

06. Appendix

01. OPEN HOUSE

Vision Boards

The first activity at the Open House consisted of three large inspiration boards that invited individuals to share ideas and dreams for the IRS site. Figure 6.1 and 6.2 summarize the comments and images left on the board.

Imagine Board Summary Table					
Key Word Tallys	Comment Count	Image Count	Totals	Category	Notes
Greenspace	12	9	21		
Walkability	12	1	13		pedestrian focus, connections etc
Neighborhood Scale	12	0	12		similar in style and scale to what's existing; 1-3 stories
Public Art	2	9	11		installations, local artists
park	10		10		large green park
Jobs	3	6	9		
Plazas/ Gathering Spaces	0	5	5		
Town Square/ Central Green	0	6	6		
event space	4	4	8		for concerts, festivals etc
Corporate Office	0	8	8		
street grid	7		7		reconnecting the street grid
Riverfront	6	1	7		activating Riverfront in some way (park, activites, plaza, visual connection)
character	6		6		enhances and furthers existing character
Mixed Use	5	1	6		variety of uses: retail, office, residential
Unique Retail	0	6	6		not just restaurants but more diverse offerings
Creative Office	0	6	6		
Neighborhood Character	0	6	6		similar in style and scale to what's existing
parking	5		5		underground parking
gathering space	2	3	5		for community
Bike Lanes	0	5	5		
Public Space	0	5	5		more creative uses including programing
affordable housing	3		3		
organic growth	3		3		
attraction	2		2		draws people to Covington
community center	2		2		
convetion center	2		2		expanding
dog park	2		2		
grocery store	2		2		
no park	2		2		
Sustainability	2		2		sustainable growth and design
Modern	0	2	2		office over retail
bike trails	1	0	1		
Parks	1	0	1		
Mid Rise	1		1		4 to 6 story
Accessible	1		1		to those with disabilities
active	1		1		promotes active lifestyle
bridge	1		1		
iconic	1		1		iconic development/ architecture
no surface parking	1		1		
public safety	1		1		

Figure 6.1. Image Board Summary Table

recreation center	1	1	sports focused
restaurants	1	1	
theater	1	1	
transportation	1	1	bus system
views	1	1	preserve views/ vistas
townhomes	1	1	
High Rise	0	1	1

Figure 6.2. Image Board Summary Table Continued

How Would You Like to Get To and Around the Site?			
Mode	Count	Percentage	
Walk	101	52%	
Automobile (Drive/ Uber/Taxi)	15	8%	
Bike	55	28%	
Bus	24	12%	
Total	195		

Figure 6.3. Mode of transportation

Transportation

Individuals were asked to leave a dot next to images of various modes of transportation that they wished to utilize in order to get to the site. The modes included walking, biking, car, and bus. Over half the participants wished to walk to the site.

Neighborhood Representation

At check-in, we polled participants on the neighborhood which they represented. We had representation from nearly every neighborhood in Covington as well as from nearby cities. Nearby Licking Riverside, the Central Business District, and Seminary Square made up a large portion of attendees.

What Neighborhood Do You Live In?

Neighborhood	Count	Percentage
South Covington	1	1.10%
Levassor Park	1	1.10%
Latonia Lakes	1	1.10%
Kenton Hills	1	1.10%
Edgewood	1	1.10%
West Covington	1	1.10%
Lakeside Park	1	1.10%
Bellevue	1	1.10%
Park Hills	1	1.10%
Alexandria	1	1.10%
Fort Mitchell	1	1.10%
Amelia, Ohio	1	1.10%
Lebanon, OH	1	1.10%
East Side	2	2.20%
Westside	2	2.20%
Peaselburg	3	3.30%
Lewisburg	3	3.30%
Austinburg	4	4.40%
Mainstrasse	4	4.40%
Fort Wright	5	5.49%
Wallace Woods	8	8.79%
Seminary Square	14	15.38%
CBD	15	16.48%
Licking Riverside	18	19.78%
Total	91	100.00%

Figure 6.4. Neighborhood Representation

02. CIVIC DINNERS REPORT



CIVIC DINNERS
The platform that brings people together
for conversations that matter

PROJECT SUMMARY

From February through May of 2019, dozens of Covington residents gathered around dinner tables to discuss their visions for the IRS site, a 23-acre parcel of land located on the riverfront in the heart of the city's downtown. Various descriptions of the site included 'un-welcoming', an 'eyesore' and 'wasted space', but conversation participants were enthusiastic about the Cinderella potential of the IRS site, and the possibility of transforming the area into a vibrant hub for the city. People were deeply engaged in the conversations, and while people didn't always agree on the best use of the space, a wide variety of ideas were discussed in parallel to consideration being given to Covington's history, values and a future vision of the city.

