

COMMONWEALTH  
OF  
KENTUCKY

Finance and Administration Cabinet  
Division of Real Properties

**Request for Information (RFI)**

For

TOURISM, ARTS AND HERITAGE CABINET

Kentucky State Fair Board  
Kentucky Exposition Center

**Development of Full Service Hotel, Restaurants,  
Entertainment, and Retail Outlets at the  
Kentucky Exposition Center**

## **Purpose**

This RFI is being issued by the Commonwealth of Kentucky, Finance and Administration Cabinet, Division of Real Properties.

The Commonwealth is seeking your input. The Kentucky State Fair Board (KSFB) would like to meet with all who submit a response. If you are interested in meeting with KSFB, please provide your contact information as part of your response to the RFI.

**The KSFB is seeking information from a qualified developer or development team. This information could potentially be used to create one or more Requests for Proposal (RFP) for the construction and operation of a full service hotel(s), restaurant(s), entertainment venue(s), and retail outlet(s) at the Kentucky Exposition Center in Louisville KY. This RFI addresses a campus-wide approach to development. Should KSFB proceed with an RFP or RFPs from the information gathered in this RFI the scope could include multiple facilities or individual structures.**

## **Background**

### ***Kentucky State Fair Board***

The Kentucky State Fair Board (KSFB) is an agency of the Commonwealth of Kentucky. The KSFB's purpose is to serve the public by advancing Kentucky's agriculture and tourism economies through industry leading event management, consultation and presentation. The Kentucky State Fair Board oversees two convention facilities (Kentucky Exposition Center (KEC) and the Kentucky International Convention Center (KICC)) in Louisville, KY for local, regional, national and international events which include, but are not limited to: conventions, consumer and trade shows, conferences, community functions, banquets, meetings, seminars, sporting events, concerts, and other special events. This RFI pertains to KEC only and does not involve KICC.

### ***Kentucky Exposition Center***

The Kentucky Exposition Center occupies over 540 acres and offers more than 1.2 million square feet of climate-controlled space, which accommodates nearly 2 million visitors each year. Other features include 300 acres of outdoor demonstration space, 50 meeting rooms and on-site full service catering. KEC is located adjacent to the Louisville International Airport with immediate access to Interstate I-65 and I-264 and quick connect to I-64 and I-71.

KEC provides facilities and services for conventions, trade shows, agricultural activities, athletic contests, concerts, and cultural and commercial productions year-round. It is home to four of America's Top 25 Trade Shows.

KEC is a completely climate controlled complex. It includes the 14,000 seat Freedom Hall Coliseum, a West Exhibit Hall and Exposition Wing, the South Wing Exposition Facility and Conference Centers, and the North Wing Exposition Facility. The majority of

this is Class A exhibit space. The facility also includes a smaller exposition pavilion, and a 5,000 seat livestock and auction arena. Also serving the Kentucky Exposition Center are the adjacent Crowne Plaza Hotel, Executive Bowl, Hilton Garden Suites and the Kentucky Kingdom Amusement Park, all of which are long-term lessees of the KSFB.

In 2017, the Kentucky Exposition Center hosted 225 events. An economic impact study conducted by the Louisville Convention & Visitors Bureau revealed that KEC accounts for over \$306 million of economic impact each year. The top events based upon non-resident expenditures are: National Farm Machinery Show & Championship Tractor Pull (315,000 attendees); Mid-America Truck Show (75,000 attendees); National Street Rod Association (72,000 attendees); North American International Livestock Exposition (200,000 attendees); and the Kentucky State Fair and World's Championship Horse Show (600,000 attendees)

Kentucky Exposition Center (KEC) is the venue, and the Kentucky State Fair Board is the governing entity.

## **Scope**

KSFB looks to add full service lodging, as well as food and entertainment amenities to the experience of guests attending events at its facilities. KSFB believes the best source of viable options for the property can come from experienced developers. This RFI gives developers a way to communicate those options so that should RFPs follow they will have increased chance of success.

The attached map provides two parcels of the KEC property that have potential for development.

