

Kentucky Tourism Development Finance Authority



Agenda

May 15, 2024
1:30 PM Eastern

Primary Location

*Where all members can be seen and heard and the public
may attend in accordance with KRS 61.826 and 61.840*

500 Mero Street, 5th Floor
Frankfort, Kentucky

Also available via Zoom

Welcome

Call to Order

Roll Call

Approval of Minutes

Request for Final Approval

- Pennyroyal Barrel Co., LLC (Adair County)

Request for Final Approval

- M&T Development, LLC (Livingston County)

Request for Certification of Costs and Completion Date

- 418 E Stephen Foster, LLC (Nelson County)

Other Business

Adjourn

Media and members of the public can join the meeting virtually via Zoom:
<https://us06web.zoom.us/j/85798231721?pwd=nG7bcjHqIdOykoGf56HjtknZQwVloa.1>
Passcode: 052 547

To join the meeting by phone, dial (888) 822 7517; conference code 609 603.

The KT DFA may move into closed session per KRS 61.810(1)(g) for the purpose of discussions between a public agency and a representative of a business entity and discussions concerning a specific proposal, if open discussions would jeopardize the siting, retention, expansion, or upgrading of the business. Following a closed session, the Authority will return to open session where action may be taken.

Request for KT DFA Final Approval Pennyroyal Barrel Co., LLC

Date May 15, 2024
Location Columbia (Adair County)

Project Description

The applicants are developing a bourbon “incubator” which will allow small to mid-size brands to have a home. The project will offer brand consultation and development, label creation, barrel brokering and housing, bottling and finished product storage. The Pennyroyal Distillery will also offer traditional distillery experiences such as educational tours, demonstrations and tastings. Visitors will be able to experience a number of independent brands who have chosen to house their barrels at the development. The project also includes a 200 seat amphitheater. The Pennyroyal Distillery will be located on a 60-acre campus bringing the first bourbon experience and related project to Adair County and South Central Kentucky.

The construction timeline is estimated at 18 months starting after final approval. The venue anticipates hiring 8 full-time and 12 part-time employees when fully operational.

The total estimated project cost is nearly \$3.87 million. The maximum sales tax rebate, up to 25 percent of project costs, is estimated at \$967,500 over a 10 year term.

The project also includes a distillery, bottling facility and rickhouses, which are not eligible for tourism development act incentives.

Type of Tourism Development Project

This project applied as a tourism attraction, specifically as an entertainment facility. As indicated by the Applicant and confirmed with the consultant report, the project will meet the following criteria:

- Since the project is located in an enhanced incentive county, total eligible costs shall exceed \$500,000.
- In any year, including the first year of operation, the tourism development project shall be open to the public at least 100 days.
- In any year following the third year of operation, the tourism attraction project shall attract at least 25 percent of its visitors from among persons who are not residents of Kentucky.

Consultant Report

The project was reviewed by an independent consultant and determined to have a net positive fiscal impact on the Commonwealth. The Office of State Budget Director and the Finance and Administration Cabinet approved the consultant’s recommendations and have certified the report and the findings with a Certification of Net Positive Economic Impact to the Commonwealth. The total incentives to the project granted over the ten-year duration of the agreement shall not exceed \$738,700.

Final Approval

By granting final approval, KT DFA will enter into a tourism development agreement with Pennyroyal Barrel Co., LLC which will include, but not be limited to, the estimated project costs, maximum amount of recovery, term of the agreement, and the date by which the project will be substantially completed.

Request for KT DFA Final Approval M&T Development, LLC

Date May 15, 2024
Location Grand Rivers (Livingston County)

Project Description

The applicant is proposing a resort and marina called Eagle Landing Resort. The facility will include an 87 room hotel, 5 cabins, a 110-slip marina and other resort amenities. At the hotel, there will be several food and beverage areas including a restaurant, coffee bar, pool bar and lobby lounge. There will also be a spa.

The marina will include spaces for private boats as well as renters. The marina will provide rentable boats, jet skis, golf carts and mountain bikes as well as other water equipment. Fuel can also be purchased.

Development is slated to begin in the summer of 2024 with a construction timeline of 15 months. The venue anticipates hiring 40 full-time and 60 part-time employees when fully operational.

The total estimated project cost is nearly \$27.2 million. The maximum sales tax rebate, up to 25 percent of project costs, is estimated at \$6.8 million over a 10 year term.

This project is part of a larger development which includes single family homes, condominiums and short-term rentals.

Type of Tourism Development Project

The lodging facility will be full-service with a restaurant, catering, room service and meeting space. In addition, Livingston County is classified as one of the 100 least populated counties in the Commonwealth. Due to the project's proximity to Whitehaven, a historic site in Paducah, the lodging facility also qualifies for tourism development incentives.

As indicated by the Applicant and confirmed with the consultant report, the project will meet the following criteria:

- Total eligible costs shall exceed \$5 million.
- In any year, including the first year of operation, the tourism development project shall be open to the public at least 100 days.
- In any year, including the first year of operation, the tourism attraction project shall attract at least 25 percent of its visitors from among persons who are not residents of the Kentucky.

The marina qualified as a tourism attraction, specifically as a recreational facility. As indicated by the Applicant and confirmed with the consultant report, the project will meet the following criteria:

- Since the tourism attraction project is located in an enhanced incentive county, total eligible costs shall exceed \$500,000.
- In any year, including the first year of operation, the tourism development project shall be open to the public at least 100 days.

- In any year following the third year of operation, the tourism attraction project shall attract at least 25 percent of its visitors from among persons who are not residents of the Kentucky.

Consultant Report

The project was reviewed by an independent consultant and determined to have a net positive fiscal impact on the Commonwealth. The Office of State Budget Director and the Finance and Administration Cabinet approved the consultant's recommendations and have certified the report and the findings with a Certification of Net Positive Economic Impact to the Commonwealth. The total incentives to the project granted over the ten-year duration of the agreement shall not exceed \$4,172,000.

Final Approval

By granting final approval, KT DFA will enter into a tourism development agreement with M&T Development, LLC which will include, but not be limited to, the estimated project costs, maximum amount of recovery, term of the agreement, and the date by which the project will be substantially completed.

**Request for Cost Certification
418 E Stephen Foster, LLC (Nelson County)**

Date May 15, 2024
Location Bardstown (Nelson County)

Project Description

The applicant renovated the Bardstown Parkview Motel across from the entrance to My Old Kentucky Home State Park into a 35 room full-service boutique hotel called the Bardstown Motor Lodge. The \$5.9 million project included the renovation of Kurtz's restaurant into Toogie's Table, a chef-driven restaurant. The project opened in January 2023.

This project qualified as a lodging facility, specifically one that involves the restoration or rehabilitation of a structure that is listed on the National Register of Historic Places and the rehabilitation or restoration of the structure was approved in advance by the Kentucky Heritage Council.

The project received final approval from the Kentucky Tourism Development Finance Authority on May 19, 2021.

Certification of Costs and Completion Date

Project costs totaling \$6,302,340 were certified by MCM CPAs & Advisors LLP and reviewed by staff.

The Office of the State Budget Director and the Finance and Administration Cabinet determined, based on findings from the consultant report, that the total incentives to the project should not exceed \$980,000 over the ten-year term of the contract.

Therefore, the maximum amount of approved costs is \$3,920,000. A completion date of December 31, 2022 has been requested.