Here are some things participants said about their Civic Dinner experience:

- I learned a lot from my fellow diners! I walked away with a deep sense of community and love for my city. Community input is absolutely necessary for the future of Covington. Thank you!
- The most enjoyable part was the hospitality of our hosts and meeting new people who care about the community.
- I knew only the hosts and my wife - the others were new to me and delightful people with good ideas about Covington. What a refreshing thing it was to share ideas about Covington without fighting over city hall political stuff.
- I loved the experience. I got to talk to a variety of different Covington lovers and I heard some great points and interesting ideas.

TOP THEMES



'If I only had a heart'

'I would like the former IRS site to be a gathering place for the city. We have no town square or city center'.

The idea of the IRS site transforming into a 'heart', 'hub' or 'city center' for Covington resonated strongly with many of the conversation participants. People saw potential for the site to be 'a unifying city center', 'a place where the city would come together' and 'a place that attracts visitors'. In addition to the key function of bringing the community together, the space was also seen as a possible symbol of the city's identity, one which would draw visitors that residents could take pride in. A few participants thought this 'heart' could be epitomized by a 'plaza', a 'statue' or an 'iconic' artwork by a regional artist, or a site for City Hall.



Commerce, culture or a place to call home

City Plaza/Park, and vibrant office/retail/dining/entertainment district (jobs)

In addition to green space, commercial space and culture/entertainment venues were popular ideas across the conversations. It's important to note that green space and commercial space were not necessarily seen as mutually exclusive, many people were supportive of a 'mixed use' space that incorporated both elements. The potential for job creation was widely discussed. Some felt the space was an excellent opportunity to attract companies which would be an asset to the city and boost the economy. Many felt that a variety of business (and job types) would best serve the community, from small local business offering entry-level salaries all the way through to Fortune 500 companies. Retail, café/restaurant, and office space were all proposed. One table, in particular, was very keen on a Trader Joes! Others were excited about the prospect of cultural and entertainment venues such as music venues, comedy clubs, a movie theater, and an art gallery. While not as widely discussed, housing was also seen as a priority by some conversation participants. Those who did mention housing spoke about the importance of it being affordable and/or accessible to a variety of different incomes.

TOP THEMES



Parks and Green Space

'Everyone loves a large park'

Green space was one of the most common ideas across the conversations. A large park was related to the desire for a space that encouraged 'lots of people walking and enjoying all kinds of experiences'. Elements people mentioned for a park included, 'a fountain', 'the appropriate choice of trees', 'places for picnics', 'river access', a dog park and making sure there was a view of the river. Some participants also proposed that a park could be a great place for Farmers markets, festivals, outdoor concerts with 'a small concert stage or pavilion'. A place where Covington could come together.



Thoughtful design

Keeping with the aesthetic standards of Covington's rich architectural history

Thoughtful design. This was the approach promoted by a number of the conversation participants. Some wanted to ensure that new development was 'respectful to the historic character of the city' and preserved 'the connection the older part of the city has with the river and city skyline'. Others wanted to see sustainability and accessibility taken into account. Washington Park in Cincinnati was spoken of as an exemplar in smart design, offering parking underground to best maximize the above-ground space. Some spoke of giving thought to how the space could be optimized for use during both day and night.



Verbatim Comments from Surveys



(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Question #1: Personal Experience and Values - Part 1

What three words would you use to describe the area around the IRS site today?

