

**Application Instructions for the
Kentucky Tourism Development Act
Incentive Program**

July 2024



This document provides instructions for those interested in applying for incentives under the Kentucky Tourism Development Act (KTDA) for the development, expansion or renovation of tourism projects in the Commonwealth. This incentive provides applicants the opportunity to recover up to 25 percent of approved costs over a 10 year term through the recovery of incremental sales tax generated by the project. The recovery increases to 50 percent of development costs over a 20 year term for projects that include, but are not limited to, lodging facilities built on state or federal recreational property, Kentucky Horse Park property or Kentucky State Fair Board property.

Prior to completing this application, please review the applicable Kentucky Revised Statutes (KRS) 148.850 to 148.860 at:

<https://apps.legislature.ky.gov/law/statutes/chapter.aspx?id=37710>

The completed application and required attachments need to be submitted electronically to:

Kimberly Gester, Director of Tourism Development
Kentucky Department of Tourism
500 Mero Street, Fifth Floor
Frankfort, KY 40601
Telephone: (502) 892 3198
Email: kimberly.gester@ky.gov

A Microsoft Word version of this application can be requested from Kimberly Gester

Required Attachments

The following items must be included for the application to be considered complete.

- The Tourism, Arts and Heritage Cabinet Economic Incentive Disclosure Statement
- Business Plan
 - Business history
 - Marketing plan
- Business Financial Information
 - For existing businesses, audited financial statements or tax returns for past three years
 - Interim financial statement within 90 days
 - Projections for new project. Include quarterly income statement, balance sheet and cash flow for three years, plus assumption/notes. For an existing tourism development project planning an expansion or renovation, provide projections with and without the proposed expansion or renovation.

- A detailed explanation on the economic impact of the project, which includes how the tourism development project:
 - Shall have costs in excess of that required by statute;
 - Shall be open to the public for the minimum number of days per year as required by statute;
 - Shall attract the required share of visitors from among persons who are not residents of the Commonwealth;
 - Shall not adversely affect existing employment in the Commonwealth or be in direct competition with an existing tourism development project; and,
 - Shall produce tax revenues exceeding the requested sales tax refund amount.

- Ownership and Key Management Information
 - Resumes of owners identified in Question 7 and other key management
 - Authorization to investigate credit
 - Certificate of Existence or Certificate of Good Standing from Kentucky Secretary of State

- For an Entertainment Destination Center, provide documentation on how the project conforms to [KRS 148.853\(2\)\(b\)](#) and a detailed explanation of public infrastructure costs identified under Question 10 of the application.

Additionally, Applicant shall submit a separate version of the application and required attachments with information considered proprietary or confidential redacted. If the application is requested through an Open Records Request, this version may be used based on determinations found in [KRS 61.870 through 61.884](#).

The Kentucky Tourism Development Finance Authority (KTDFFA) has the authority per [KRS 148.850](#) to impose and collect fees it deems necessary for the preparation and administration of agreements and documents necessary or incidental to any project. The following non-refundable fees will be incurred as a result of participating in the KTDA process:

- Application Fee – The KTDFFA requires a \$1,000 application fee payable upon execution of the Memorandum of Agreement after receiving preliminary approval by the KTDFFA.

- Consultant Fee – After receiving preliminary approval by the KTDFFA, [KRS 148.855](#) requires that the Tourism, Arts and Heritage Cabinet engage an independent, third party consultant to review the application and related information and prepare a written report that determines if the proposed project meets the requirements outlined in KRS to qualify for incentives.

- Administrative Fee – The KTDFFA requires an administrative fee equal to one-tenth of one percent (0.1%) of the maximum incentive amount authorized in the Tourism Development Agreement. This fee is payable upon execution of the Tourism Development Agreement after receiving final approval by the KTDFFA. If the approved costs, as finally determined, are adjusted upward, the administrative fee will increase accordingly.

- Attorney Fees – Legal fees associated with any expenses incurred by the KTDFFA’s counsel for the project are payable by the approved company upon execution of the Tourism Development Agreement.

