

June 24, 2009

## Legislation may help Museum Plaza

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FRANKFORT, Ky. --The economic incentives and bridges bill passed Wednesday by the General Assembly may make it easier for developers of Louisville's \$490 million Museum Plaza project to raise money to start construction.

House Bill 3 allows the creation of a Cabinet for Economic Development loan program that could be used to cover debt on bonds issued to pay for sidewalks, a public plaza, new streets and other public improvements near the Museum Plaza site at Seventh and Main streets.

"This is an important step forward, and we continue to work hard to get under construction as quickly as possible," said Craig Greenberg, one of the project's developers. Even if the money is raised for the public improvements, the developers would still need to secure a construction loan that would pay for most of the 62-story office, condo and retail skyscraper.

Leaders in the House and Senate said the bill, which would give bond buyers additional assurances that debt will be repaid, may help the project sell construction bonds in what continues to be a difficult credit market.

Greenberg declined to comment Wednesday on when construction may resume or the status of the project's overall financing. Museum Plaza stalled in early 2008 after preliminary construction and announced that funding was on hold due to higher borrowing costs brought on by the financial crisis.

The legislature's action concerns just one piece of the project's financing, an estimated \$100 million in bonds to cover the improvements, Greenberg said. It doesn't deal with raising money for construction or a \$47 million bond issue backed by Louisville Metro Government.

The \$100 million in bonds would be repaid with a portion of new tax revenue generated at Museum Plaza under the state's tax-increment financing, or TIF, program.

The bill clears the way for the project's developers to establish a pool of money, using their own funds, that the state would oversee. The money would be used to pay the bond debt only if the new tax revenue falls well below projections.

Senate President David Williams, R-Burkesville, said the loan funds also would be available to the four other TIF projects in Kentucky, including Louisville's Center City project and the Nucleus redevelopment of the old Haymarket, as well as projects in Newport and Bowling Green.

The plan still has to be approved by the economic development cabinet and the board of the Kentucky Economic Development Finance Authority, said House Speaker Greg Stumbo, D-Prestonsburg.

Stumbo said the legislation provides several safeguards before the state would have to cover any of the debt. Those include, for example, requiring that developers agree to pay the state back for any money it spends if the loan fund runs low.

"The chances of going through that are remarkably slim," Stumbo said.