Negatives and Unappealing

- Eyesore
- Unfortunate, pedestrian-unfriendly, wasted space.
- Dangerous
- We described the IRS itself as isolated, ugly, uninviting
- Boring- 3
- Undefined urban chaos
- Un-urban, Un-sightly
- Unapproachable, hidden, unwelcoming
- Unapproachable and wasted riverfront land
- Unwelcoming- 3
- Barrier, unsightly
- Disjointed, fragmented, inhospitable
- Bland- 3
- Depressing, flat
- Barricaded, disconnecting
- Fenced, unwelcoming
- Out-dated
- Disconnected and unplanned
- Unattractive
- Ugly- 6

Possibilities

- Potential- 4
- Under-utilized
- Diverse
- Promising
- Spacious- 2
- Vital
- Dirty, a mess, underdeveloped, construction, rats
- Underutilized and a pit
- Empty, blank slate
- Underused
- Opportunity, opportunity, opportunity ... seriously opportunity, location, imagination

Concrete, physical descriptions

- Pavement, disconnected, industrial
- Too much pavement.
- Concrete/asphalt,
- Tired
- Low budget, traffic, congestion
- Desolate- 3
- Concrete, flat
- Pavement, Island, Big
- Court, Construction, Aesthetics/Appearance



(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Question #1: Personal Experience and Values - Part 2

What's one thing you'd like to see change?

Planning and Development

- Create a new, intentional neighborhood that provides things we need - childcare, education, and senior Living, and small retail that supports the neighborhood
- Planned development; not a hodge-podge of unrelated things.
- Cleaned up, neighborhood, property and income taxes
- Use the strategic location to develop an area to attract both residents and outsiders
- it's going to be a totally new development, so we should push for accessible residences and businesses that offer sustainable jobs

Connectability

- Bikeability
- Connect to the river.
- I would like to make that part of the city more walkable, finding a way to connect it to other city centers.
- I would like this space to bind our disjointed city together, both physically and symbolically.
- Walkability is needed
- Connectability

Miscellaneous

- Extend Russell St to the Ohio River, opening/access into the flood wall.
- Removing the IRS building- 2
- It's so unwelcoming now. The change: be inviting
- More Free public parking- or a validation system from vendors/Businesses
- Needs to participate in the city life.
- Traffic flow with ambiance focus.
- Removal of the fences and the establishment of a community anchor
- The usage of the site.

Green Space

- Green space with hard- & softscape
- Preferably park-like setting
- More green spaces
- A common green space as a focal point for the city
- I'd like to see the space converted into a large park
- Preferably park-like setting.



(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Question #2: Shared Vision

What kind of jobs would you like to see created on this site?

Mixed-income Opportunities

Entrepreneur Friendly

- Opportunities for youth employment (entrepreneur empowerment zone)
- Cafes
- Entrepreneurial small business (food, retail, and office)
- Grocery, pharmacy, sit down restaurants
- Broad mix. Service, professional, leasable space to inspire entrepreneurship
- Restaurant, Minor Retail, Mixed Business/ Office
- Jobs that pull from a mix of skills. Grocery store jobs (baggers up to management), City Hall (gov't jobs), Park (maintenance jobs), business service jobs (if there were office space areas....law firms, accountants, psychologist's offices, etc.)
- Business type jobs
- A variety,
- A diversity of employment that seeks to respond to city investment needs while offering current Covington residents opportunities - don't build suburbia in the city.

- Park maintenance, restaurant.
- A variety of job types
- Mixed income jobs
- Diversity of jobs: from service to corporate
- Office, restaurant/retail to serve the community
- Midscale paying jobs. \$15. -\$18 minimum.

Attract High Paying Jobs

- High paying jobs
- Same kind everybody wants, well-paying and sustainable ones
- More high paying jobs
- High-income, not a large # of employees (think biotech or plastic surgery group)
- High paying low entry jobs

STEAM-related

- Healthcare/biotech
- Computer/tech, health services, art center education
- Tech and/or arts
- STEAM-related

FINAL DRAFT

- Entry-level to CEO. Focus on bringing 4 medium sized growing companies to the site, (Vs. 1 prized Fortune 500). Additional smaller companies will fill in to build off the energy of medium-sized companies. Food and Retail will be there to add service to the area.
- Those that attract nearby residents
- Jobs that are offered to the residents of the city and neighborhood first. I would hope that we could offer some training to link those residents to the available jobs.
- Diverse - ranging from entry-level to top-level executive level

Retail

- Retail jobs
- Concessions, vendors
- Retail service positions
- Retail
- Fitness/recreation



(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Question #2: Shared Vision (cont.)

What kind of jobs would you like to see created on this site?

Miscellaneous

- Limited and local retail
- Childcare, senior care, teaching, limited retail.
- More than just service jobs
- Office (all skill levels)
- Entertainment, hotel, and shopping.
- I'm not sure that job creation is the primary driving force for this property. Use of this property to make Covington a good place for jobs is the primary driving force.
- Following OTR formula, start with urban dwellers, add bars and restaurants and retail will follow!
- Business type jobs, concessions, vendors
- Urban Market,, corporate sponsorship, living space management.