**Application for
Kentucky Tourism Development Act
Incentive Program**



July 2024

Date of Application / Revision (if any)	Project Name

Contact Person

Name	Telephone	Email

Every project applying for Kentucky Tourism Development Act (KTDA) funds must meet the statutory requirements for at least one of the following tourism development projects as outlined in [KRS 148.851](#) and [148.853](#):

- An entertainment destination center project,
- A lodging facility project,
- A theme restaurant destination attraction project, or
- A tourism attraction project.

Note:

- An expansion or renovation of an existing tourism development shall in all cases be treated as a new stand-alone project.
- Any tourism development project shall not be eligible for incentives if it includes material determined to be lewd, offensive, or deemed to have a negative impact on the tourism industry in the Commonwealth.

1. Tourism Development Project Type

Indicate type(s) of tourism development project being submitted.

- Entertainment destination center

- Lodging facility that meets one of the following criteria:
 - Is located on recreational property owned or leased by the Commonwealth or the federal government;
 - Involves the restoration or rehabilitation of a structure that:
 - Is listed individually on the National Register of Historic Places; or
 - Is located in the National Register Historic District; and is certified by the Kentucky Heritage Council as contributing to the historic significance of the district, and the rehabilitation or restoration of the structure has been approved in advance by the Kentucky Heritage Council;Note: Please include the letter from the Kentucky Heritage Council with application.

- Is an integral part of a major convention or sports facility;
Indicate name and address of convention or sports facility below:

- Is located:
 - Within a 50-mile radius of a property listed on the National Register of Historic Places with a current function of recreation and culture; and
 - In any of the 100 least-populated counties in the Commonwealth, in terms of population density, according to the most recent census;Indicate name and address of property on the National Register below:

- Is located on property:
 - Owned by the Commonwealth, or leased by the Commonwealth from the federal government;
 - Acquired for use in the state park system; and
 - Operated by the Kentucky Department of Parks or the Kentucky Horse Park Commission;

- Is located on property:
 - Owned or leased by the federal government and under the control of the Department of the Interior or
 - Owned by the Commonwealth and in the custody of the State Fair Board;

- Is part of a tourism attraction project, entertainment destination center project, or theme restaurant destination attraction project and the full-service lodging facility represents less than 50 percent of the total eligible costs; or
- Has not less than 500 guest rooms.

Theme restaurant destination attraction

- Tourism attraction project:
 - A cultural or historic site;
 - A recreational facility;
 - An entertainment facility;
 - An area of natural phenomenon or scenic beauty; or
 - A Kentucky crafts and products center.

2. Project Description

Please provide a description of the project:

Project Address

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Street

City

County

Zip

Is the project located in a state tax increment finance (TIF) district? Check address [here](#).

- Yes No

Is the project a new operation?

Yes No

Does the project involve the relocation of an existing facility?

Yes No

If yes, please explain:

Is the project an expansion, renovation or rehabilitation of an existing project?

Yes No

Will tourism development project be open

Every day Seasonally Scheduled events only

If open seasonally or for scheduled events only, how many days a year will the project be open to the public?

3. New Project Information

Complete this section if the project constitutes a new project or location for the applicant.

Project site (acres) Total size of facilities (sf)

If you own the site indicate:

Date of purchase Purchase price \$

Is there a mortgage?

Yes No

If yes, who holds the mortgage and what is the current balance?

Mortgage holder Balance \$

If you lease the site, indicate owner of the property:

Owner of property Address

Lease terms: List terms, monthly rent and length of lease.

Is there an option or contract to purchase the property?

Yes → Option Contract

No

4. Expansion/Renovation Project Information

Complete this section only if the applicant is expanding or renovating an existing Kentucky facility.

Did the original project receive Tourism Development Act incentives?

Yes No

If yes, indicate when the project received final approval from the KTDFDA:

Present acreage (acres) Present square footage

Increased new acreage Increased square footage

If you own the site indicate:

Date of purchase Purchase price \$

Is there a mortgage?

Yes No

If yes, who holds the mortgage and what is the current balance?

Mortgage holder Balance \$

If you lease the site, indicate owner of the property:

Owner of property Address

Lease terms: List terms, monthly rent and length of lease.

Lease terms after expansion/renovation:

Is there an option or contract to purchase the property?

