



October 30, 2009

Officials optimistic on Manhattan Harbour

*By Scott Wartman
swartman@nky.com*

DAYTON, Ky. - A recent meeting with state officials has the developer of Manhattan Harbour in Dayton and city officials optimistic they will get approval for a state tax incentive and will be able to start major construction soon.

If the state approves Dayton's tax-increment finance district in December, construction on a 2,000-home-and-commercial development in front of the floodwall along the Ohio River could start in early 2010.

Representatives with the developer C&M Investment Group and Dayton and Campbell County officials went to Frankfort this week to meet with Kentucky Economic Development Cabinet Secretary Larry Hayes and others to encourage support for Manhattan Harbour.

"It seems to me Secretary Hayes saw the importance of not only the Dayton project, but how important Northern Kentucky is to the entire state," City Administrator Dennis Redmond said.

They hope the state approves the TIF district at a meeting Dec. 10. The state gave preliminary approval in March.

TIF districts set aside tax revenue created by a development to build infrastructure in that development.

A development like Manhattan Harbour, being built on about 100 acres, is expected to generate millions in additional tax revenue. Under the TIF, that would pay for roads, utilities, parks and other public structures on the site.

The project cost, which has been estimated at up to \$1 billion, makes TIF financing necessary, said Terry Chan, CEO and president of C&M.

The developer is building in front of the floodwall and must truck in dirt to raise the riverfront 14 to 16 feet out of the flood plain.

Once the TIF is approved, the developer can sell bonds to finance the project, Chan said.

The TIF district approved earlier this year would allow for the issuance of more than \$100 million in bonds, paid off with TIF revenues.

Construction could then begin in early 2010, with the first homes and commercial space going on the market in 2011. The development's 2,000 homes would range from estate homes to townhomes, for a variety of income levels.

There would also be 450,000 square feet of commercial space, including around Watertown Marina,

for a hotel and boardwalk with entertainment.

"It's all moving in the right direction," Chan said. "It is a perfect time right now to start. The economy is starting to recover."

The developers also are working with a Korean company, LG CNS, to imbed technology into every aspect of the development, from park benches to homes, he said. This would make Dayton the nation's first "ubiquitous city," a concept pioneered in Asia.

"I think the thing I'm most excited about is the fact that it can change Dayton substantially for the better," said John Austin, president of the nonprofit Campbell County Economic Progress Authority. "This would add a number of commercial and residential users to the area."

The city has also applied for an EB-5 designation from the federal government to encourage foreign investment. The EB-5 designation grants visas to immigrants in exchange for investment.

If approved in February, an EB-5 designation for Dayton would mean foreigners could get visas if they create 10 full-time jobs through the investment of \$1 million in a commercial enterprise or \$500,000 in certain "targeted employment areas" in Dayton.

"What it does is provide another source of capital for the end product," Chan said.