Reconnect Covington

(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Question #3: Your Role

In your mind, what does the site look like in 10 years? And specifically, what three things do you see in your vision?

Green Space / Gathering Space

- A green space- 8
- A small concert stage or pavilion, family-friendly and safe environment
- Dog park
- Covington's own Washington Park
- A large portion dedicated to a park
- Connected to the river
- Keeping with the aesthetic standards of Covington's rich architectural history.
- A park-like, walkable, pedestrian-friendly zone
- Open area to the river and not a bunch of buildings blocking the view of and use of the river
- Outdoor markets and public gathering spaces, many people enjoying the outdoors and arts
- Park area - 2
- Trees and greenery
- A beautiful park with river access
- Dog park
- Mature trees
- Park
- Vibrant and active with access to the river, natural green space, and engaging spaces
- The farmers' market

Aesthetics / Convenience / Necessities

- We want to see an intentional community with early childhood and K-12 education that integrates senior involvement in an intentional way,
- Set aside for affordable housing, a recreation center like a YWCA, and a Trader Joe's. Parking would be underground like Washington Park.
- Iconic artistic regional centerpiece viewable from Cincinnati, 71/75 highway and Newport. Below street level parking like Washington Park in Cincinnati and urban center with diverse perspective for all residents and visitors.
- Underground parking (Washington Park in OTR), single-family homes that are architecturally designed to complement the existing old style while also being modern, the reestablishment of neighborhood streets (3rd St). A height restriction of no more than 3 levels to protect the views that the rest of the city enjoys and to keep the older part of town connected to the river.
- Some underground parking.
- Inviting riverfront area with river-walk access
- A vital urban landscape that's feeding renewal throughout Covington
- Serves families as well as YPs and seniors,
- Mixed-income housing

FINAL DRAFT

- The farmers market
 - Ferry connection to across the river
 - With a wider road with green space either side that can be closed for street events. Park on the riverside of Floodwall.
 - A dog park on the site would be great
 - Open spaces
 - Farmers' markets
- A healthy mix of commercial, residential and public space that reflects the diversity of the people of the community, our city's cultural heritage, and is designed to emphasize vital streetscapes inviting for pedestrians.
- A compliment to the Ohio River destinations in conjunction with supporting local residential needs



(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Question #3: Your Role (cont.)

In your mind, what does the site look like in 10 years? And specifically, what three things do you see in your vision?

Aesthetics / Convenience / Necessities (cont.)

- This should be a mixed-use area
- Buildings
- And I would like to see it oriented around a band shell or fountain or gazebo or some other community gathering point. Think about how Fountain Square serves not just as a gathering place, but also as a symbol for the city.
- upscale buildings supplying jobs; appealing to urban living.

Civic Center / Entertainment

- Variety of shops, restaurants, residential.
- Destination for travelers, mecca, safety
- High-end grocery store
- City Plaza/Park, and vibrant office/retail/dining/entertainment district (jobs)
- For lack of a better term, a "town square," something like what Court and Park with the old courthouse probably was, maybe something like what Fountain Square is for Cincinnati
- A city center connector to all the other areas in the city, vibrant riverfront and active 18 hours a day with families, single and workers.

Civic Center / Entertainment (cont.)

- Offers multiple ways for the community to come together, and needs to be met (i.e. city hall, grocery store)
- That incorporates a thoughtful rich variety of residential, business
- A plaza, and a City Hall building
- Lots of different shapes and sizes of buildings, a variety of shops and services,, business buildings,
- Civic center
- I see it being a place where the city would come together as a meeting place
- I would like the former IRS site to be a gathering place for the city. We have no town square or city center.
- The modern version of 7th & Madison but with a public gathering space.
- High-end grocery store

Connector, Accessible by Walking

- Connector for linking river/Madison/main street neighborhoods
- A connection to the river and surrounding cities through bike and walking trails,
- "Smale-like" park area that provides a way to walk/

FINAL DRAFT

- Cafes
 - The centerpiece of a revived downtown core.
 - Family friendly activity day and early evening and Adult nightlife, music venues or comedy venues. City Center; with Market (indoor-outdoor)
 - It should be a place for festivals, civic events
 - Musical performances
- bike from the river to Main-Strasse to Braxton to Hotel Covington.
- Walkable;
 - Walkable, inviting to all ages.
 - Ways of traversing 4th and 5th streets and the railroad to make the area more usable.
 - A vibrant space with lots of people, bikes, dog-walking



(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Question #3: Your Role (cont.)