Yes → Option Contract

No

5. Company/Business Information

Corporate Name/Business Name

Mailing Address

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Street or P.O. Box

City

County

State

Zip

Federal Employer ID Number

Kentucky Employer ID Number

[NAICS Code](#)

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Does company (or parent company) have any other operations in Kentucky?

Yes No

If yes, please list name and locations of other operations:

6. Taxpayer/Employer Organization

- Corporation
- Subchapter S
- Subchapter C
- Partnership
- Proprietorship
- Limited Liability Company
- Limited Liability Corporation
- Limited Liability Partnership
- Non-Profit Corporation
- Other _____

Date Business Established Company's Fiscal Year

State of Corporation Date Incorporated

Registered Agent Name / Address

7. Company Ownership

Please identify the major owners of the company. Include all owners with 20% or more interest in the company. For subsidiaries, identify owners of the parent company; for a public company, indicate publicly traded.

Name	Address	Phone Number	Social Security Number	Percent Ownership

Note: The KTDFA must be made aware of any changes in company ownership. Any incentives awarded shall not be transferable or assignable by the approved company without the written consent of the Authority and a passage of a resolution approving the proposed assignee of the incentives as an approved company.

If any of the parties listed above have ever been convicted of any criminal offenses, been in receivership or adjudicated a bankruptcy, been denied a business related license or had it suspended or revoked by any administrative, governmental or regulatory agency, please list violation and explain:

8. Bank of Account

Bank of Account / Branch

Mailing Address

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Street or P.O. Box

City

State

Zip

Account Officer

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Name

Email

Telephone

Is bank of account also the lender for this project?

Yes No

If no, please provide the following:

Name of Project Lender / Branch

Mailing Address

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Street or P.O. Box

City

State

Zip

Account Officer

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Name

Email

Telephone

Is the project lender also the interim lender?

Yes No

If no, please provide the following:

Name of Interim Lender / Branch

Mailing Address

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Street or P.O. Box

City

State

Zip

Account Officer

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Name

Email

Telephone

9. Accountant

Accountant

Mailing Address

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Street or P.O. Box

City

State

Zip

Contact Person

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Name

Email

Telephone

10. Project Financial Information

Please provide estimated project costs below for the acquisition, construction, equipping, and installation of the proposed tourism development project. Only those costs associated with tourism components of a project should be included. Please do not alter the categories below without consulting staff.

Estimated Project Costs

Land or lease	<input type="text"/>
Building (new construction/additions)	<input type="text"/>
Improvements (existing buildings)	<input type="text"/>
Equipment	<input type="text"/>
Exhibits	<input type="text"/>
Building fixtures	<input type="text"/>
Architectural and engineering	<input type="text"/>
Public infrastructure	<input type="text"/>
Other	<input type="text"/>
Total project costs	<input type="text"/>
KTDA sales tax refund requested	<input type="text"/>

Sales tax refund cannot exceed 25 percent of total project costs.* For Entertainment Destination Centers, there is the additional stipulation that tax refund cannot exceed total approved public infrastructure costs.

* Projects constructed on property under the control of the Kentucky Department of Parks, Kentucky Horse Park Commission, Kentucky State Fair Board or the National Park Service that include full-service lodging facilities are eligible to recover up to 50 percent of development costs.

Proposed Project Financing

Source:	
Bank loan	<input type="text"/>
Bond issue	<input type="text"/>
Other (list below):	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
Equity	<input type="text"/>
Total sources of funds	<input type="text"/>

For this tourism development project, will the applicant be applying for other [state incentives](#) such as state [tax increment finance](#) (TIF) district, [Kentucky Enterprise Initiative Act](#) (KEIA) or [state historic rehabilitation tax credits](#)?

Yes No

If yes, please indicate program, agency and amount requested:

Has applicant previously participated in the KTDA program or other Kentucky incentive programs?

Yes No

If yes, please indicate program, agency, amount and approximate date:

11. Construction

Construction timeline

Project start date

Anticipated project completion date

List contractor, if known

Contractor

Mailing Address

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Street or P.O. Box

City

State

Zip

Contact Person

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Name

Email

Telephone

12. Employment Projections

Please provide estimated employment associated with the tourism components of the proposed project.

