



Speigle Heights Redevelopment Project

LEXINGTON, KENTUCKY

MAY 2021

Landmark New Convenient Redevelopment

- Inside Lexington's Distillery District
- Walkable Destinations:
 - Central Bank Convention Center
 - Rupp Arena
 - Multiple Distilleries & Breweries
 - University of Kentucky
 - Transylvania University
- Located along the Town Branch Trail





Project Vision

- Rehabilitate a run-down subsection of the Distillery District into a robust, dynamic, and thriving metropolitan corridor.
- Bridge the geographical gap between the revitalized West-End Distillery District and the new Central Bank Center.
- Encourage guests and event planners to visit Lexington and stay longer.



Distillery District



Revitalized West-End



Unimproved East-End

Project Components

- **New Development ~ \$37.4 Million***

- Hotel (125 rooms)
- Full-Service Restaurant (4,000 Sq Ft)
- Rooftop Bar (4,000 Sq Ft)
- Lobby & Lounge Area (2,000 Sq Ft)
- Open-Air Courtyard (3,000 Sq Ft)
- Spa & Fitness Center (3,500 Sq Ft)
- Entertainment & Event Hall (12,000 Sq Ft)
- Additional Commercial Uses (6,000 Sq Ft)

- **Other Issues Addressed**

- Fulfills increased guestroom supply needs for Central Bank Center expansion
- Site prep in floodplain
- Extended public right-of-way for shared-use path
- New parking included on-site
- Crosswalk-safety/slowed traffic installation
- Improved landscaping and multiple art displays

IRB Resolution No. 100-83

WHEREAS, the Lexington-Fayette Urban County Government is authorized, pursuant to KRS 103.200 et seq., to issue industrial revenue bonds for projects which meet the criteria contained therein; and

WHEREAS, one category of activities for which KRS 103.200 et seq., provides for issuance of such bonds is any activity, including new construction, designed for revitalization or redevelopment of downtown business districts as designated by the issuer; and

WHEREAS, it is the intent of the Lexington-Fayette Urban County Government to provide for issuance of industrial revenue bonds where a proposed project would aid in the revitalization or redevelopment of the downtown business district;

Industrial Revenue Bond Proposal

- The IRB program is a common and proven mechanism used to provide support to economic development projects located within downtown urban footprints and elsewhere.
- Astana, LLC, on behalf of itself and its affiliates, requests the Lexington-Fayette Urban County Government (“LFUCG”) agree to issue up to \$39 million of tax abatement industrial revenue bonds to fill a gap in the Project’s capital stack and break ground by this summer.
- Astana would make payments in lieu of taxes (“PILOT” payments) to the Fayette County School District (the “School District”) at a rate of \$0.51 per \$100 of the Project’s new assessed fair cash value (estimated at roughly \$29.5 million).
- Occupational license taxes, transient room taxes, utility and insurance taxes would all continue to be generated and flow to their respective taxing authorities as normal.

Speigle Heights Redevelopment Project
Estimated LFUCG Tax Revenues Generated from Project with IRB
Construction & Operations

	Tax Rate	Construction (One-Time)	Operations (40-Year Total)	Total
LFUCG Tax Revenues				
PILOT to Fayette County School District*	-	-	\$9,087,478	\$9,087,478
Occupational Tax	2.25%	\$228,537	\$5,365,038	\$5,593,574
Transient Room Tax	8.50%	-	\$38,240,636	\$38,240,636
Total LFUCG Tax Revenues		\$228,537	\$52,693,152	\$52,921,689

**Assumes a PILOT equal to a maximum Tier I property tax rate of 0.51% (Fayette County).*

Community Benefit

- \$23.6 million in annual economic impact
- 97 new full-time jobs with estimated wages of \$3.7 million
- \$5.6 million in occupational tax revenues
- \$38.2 million in local transient room tax revenues
- \$9.1 million in PILOT payments to the School District

Questions?

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Additionally, this Presentation uses data and assumptions based on economic activity prior to COVID-19 shifts in economic behavior and, accordingly, assumes that economic activity and behavior will return to normal by the time this Project is completed and open. Should pandemic factors continue to affect economic industries, including travel, retail, dining, etc., the differences in realized Project impacts could be significant.