In your mind, what does the site look like in 10 years? And specifically, what three things do you see in your vision?

Connector, Accessible by Walking (cont.)

- Families walking throughout the district
- Pedestrian connections with the rest of Covington
- Better use of the connection with the river, lots of people walking and enjoying all kinds of experiences
- It should also be designed in a way to make our city more walkable

Mixed Use

- A mixed-use development
- Mixed group of developers on the project to offer variety.
- Housing in many price ranges

Miscellaneous

- Some Condo/Apartments
- Hate to say in 10 years, still under construction/undeveloped. A flexible master plan - With room for multiple medium-sized developers to build on a divided up site, Competition for lease space, and ownership will keep the project affordable and vibrant. (1 large out of town developer will bring their vision, no competition and may stymie construction and project financing (Ovation). Residential 60% condo owner occupied / 40% rental - more ownership will create a neighborhood and more stable value over time. Russel St extend to River-
- Active both day and night,,
- With businesses catering to the city,
- Residential units over
- Retail
- Ample parking
- Housing to support urban living for the region,
- Ride-share and Taxi lots.



(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Key Themes

What were the top key themes that emerged from your Civic Dinner?

Green Space, Parks, Walkability/bikeability, Connection To and Use of River

- Make more green space in Covington with a Washington Park-like setting that would be for recreation and would serve as a venue for entertainment, music, festivals. Build it on top of a parking garage to retain city views.
- city views.
- Need for green space, trees, fountains, nothing corporate
- Park, walk and bikeability
- Huge potential to turn a grim, ugly area into a valuable gem - walkable, eclectic, community asset.
- Green space- 9
- Will also drastically impact sun and moisture conditions for urban farms and gardens.
- Need for walkability/connection to Main Strasse AND the river; bring what urban residents need/want, market, dog park
- Tie the space into the Covington riverfront and also the Cincinnati riverfront
- Make sure there is a lot of green space and is perceived as walkable
- Make use of the river somehow (kayak dock, river taxis, etc.)

- Integrate access to the river
- Connectivity to Covington proper and River, gathering space, green space, local feel and presence
- Emphasizing pedestrian connections between the IRS site and the rest of the city and the river, green space and river usage (water sports, like paddling), sight lines to the river,
- Public space, walkability
- Need to find a balance of park space and development.
- Pedestrian-friendly

Social issues, Livability, Inclusive

- Grocery/market to serve seniors across the street
- Education tie in NKU
- Affordable housing (not section 8)
- Older Gen concern for safety and pleasure of time spent in Covington with Homeless population
- Address way to serve homeless population
- Creating a vibrant and diverse urban environment characterized by interesting and locally-owned commercial prioritizing local employment opportunities, developing public amenities that speak to Covington as a welcoming and economically and socially diverse community.

FINAL DRAFT

- Try to hide the new parking or main roads below street level (like the Cincinnati riverfront).
- Mixed-use riverfront park.
- Outdoor park space that can also permanently house the Covington farmer's market.
- Maintain walkability, promote communal green spaces,
- Yes—connectivity, workforce housing,
- Creating a community gathering place
- Welcoming, walkable, authentic, diverse
- Accessibility and Workforce
- Connectivity, diversity, and quirkiness
- Diversity - Architecture, people, living/retail/office



(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Key Themes

What were the top key themes that emerged from your Civic Dinner? (cont.)

Social issues, Livability, Inclusive (cont.)

- Affordability, equity,
- First rights to local entrepreneurs and small businesses in retail spaces.
- Support smaller independent businesses
- Economic diversity, low-impact development
- People want to see a useful, sustainable, accessible space
- Grocery store,
- Education, respectful to the historic character of city

Attract and Bring In Business

- Attract high-paying businesses such as tech and medical companies, plastic surgery or weight loss businesses, to generate income.
- Attract upscale, non-chain restaurants with outdoor seating
- Upscale
- Mixed use space - 3
- Expanded convention center
- Site development as multiple use, something to attract people to come to this area and Covington
- Revenue growth for IRS site in Covington
- City center - 7

Attract and Bring In Business (cont.)

