



October 5, 2021

Mr. Tony Watts
Superintendent
Newport Independent School District
30 W 8th Street
Newport, KY 41071

RE: Summary of Ovation IRB Project August 2021

Dear Tony,

The total IRB approved is \$660 Million minus the cost of the garage, which is \$79 Million for a total valuation of \$582 Million.

After completion of the total project, the school district would receive between \$1,004,000 to \$1,164,000 for 30 years. The lower number is based on a very conservative valuation of \$500 Million and the higher number of \$582 Million.

This is divided into various phases where the PILOT is **payable during the first tax year after completion of that particular phase**. For example a phase with a value of \$50 Million would generate a PILOT of \$100,000 per year.

The phases of Ovation are listed below in the order that they are to be completed. Currently, the first phase listed is already under construction and estimated to be complete by late 2022.

Sincerely,


Thomas J Fromme
City Manager



NEWPORT

KENTUCKY

EXHIBIT "A"

			#Projected Range	
			Low	Hi
H	Hotel	\$28,000,000	\$ 48,000	\$56,000
J	Office	\$25,000,000	\$ 43,000	\$50,000
A1	Townhomes	\$23,000,000	\$ 40,000	\$46,000
A2	Townhomes	\$21,000,000	\$ 36,000	\$42,000
A3	Townhomes	\$23,000,000	\$ 40,000	\$46,000
C1	Apartments	\$41,000,000	\$ 71,000	\$82,000
C2	Apartments	\$41,000,000	\$ 71,000	\$82,000
F	Grocery/Market	\$11,000,000	\$ 19,000	\$22,000
E	Amenity	\$12,000,000	\$ 21,000	\$24,000
G	Dual Brank Hotel	\$36,000,000	\$ 62,000	\$72,000
B1	Apartments	\$73,000,000	\$ 126,000	\$146,000
B1	Condos	\$16,000,000	\$ 28,000	\$32,000
B2	Apartments	\$ 90,000,000	\$155,000	\$180,000
B2	Condos	\$ 21,000,000	\$ 36,000	\$42,000
D	Hotel/Office	\$ 96,000,000	\$ 165,000	\$192,000
F1	Office	\$ 25,000,000	\$ 43,000	\$50,000
Total		\$ 582,000,000	\$ 1,004,000	1,164,000

* Phases in order of completion

Pilots to be paid in the first tax year after each phase of completion