

## Whiskey Row area to get new hotel at First and Main Streets

Written by Jere Downs The Courier-Journal

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An affordable boutique hotel once planned inside the failed Museum Plaza project will now join the restaurants and taverns near Main Street's Whiskey Row, with a street-level, open air bar a block's stroll from the KFC Yum! Center and two blocks from Waterfront Park, developers and city officials announced Wednesday.

The 8-story, 175-room, [Aloft](#) hotel is expected to rent rooms for around \$150 nightly and contribute an estimated \$600,000 annually to the special tax district that collects money to pay the arena's construction debt, developer Steve Poe said.

Construction on the \$22 million project is scheduled to begin early next year with completion in 2015, said Poe, flanked by Metro Louisville Mayor Greg Fischer and Councilman David Tandy, whose 4th District includes the hotel site.

With Louisville-area hotel occupancy running at 70 percent, Poe said there appears to be healthy demand. From 2008 through 2011, occupancy rates were about 55 percent as the recession and its aftermath cut into business, according to the Louisville Convention & Visitors Bureau.

"I have wanted to build a hotel downtown for seven years. We feel like we have the best brand in the best location in the city," said Poe, a former partner in the Museum Plaza project and the developer of apartments at Waterfront Park, among other projects in Louisville. "The Aloft brand perfectly fits here in the Main Street, East Market corridor. It's funky. It's cool, and it is upscale."

The state's tax-increment financing — TIF — allocates a share of the annual increase in tax revenue from the area surrounding the arena to go toward paying off its \$349 million construction debt. But the incremental tax revenue generated around the project has fallen well short of projections.

Metro government increased its annual contribution to \$9.8 million, from \$6.5 million. The University of Louisville earlier this month agreed to cap the revenues it collects from advertising sales on signs inside and outside the arena. Any revenues beyond that cap will be put toward paying down the arena debt. The three-year agreement is expected to generate about \$1.5 million.

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