	Full Time	Part Time	Full Time Equivalent* of Part Time	Total Full Time and Full Time Equivalent*
Current jobs at project location				
New jobs to be created two years after project completion				
Total jobs				

* Full time equivalent = 1,750 hours worked per year

13. Attendance Projections

For expansion or renovation projects, provide attendance for the past five years by category.

	Year	Kentucky Visitors	Out of State Visitors	Total Visitors	Percent Out of State
1					
2					
3					
4					
5					

For all projects, provide projected attendance figures for the first five years by category upon completion of project.

	Year	Kentucky Visitors	Out of State Visitors	Total Visitors	Percent Out of State
1					
2					
3					
4					
5					

What method did you use to arrive at these projections?

14. Marketing

Do you have a marketing plan?

Yes No

If yes prepared by:

Does your marketing plan include advertising?

Yes No

If your plan does not currently include advertising, what future plans do you have to advertise?

Do you have an advertising agency?

Yes No

If yes, provide name and address:

What is the proposed advertising budget for first five years? \$

What percent will be in-state and out-of-state advertising?

	Year	% In State	% Out of State
1	<input type="text"/>	<input type="text"/>	<input type="text"/>
2	<input type="text"/>	<input type="text"/>	<input type="text"/>
3	<input type="text"/>	<input type="text"/>	<input type="text"/>
4	<input type="text"/>	<input type="text"/>	<input type="text"/>
5	<input type="text"/>	<input type="text"/>	<input type="text"/>

Please identify the types of media you plan to use and their percentages as based on an annual average expense:

Television	<input type="text"/> %	Magazine	<input type="text"/> %
Radio	<input type="text"/> %	Other (list)	
Newspaper	<input type="text"/> %	_____	<input type="text"/> %
Facebook	<input type="text"/> %	_____	<input type="text"/> %
Instagram	<input type="text"/> %	_____	<input type="text"/> %

Please identify the primary geographic markets from which your project will draw customers:

<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

What method did you use to arrive at these markets?

Does your marketing plan include public relations efforts or other methods of advertising, such as direct marketing, outdoor advertising, web page, etc.?

Yes No

If yes, identify additional methods:

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15. Benefit Analysis

A. Please provide the following annual employment (new hires only) and payroll estimates for the first ten years of project operation. If the project is an expansion or renovation, include estimates only for the expansion or renovation, not the existing operation.

	Year	New Hires	Annual Payroll
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

What method did you use to arrive at these projections?

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B. Estimated revenue from project subject to Kentucky sales tax for the first ten years upon completion of project (does not include Kentucky use tax):

	Year	Sales from Existing Facility	Sales from Expansion/ Renovation	Sales from New Project	Total Sales
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

C. Estimated revenue from project subject to Kentucky sales tax by category for the first ten years upon completion of project:

	Year	Admissions	Food and Merchandise	Lodging	Other*	Total
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

* Other purchases subject to Kentucky sales tax such as parking, equipment rentals, salon services, etc.

D. Estimated additional revenue your project will bring to other businesses in the community for the first ten years upon completion of project:

	Year	Revenue
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

What method did you use to arrive at the revenue projections in C, D and E?

E. List any existing tourism attractions or lodging facilities in the Commonwealth similar to your proposed tourism development project:

	Project Name and Location
1	
2	
3	

**Certification of Application for
Kentucky Tourism Development Act
Incentive Program**



July 2024

I, the undersigned on behalf of the applicant, hereby represent and certify that the foregoing application information, including all attachments, to the best of my knowledge, is (a) true, complete and accurate with respect to the information concerning the proposed project for which financial incentives are being sought; and (b) does not contain any information for which an entity competing with the applicant may claim a proprietary interest. I represent and certify that the tourism development project as set forth in this application will not occur if not for the state sales tax refund incentive offered by the KTDA to the approved company.

The applicant shall make the Authority aware if, subsequent to the filing of this application, including during the term of any agreement entered into between the applicant and the KTDA, the applicant, or any owner or affiliate of the applicant, is convicted of any criminal offenses, is placed in receivership or adjudicates a bankruptcy, or is denied a business related license or has a business related license suspended or revoked by any administrative, governmental or regulatory agency.