- Business
- Attract high-paying businesses such as tech and medical companies, plastic surgery or weight loss businesses, to generate income.
- Attract upscale, non-chain restaurants with outdoor seating

Culture, Aesthetics

- Iconic art
- music/meeting area like a gazebo or "Vessel" in New York to scale
- We want to preserve the connection that the older part of the city has with the river and city skyline, a wall of buildings will take away one of the perks from living across from downtown Cincinnati
- Aesthetic problems with other new developments

Miscellaneous

- Need multiple small developers not one big developer. Get something happening fast. Even if temporary.
- Building height, sense of place, public vs. private
- That it should be a destination and have a different feel for daytime vs. nighttime. Foot traffic is important.

FINAL DRAFT

- Use the space to link the Madison corridor with the Main Street Entertainment District
- Townhomes, working class, no high rise
- Mixed use; retail, residential and office.
- The need for shopping downtown, retail and a movie theater, grocery store, and pharmacy
- Finding community rewarding. Differing opinions among generations.. Younger Gen wanting to increase growth of Night life and shopping venues in Covington. No concerns of Safety.
- That the space should be mixed use: city hall located there, office space
- The need for a new public space for Covington.



(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Key Themes

What were the top key themes that emerged from your Civic Dinner? (cont.)

Miscellaneous (cont.)

- Thoughtfulness in design, overall we want something architectural that is not the 3 over 1 or 5 over 2 block design we see at the 5th and Main development site or found in the suburbs like Oakley, Norwood, etc.
- Jobs are not the only need for this vital spot in Covington
- Potential uses for the IRS building



(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Key Themes

What would make this site a beloved community asset for Covington?

Gathering Area, Park

- The walkability of the space with a nice park, maybe some type of music venue. Farmer market similar to Findly market in OTR
- Green space with an appropriate choice of trees and upper level to view over the flood wall of the River and a bridge from Senior living across the street.
- A park that is centrally located for 4 of the highest income neighborhoods in Covington is key to attract and keep families. This is the key difference between OTR and Covington, Covington attracts the families that are born out of the young professionals that currently live in OTR. There is a strong desire in the community to install assets that were presented in the Riverfront Commons Project that was proposed in 2018.
- We don't have a beautiful park here which can be accessed on foot. Devou is lovely, but the steps leading up to it have not been maintained and are now not usable. Also, it's not in a very central location, unlike the IRS site. Everyone loves a large park, especially one which is accessible by foot or bike. I envision a space with indoor/outdoor cafes, places for picnics, outdoor concerts and films, guided walks with naturalists, an ice rink, a kayak livery...

- A centerpiece, statue or gathering area where people can relax.
- Somewhere people want to go when the weather is nice outside. they would want to walk there, or bike there, to enjoy the outdoors. They would be able to stop and get lunch, do a little specialty store shopping, and have a drink. Then bike or walk home again.
- Our own community park on the river.
- The walkability of the space with a nice park, maybe some type of music venue. Farmer market similar to Findly market in OTR
- Green space

Heritage, Keeping It Unique to Covington

- Keep it Covington. We're not Newport and don't want to be. Increase the quality of the pedestrian experience when going from Mainstrasse to Licking River. Something like the Highline in New York City is a good example of something that is "beloved". Smale also provides an abundance of good examples of green space.
- Incorporating the Covington architecture
- Some Covington history, and history or relationship with Cincinnati.

Beauty, Intentional Design

- Make it a gathering place that is beautiful

FINAL DRAFT

- If there were a safe and lovely gathering space
- Green space, walkable space, meeting space, and a dog park
- A public gathering place
- A city square with water access.
- Design in mind, not cookie cutter, assets for all walks of life

Reconnect Covington

(Verbatim comments are direct from host notes and survey responses and have been grouped by themes)

Key Themes

What would make this site a beloved community asset for Covington? (cont.)

Beauty, Intentional Design (cont.)

- A consideration of aesthetics. Tastes will vary but buildings like those at the Banks and at Main and 5th seem to be universally reviled. Not just because that kind of bland, boxy “four over one” buildings are ugly, but because they’re cheap and they look it. This is our city center. Let’s build something that will last and that can become emblematic of our city.

