by the end of Year 1, enabling a full ROI of the EHTC program.

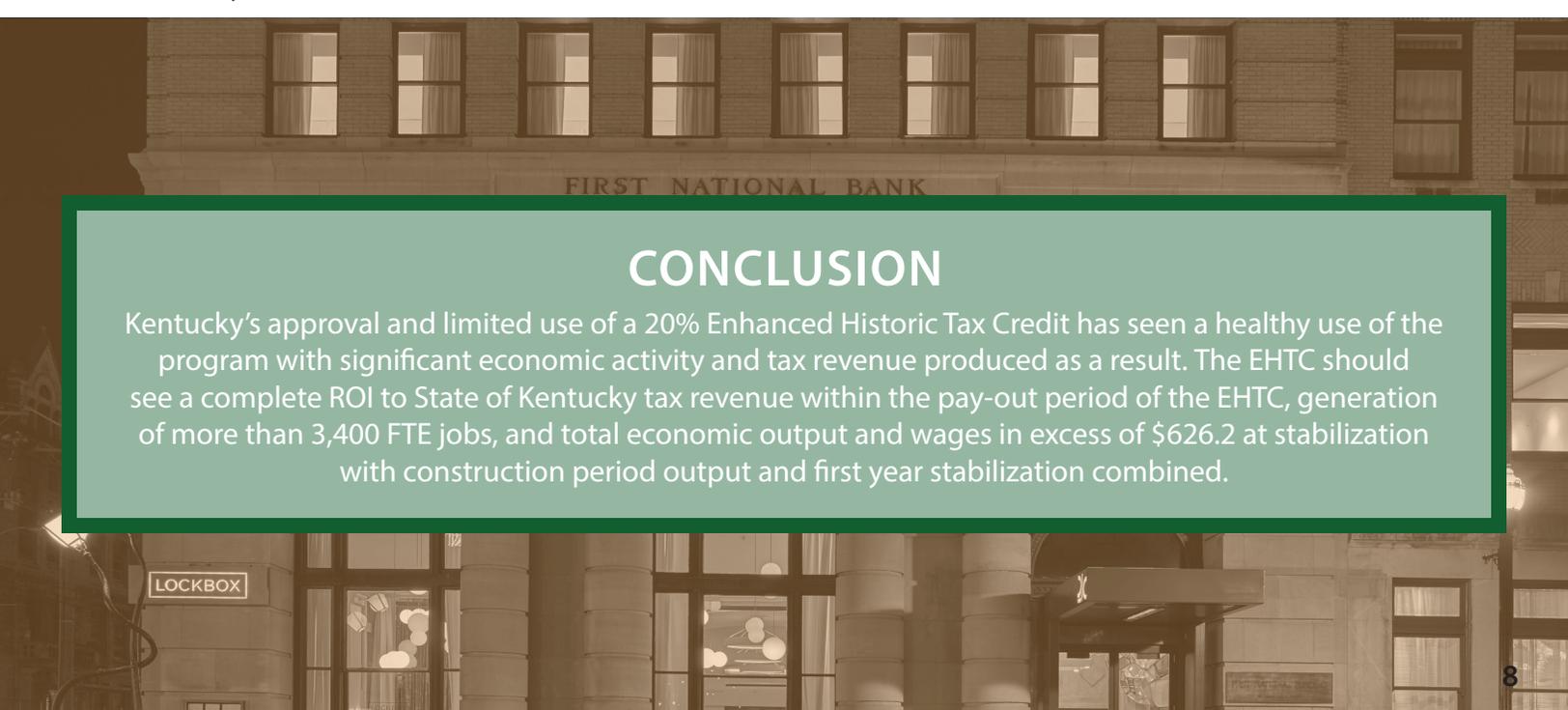
YEAR 10 OUTLOOK

By Year 10 of operations, the projects are estimated to have directly paid more than \$164.8 million in State of Kentucky tax revenue, a ROI more than 480% of the original \$33.8 million anticipated to be spent on EHTC.

More than \$264.1 million in total tax revenue will have been collected, a 780% return on the original \$33.8 million anticipated spent on EHTC. The evaluated projects are estimated to directly return

YEAR 20 OUTLOOK

By Year 20, the State of Kentucky is anticipated to have received \$364.7 million in direct State of Kentucky taxes, \$416.4 million in direct taxes from all sources, and more than \$587.1 million in all tax revenues, including from secondary sources.