The first parcel (green on map) includes approximately 45 acres on the south end of the property bordered by I-65, I-265, Phillips Lane, and the main entrance to KEC. It includes an existing, vacant, 3-story building that is available for demolition and is adjacent to a storm water catch basin on the southeast corner. A portion of this property was presented through previous RFIs and RFPs for a full service hotel attached, via pedway, to the KEC South Wing to serve as a focal point at the entrance to KEC. KSFB continues its desire for such a facility, but wants this RFI to address a broader scope of possibilities from the perspective of the developer. This parcel is accessible via two entrances on Phillips Lane and the front entrance to KEC. Any rerouting of Phillips Lane between the KEC entrance and the I-65 overpass is an option the developer would need to address with the City of Louisville and the appropriate state agencies.

The second parcel (green on map) includes approximately 88 acres on the north end of the property bordered by I-65 and the northern entrance to KEC facilities and abuts up to Cracker Barrel, Hilton Garden Inn, and Jefferson County Public Schools property. It includes two, vacant structures of (Cardinal Stadium and a single story office building), and two occupied buildings: of an office building leased to the University of Louisville and a KEC maintenance building. KSFB plans to demolish Cardinal Stadium prior to

issuance of an RFP for development of this area or the developer can include the demolition as part of their proposal. All buildings are available for demolition. The developer may look to replace the occupied facilities as a revenue source but it is not a requirement. This parcel is accessible via two entrances along Crittenden Drive. One entrance is the Gate 4 access to KEC. Gate 4 will need to remain available to KEC, but KSFB will entertain rerouting the roadway and relocating the ticket booth to better serve development.

The second parcel has an area marked in an orange block. This approximately 8 acre section is denoted separately because, in addition to development concepts similar to the other designated development areas, KSFB is requesting ideas for the construction/financing of a multi-purpose exposition center, which would complement the existing and future development of the property. The intent is for KEC operate the exposition center by leasing it back from the developer.

**The multi-purpose exposition center is NOT a requirement of the development in this RFI. Developers are free to ignore the orange block or include a questionnaire for a facility to address this KSFB idea.**

**Developers are not required to respond to a campus-wide approach. Developers that have a specific idea for an individual full service hotel or other amenities are encouraged to respond to this RFI. These responses will add to the viable options that KEC may consider.**

## **Considerations**

### ***Innovation***

KSFB is seeking innovative development concepts in order to more fully utilize and maximize its return on the KEC property while providing an attractive investment for private sector developers and maintaining the core mission the KSFB as it relates to the KEC property.

### ***Parking***

It is important to maintain as many surface vehicular parking spaces as possible. KSFB would like to grow onsite-parking availability if feasible within the development.

### ***Pedestrian Connectors (Pedways)***

Current South Wing building is designed to support attaching an enclosed pedestrian walkway from an on-property hotel to the exposition center. Additionally, the current pedway on the northern side of the North Wing is a connection point.

## **Development Incentives**

### ***Commonwealth of Kentucky Opportunities:***

**Kentucky Tourism Development Act:** KRS 148.850. This landmark legislation, the first of its kind in the nation, provides a state sales tax incentive program for tourism development projects.

#### [Kentucky's Tourism Development Incentive](#)

For more information contact:

Jay Hall

Executive Director

Kentucky Tourism Development Finance Authority

Phone: (502) 892-3197

### ***Federal Opportunities:***

Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains.

#### <http://www.thinkkentucky.com/OZ/>

This link has a searchable map. KEC is located at 937 Phillip Ln, Louisville, KY 40209.

### ***Louisville Opportunities:***

Contact Louisville Forward

444 S 5<sup>th</sup> Street, Suite 600

Louisville, KY 40202

(502)574-4140

<https://louisvilleky.gov/government/louisville-forward>

## **RFI Process**

The Commonwealth is seeking your input through written and/or verbal responses.

### ***Site Visit:***

A property tour will be scheduled June 6, 2018 at 10:00, unless an amendment is posted to this RFI identifying a different date/time on Kentucky's eProcurement website: <https://emars.ky.gov/webapp/vssoonline/AltSelfService>

This visit will not include discussions on the questions in the RFI, but will unofficially address any property concerns interested parties may want to raise. Official answers to questions raised at the site visit will be distributed through an amendment to the RFI, so that all potential developers may be privy to those answers.

***Written Responses:***

Developers may respond by answering the questionnaire and sending it to the Buyer of Record on or before the deadline.

***Questionnaire***

The questions provided in this RFI will set the basis of the discussion. Answer all or as many as you find pertinent to your business model. Questions are located at the end of this document; please fill out one questionnaire for each tract for which you are interested.

