



The Fayette Alliance
601 West Short Street, Ste. 200
Lexington, KY 40508
(859) 281-1202
www.fayettealliance.com

Board of Directors

Larkin Armstrong
Antony Beck
Jim Bell
Gary Biszantz
Todd Clark
Thomas Gaines
Greg Goodman
Margaret Graves
Arnold Kirkpatrick
Debbie Long
Patrick McGee
John Nicholson
Nick Nicholson
John Phillips
Beth Pride
Walt Robertson
Don Robinson
Mackenzie Royce
Jim Shropshire
David Switzer
Emma Tibbs
Gay Haggin VanMeter
Jack van Nagell
Derek Vaughan
Holly Wiedemann
Judy Worth

Executive Director

Elizabeth Knox van Nagell

LFUCG Urban County Council
200 East Main Street
Lexington, KY 40507

December 3rd, 2009

Dear Mayor Newberry and Urban County Council Members,

I am writing this letter on behalf of The Fayette Alliance. The Fayette Alliance is Lexington's only land-use advocacy organization dedicated solely to preserving our renowned rural landscape in Fayette County, while strengthening the city of Lexington through innovative infill redevelopment and adequate infrastructure.

As you know, Showprop Lexington LLC is seeking Tax Increment Financing for its \$70 mixed-use project in downtown Lexington.

Using adaptive re-use and mixed-use new construction, developer George Krikorian aims to revitalize roughly 20 acres of vacant and underutilized industrial land on Angliana Avenue—near South Broadway and the University of Kentucky campus.

Ultimately, this venture will anchor roughly \$36 million in public improvements, including

- \$500,000 in building demolition and site preparation;
- \$500,000 in remediation allowance;
- \$500,000 in soil replacement or dynamic compaction;
- \$2,500,000 in transmission line burial;
- \$850,000 in distribution line burial;
- \$200,000 in telephone and cable burial;
- \$35,000 in sidewalk replacement on Angliana Avenue;
- \$25,000 in building a transit stop shelter;
- \$1,000,000 in building a pedestrian bridge over railroad tracks;
- \$100,000 in sanitary sewers;
- \$250,000 in on-site storm drainage systems;
- \$250,000 in off-site storm sewers;
- \$14,000,000 in parking garage construction;
- \$1,140,000 in surface parking;
- \$500,000 in screening and plantings;
- \$450,000 in fencing;
- \$20,000 in water main extensions;
- \$25,000 in hydrants;
- \$700,000 in site electric and parking lighting;
- \$120,000 in railroad access road construction;
- \$500,000 in public art;
- \$500,000 in adaptively re-using an existing tobacco warehouse for museum/exhibition space;
- \$500,000 in iconic tower construction;
- \$350,000 in public plaza construction;
- \$1,750,000 in amphitheatre and greenspace development;
- \$4,500,000 in public space construction including the redevelopment of a tobacco warehouse, movie poster museum, and railcar or other public exhibition space;
- \$1,926,900 in design services; and
- \$1,926,900 in contingencies

Without Tax Increment Financing, this transformative project will not move forward—expressly satisfying the threshold requirement of Kentucky’s TIF statute KRS 65.7051(1)(a) and KRS 65.7049(4).

TIF will allow incremental tax revenues, generated over the course of twenty years by Showprop Lexington, to offset roughly \$36 million in public infrastructure needed to make the project attractive for development and private equity investment.

In exchange for this 20 year expenditure of public tax revenue, the state of Kentucky and Lexington-Fayette County will gain a vibrant “destination” hub including a bowling center, luxury movie theatre, restaurants, retail, residential and commercial uses, a parking structure, outdoor amphitheatre, pedestrian mall and bridge, public art, museum, exhibition space, and other amenities. It will also produce significant fiscal impacts to our local economy.

As evidenced by the success of Krikorian’s similar projects in the Los Angeles and San Diego California areas, Showprop Lexington promises to create **\$116 million in total spending, \$46 million in increased earnings, and 1,160 direct jobs**. In the twenty-year period after Showprop begins full operation, it’s estimated to generate a total of **\$173.3 million in local and state tax revenues**—far exceeding the current tax base of the development site. In short, Showprop Lexington will **“net” \$83.2 million to the state and \$12.5 million to the city of Lexington in new tax revenues**—surpassing the \$36 million in TIF public infrastructure costs. *“Showprop Lexington’s Krikorian Premier Theatres at Angliana Avenue: TIF and Economic Impact Analysis”*, Commonwealth Economics LLC, 2009.

With over **12,000 acres** of blighted, underutilized, and vacant land inside the Urban Service Area potentially available for infill-redevelopment, The Fayette Alliance endorses the Showprop TIF district. *2009 LFUCG Housing Market Study*.

If supported by LFUCG and adopted in Frankfort, Showprop Lexington will be a catalytic tool in accommodating our future growth needs—by transforming tired properties into dynamic urban spaces and streetscapes without needlessly consuming our finite and threatened natural resources.

Further, it will advance our renowned quality of life by creating a unique destination for locals, knowledge-based professionals, and tourists alike. This strategy expressly furthers Goals 5, 7, 8, 11 and 12 of the 2007 Comprehensive Plan, the spirit of the LFUCG Downtown Master Plan, and countless public visioning surveys.

Therefore, The Fayette Alliance respectfully requests that the Urban County Council endorse the Showprop Lexington TIF development plan and application.

Sincerely,

Knox van Nagell, J.D.