CONCLUSION

Kentucky's approval and limited use of a 20% Enhanced Historic Tax Credit has seen a healthy use of the program with significant economic activity and tax revenue produced as a result. The EHTC should see a complete ROI to State of Kentucky tax revenue within the pay-out period of the EHTC, generation of more than 3,400 FTE jobs, and total economic output and wages in excess of \$626.2 at stabilization with construction period output and first year stabilization combined.

REPORT ASSUMPTIONS AND METHODOLOGY

Community benefit and economic development impacts from Kentucky's EHTC program can be measured through construction and projected operations and can be observed through catalytic community spending for business purchases, employment levels, and labor income.

Kentucky state tax revenues created from Kentucky's EHTC program were analyzed for both construction and operations to account for labor income tax, sales and use taxes, corporate income tax, and property taxes. Taxes were projected during both the construction period and post-construction, as stabilized tenant operations. Taxes were projected for tenant businesses as well as for management company revenue.

Taxes can be evaluated most strongly at the time direct impacts transpire, although they can also be evaluated on the basis of secondary impacts. When considering impacts to the tax base, the most observable and verifiable impacts are direct impacts, but the catalytic nature of the HTC program on taxes through secondary impacts deserves analysis and discussion.

Annual taxes include property taxes, payroll tax on wages, sales tax on output, and corporate income tax. Taxable components include labor income, project spending output (i.e. "Gross Local Product") and total assessed property value. The corporate income tax rate of 6.0% based on 10.5% of output has been applied. State of Kentucky taxes on wages were assumed averaged at 5.8%. Sales and use tax was assumed at 6%, including for construction. Projects that included a hotel component additionally had room tax revenue accounted for, given current local room tax rates for their appropriate county.

Sales and use taxes for tenants were calculated based on the tenant industry, square footage and rental rate information provided by project owners. Restaurants and venues were calculated at 3.5% of output, appropriately weighted by tenancy percentage. Other office, retail and commercial operations were calculated at 5% of output.

Future tenants and anticipated tenant industries by square foot of occupancy were provided, thereby enabling an analysis of future employment impacts. Operations also include the managerial requirements for each of the projects reviewed. Hotel data is based on actual anticipated per key rate and projected occupancy as provided by the developer.

Property taxes on the 7 properties have been assumed based upon likely post-construction property values, set at 65% of the Total Project Cost, and current local mill rates for the subject property locations.

Once the EHTC projects have completed construction, annual operations will bring additional tax revenues to the State of Kentucky and the local communities of Lexington and Louisville. This report does not project how those taxes are to be utilized by the appropriate jurisdictions or the implications of the projects' tax revenues given their required proximity to TIF districts.

A FTE job is based on 1,820 hours of employment, per annum.

FOOTNOTES

- 1 Source: Kentucky Heritage Council, Kentucky State Preservation Office
- 2 It is anticipated outputs would trend upward annually on a modest inflation curve, estimated at 3%, reflected as the annualized GDP growth rate for the Domestic US rounded down to the nearest whole number
- 3 Source data including average daily room rates and vacancy data was provided by the client, specific to the subject properties.

APPENDIX A: IMPLAN Methodology

About IMPLAN

IMPLAN is economic modeling software that creates a model of the local economy and estimates the impact of a change in local spending on output, employment, and wages. Using total development cost data provided by the Developer and the identified area of impact, we quantified the economic impacts for Wisconsin's Historic Tax Credit using IMPLAN (with the exception of property taxes which were calculated outside of IMPLAN). Purchases for final use (final demand) drive the IMPLAN input-output model.

The FPC construction and ongoing operations represent industry production of goods and services for consumption. Necessarily, the production of these goods and services requires the purchase of goods and services from other producers. These other producers, in turn, also purchase goods and services. These indirect purchases (or indirect effects) continue until leakages from the region (imports, wages, profits, etc.) stop the cycle. This analysis describes the projected marginal economic impacts of the construction and ongoing operations by specifying a series of expenditures and applying them to the impact region's multipliers. The analysis of indirect economic impact was performed to estimate the magnitude and distribution of the economic impact of the project (i.e. what additional spending and commerce occurs).