***Verbal Responses***

All interested parties who desire to schedule a meeting to expound upon their written response to the RFI should provide contact information to the Buyer of Record to schedule a meeting. The agenda for the meeting will follow the questionnaire and be limited to these questions and the expansion of topics that come from the questions. It is in the best interest of both the KSFB and you to have written answers to the questions as a starting point for the discussion.

Individual meetings with respondents will be scheduled in a three-day block, following the response date identified below or as schedules allow. This visit will provide an opportunity for elaboration on questionnaire responses.

***Inquiries:***

To assure a fair process, from the issue date of this RFI until the responses are due, direct all inquiries to the Buyer of Record. Vendors shall not communicate with any other Commonwealth or KSFB staff concerning this RFI.

***Deadline:***

**RFI responses are due on June 19, 2018 at 3:30pm EDT.** Respondents with an interest to communicate verbally, should so indicate on the submitted questionnaire in hardcopy.

***Buyer of Record Contact Information:***

**Division of Real Properties  
Attn: Nancy Brownlee  
Bush Building, Third Floor  
403 Wapping Street  
Frankfort, KY 40601  
Phone: (502) 782-0358  
Fax: (502) 564-8108**

Map of Available Space for RFI Responses:



Question	Response
<b>CONTACT and EXPERIENCE:</b>	
Respondent's name/title Respondent's company	
Address	
Are you interested in scheduling a meeting?	
Name of person responsible for the information contained in this RFI	
Telephone number Email address Web page	
Describe your firm's experience in planning, developing, maintaining, and financing commercial real estate in general, and more particularly, hotel, dining, entertainment and other enhancements as identified in this RFI	
In your opinion, what prior experience would qualify a Developer/Respondent for financing, construction, maintenance and operation of a lodging accommodation development and/or entertainment enhancements to Kentucky Exposition Center?	
<b>DEVELOPMENT CONCEPT:</b>	
Describe your idea/concept for financing, constructing, operating and maintaining a hotel and/or entertainment enhancements (restaurants, entertainment venues, retail shops, etc.) on all or part of the parcels offered (Green on map). Include as much detail as necessary to fully convey your idea. If applicable, provide total number of lodging units, utility connections, enhancements to the facilities, financing, etc. Maps and drawings are beneficial but do not need to be professionally signed renderings.	
Describe your idea/concept for financing, constructing, and maintaining the exposition space in the identified orange block. Include as much detail as necessary to fully convey your idea. What is the size of the facility? How would you envision structuring KSFB's leaseback? Maps and drawings are beneficial but do not need to be professionally signed renderings. This space is not a requirement in the overall development.	

Question	Response
<b>TIMELINES, COSTS, INCENTIVES:</b>	
Should the Commonwealth determine to proceed with an RFP, what amount of time is adequate (from the RFP date of issuance) to develop a proposal/response? The response would need to include site design, business plan, financial plan, professionally signed renderings, etc.	
What is an estimate of a range for construction time?	
In exchange for the developments proposed, KEC may offer a lease of the land. Realizing the need for the developments to have a sufficient ROI, what would be a desirable length for a lease associated with the development. What about extensions?	
P3 legislation requires the state gain ownership of all improvements on state property at the expiration of the lease. Would this be an issue? How would this affect your financing capability and/or project development?	
What is the expectation of incentives for public/private partnerships for lodging and entertainment projects such as this? Please note, that the Commonwealth's budget may make additional incentives unlikely. The lodging incentive by the KT DFA is an available option at the time of this RFI.	
What is the estimated total cost of construction for your campus-wide development or individual project on KEC property?	
<b>ADDITIONAL INSIGHT:</b>	
The goal of this RFI is to have experienced developers assist in the proper use of KEC land. As such, what additional questions should have been asked? What are your answers to those questions?	
What hurdles do you foresee that would hinder the success of this project?	
What additional work or information would you want from KEC or the Commonwealth to ensure a successful development?	
If it was not answered in the questions above, Please provide: Describe your vision for your development(s). Provide an estimate cost of the development(s) and how will you be repaid for your investment? Describe the benefit to KEC, including the estimated revenue and method of payment? How will the project	

Question	Response
be financed? What obstacles do you see for the development?	