The undersigned, on behalf of the applicant, acknowledges that information contained within the application and its attachments may be subject to public disclosure to the extent required by law pursuant to any request made under the Kentucky Open Records Act (KRS 61.870 through 61.884). Efforts will be made, in consultation with the applicant, to protect any confidential or proprietary information as defined in [KRS 61.878](#) from disclosure.

The undersigned, on behalf of the applicant, acknowledges and grants permission to the Authority to share any and all information contained within the application and its attachments with appropriate state and federal agencies and contracted consultants to determine the feasibility and potential impacts associated with the project for which incentives are sought.

In addition, the undersigned, on behalf of the applicant, acknowledges that the applicant will be required to provide additional information during the term of the incentive agreement and agrees to provide this information as required and as requested. Failure to provide the information may result in suspension of incentives. The undersigned, on behalf of the applicant, acknowledges and grants permission to the Authority to share this information with the Kentucky Department of Revenue to assist in the determination of the annual incentive.

Signature

Date

Print Name and Title

**Tourism, Arts and Heritage Cabinet
Economic Incentive Disclosure Statement**

July 2024



In accordance with the Executive Branch Code of Ethics, [Chapter 11A](#) of the Kentucky Revised Statutes (KRS), before any board or authority within or attached to the Tourism, Arts and Heritage Cabinet takes final action on any contract or agreement by which a bond, grant, lease, loan, assessment, incentive, inducement, or tax refund is awarded, the beneficiary of such contract or agreement must file with the approving board or authority a disclosure statement stating

- (i) the identity of the beneficiary of the economic incentive package;
- (ii) the identity of any person employed to act on behalf of the beneficiary with respect to the economic incentive package; and
- (iii) the details of any financial transaction (as defined in [KRS 11A.201\(6\)\(a\)](#)) between the beneficiary (or any other person listed as an employee or agent of the beneficiary) and any agent or public servant of the Tourism, Arts and Heritage Cabinet, any member of any board or authority within or attached to that Cabinet, or any other public servant involved in the negotiation of the economic incentive package.

NOTE: For purposes of [KRS 11A.201\(6\)\(a\)](#), "financial transaction" means a transaction or activity that is conducted or undertaken for profit and arises from the joint ownership, or the ownership, or part ownership in common, of any real or personal property or any commercial or business enterprise of whatever form or nature. Per [KRS 11A.201\(6\)\(b\)](#) "financial transaction" does not include any transaction or activity if it is available to the general public on the same terms.

NOTE: Final action on economic incentive packages will not be taken without receipt of this Economic Incentive Disclosure Statement. Upon final approval of the economic incentive package by the Kentucky Tourism Development Finance Authority, this Economic Incentive Disclosure Statement will be filed with the Executive Branch Ethics Commission. Beneficiaries of economic incentive packages are encouraged to consult with their legal counsel with respect to this Economic Incentive Disclosure Statement. The Beneficiary is the applicant.

Beneficiary's Legal Name

Type(s) of Economic Incentive Package(s)

Please identify all employees or agents of the Beneficiary who have acted on behalf of the Beneficiary in its dealings with the Tourism, Arts and Heritage Cabinet or any Board or Authority within or attached to the Tourism, Arts and Heritage Cabinet in regard to the above incentive package.

Name	Title	Organization
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Please attach separate sheet if additional room is needed.

Please detail any "financial transactions" (as defined above) between the Beneficiary (or any other person listed as an employee or agent of the Beneficiary) and (i) any agent or public servant of the Tourism, Arts and Heritage Cabinet, (ii) any member of any board or authority within or attached to that Cabinet, or (iii) any other public servant involved in the negotiation of the economic incentive package.

1. Name of Agent or Employee of Beneficiary:
- Name of Agent or Public Servant of Cabinet:
- Description of Financial Transaction:

2. Name of Agent or Employee of Beneficiary:
- Name of Agent or Public Servant of Cabinet:
- Description of Financial Transaction:

3. Name of Agent or Employee of Beneficiary:
- Name of Agent or Public Servant of Cabinet:
- Description of Financial Transaction:

Please attach separate sheet if additional room is needed.

The undersigned, a duly authorized representative of the Beneficiary listed above, hereby certifies that the information set forth in this Economic Incentive Disclosure Statement has been reviewed, and is true and correct to the best of the knowledge of the undersigned.

Signature: _____

Date: _____