Analysis definitions

Direct Impacts: Direct impacts are those impacts occurring in the impacted sector and related industries as a direct result of the activity generated by the project. This includes output, income, and employment generated from direct investments in the project.

Indirect Impacts: Indirect impacts are those created based on the local expenditures generated from the changes in inter-industry purchases (supplier to supplier) as they respond to the demands of the directly affected industries. This includes output, income, and employment effects arising from local spending for goods and services.

Induced Impacts: Induced impacts are estimated based on the increase in local incomes attributable to the project. This includes output, income, and employment effects on all local industries caused by the expenditures of household income generated by the direct and indirect impacts.

Output: Output estimates represent the estimated increase in total production for all industries in the region supported by the project - a measure of overall economic activity. Output can also be thought of as the increase in the value of total sales as "Gross Local Product".

Employment: Employment estimates represent the estimated total jobs created and supported by the project, on both a temporary and ongoing basis.

Construction impacts of the project arise from the activity of building the project, and occur only while the project is being built. When the project is complete, these construction impacts end.

Ongoing impacts such as the impact of the operations of the built facility are presumed to be "on-going" and are described on an annual basis.

Data sources

Data used for IMPLAN software analysis includes the market area determined by Bridge House. Data sources include North American Industrial Classification System (NAICS) codes; Regional Economic Information System Sectoring (REIS); Bureau of Labor Statistics Sectoring; Bureau of Economic Analysis Input-Output Sectoring; and, County Business Patterns; BLS CEW (Covered Employment and Wages program). The description of IMPLAN Methodology was adapted from the IMPLAN Version 2 Users Manual, 3rd edition, 2007.

APPENDIX B: Assumptions and Limiting Conditions

1. Raw research data collection was conducted by The Louisville Downtown Partnership (LDP) in February, 2016 and has not been updated by Baker Tilly since such date.
2. The client provided building plans, construction costs, tenancy and/or purchase projections, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
3. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters.
5. An evaluation of the community impact for the subject development is made as of a certain day. Due to the principles of change and anticipation and market variation, the community impact assessment is only valid as of the date of this analysis.
6. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author. Neither all nor any part of the report, or copy thereof, shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the consultant. Nor shall the consultant, firm, or professional organizations of which the consultant is a member be identified without written consent of the consultant.
7. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject unless satisfactory additional arrangements are made prior to the need for such services.
8. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
9. Acceptance of and/or use of this report constitutes acceptance of all assumptions and the above conditions.

APPENDIX C: Included 2015 HTC Project Awards

The following projects awarded Kentucky HTC were included for analysis in this study:

Project	Anticipated KY HTC	Anticipated QREs	Est. Total Project Costs
Bradford Mills	\$3,414,182	\$17,070,911	\$20,106,800
111 Whiskey Row	\$4,540,000	\$22,700,000	\$36,900,000
Old Fayette County Courthouse	\$6,000,000	\$32,000,000	\$38,000,000
Germantown Mill Lofts	\$4,680,000	\$23,400,000	\$31,600,000
Starks Building	\$6,000,000	\$60,000,000	\$120,300,000
21c Museum Hotel	\$6,000,000	\$34,000,000	\$49,000,000
Edison Building	\$3,184,326	\$15,921,631	\$16,503,000

APPENDIX D: Key Parties

About the Impact Consultants: Baker Tilly Virchow Krause, LLP

Founded in Milwaukee in 1931, Baker Tilly Virchow Krause, LLP (Baker Tilly) is the 12 largest accounting and advisory firm in the country with approximately 2,500 employees across the United States. In addition to being a CPA and consulting firm, we have affiliated entities that allow us to uniquely serve our client base of developers, project owners, contractors, and community development entities. Since 2001, Baker Tilly has provided a variety of Housing, Development and Tax Credit Program services to Community Development Entities, public entities and private development clients.

About the Sponsor: Louisville Downtown Partnership

The Louisville Downtown Partnership (LDP) was formed in 2013 as an independent economic and planning organization and is comprised of two governmental entities: the Louisville Downtown Management District and the Louisville Downtown Development Corporation. LDP's mission is to improve the economy of the Louisville metro-area by coordinating an aggressive public/private program to promote the redevelopment, vitality and economic growth of Louisville's Central Business District and surrounding areas and to promote Downtown's quality of life by creating a safer, cleaner and more enjoyable environment.