Connect the City

- If it connects well with the rest of Covington and helps further define connectivity in the region at large
- Everyone feeling like they had played a part in its realization
- An investment by the community in its design and a recognition that the investment resulted in a dynamic environment that reflects that investment.
- Celebration of diversity and history
- If it can connect all the HAPPENING pockets that seem to be scattered - like Hotel Covington area and the renovated Boone Block and Braxton to Main Strasse- and be a green space - that would be something!!
- Connecting the city to the river in a pedestrian-friendly way.

Miscellaneous

- We had 4 residents of the Panorama apartments (across the street from the IRS site). They had a lot of ideas that would make life more convenient for them as well as improve the neighborhood. They don’t want a high rise that will block their views.
- A showcase development usable by residents and attractive to outsiders
- Many people at the table said a Trader Joe’s. :) We also all agreed that it needs to be mixed use.
- A multi-functional space that is both sustainable and meets current needs.
- Utilizing river plus nearby jobs, residential & child care
- It would be welcoming to all the community and provide the services we need.

FINAL DRAFT

- An urban outdoor living room (plaza) surrounded by a mix of uses and connected to the river.
- Too much City Parks and Land will become a financial liability to the City to maintain, or taxes will increase and deter interest in the city.



General Feedback

(Verbatim comments are direct from host notes and survey responses)

Overall, did anything surprise you? What did you enjoy most about the overall experience?

- Great way to get the community together. Thanks to our hosts!
- No, not really. The chicken.
- No, meeting new people
- The strong sentiment that we are no longer desperate for development. We don't have to say yes to just any random suggestion that gets promoted. Covington is a great place, and the IRS location is very valuable. We should be able to get development that adds value and improves our quality of life.
- Getting together and meeting neighbors. Everyone had great ideas for the space.
- The biggest surprise is the length of time the project will take to be completed. I enjoyed the interaction of fellow neighbors that care about the city they chose to live in.
- I was under the impression that this would be moderated by either someone from Cooper Carry or from the City. I've been to 2 dinners and for the most part, they have been really engaging conversations. The overarching theme out of both is that we hope that Cooper Carry is really listening to these responses
- The older participants were willing to accept/ acknowledge that even though they would never
- I knew only the hosts and my wife - the others were new to me and delightful people with good ideas about Covington. What a refreshing thing it was to share ideas about Covington without fighting over city hall political stuff.
- No surprises. Enjoyed sharing the pride we have in our city with friends that care!
- I was surprised how the older generation who grew up in Covington would like to bring the city back to its glory of the 1940s-1950s
- Some very good ideas from neighbors; meeting other neighbors in a casual setting
- We loved getting to know each other, we learned about each other's neighborhoods and backgrounds, and really enjoyed this format.
- I was surprised that most folks were pretty much on the same page. no great difference in visions
- Nothing at the dinner was surprising. I enjoyed learning that most of us feel the same way. We chose Covington because of its historical architecture, walkability, strong community, and diversity. We would like to see these assets preserved and enhanced with this opportune location.

FINAL DRAFT

in a million years pay such high rent, that there is a waiting list if people ready and willing to do so. I really appreciated hearing perspectives from people with whom I would not have otherwise ever had an occasion to converse.

- Someone suggested a Findlay-type market as part of the mix.
- How much agreement there was at the table!
- I enjoyed the experience.
- Getting together and meeting neighbors. Everyone had great ideas for the space.
- No. Everyone at the table was awesome!
- Seeing how different people in the dinner used different vocabulary to express similar ideals in terms of what constitutes a good urban space.
- I loved the experience. I got to talk to a variety of different Covington lovers and I heard some great points and interesting ideas.



General Feedback

(Verbatim comments are direct from host notes and survey responses)

Overall, did anything surprise you? What did you enjoy most about the overall experience? (cont.)

- I learned a lot from my fellow diners! I walked away with a deep sense of community and love for my city. Community input is absolutely necessary for the future of Covington. Thank you!
- Surprised that group included people that weren't Covington residents. Listening to others and learning that we had common visions
- The realization that this project has the potential to be very influential for our region at large. the civic dinner concept is really great!
- Seeing and hearing what others thoughts were regarding the project.
- I was surprised how adamantly one person dominated the discussion.
- Meeting new people from the community.
- That someone could believe that a 23-acre park was a) needed b) is sustainable and c) is preferable to jobs.
- The most enjoyable part was the hospitality of our hosts and meeting new people who care about the community.

03. INNOVATE WORKSHOP

Top Priorities

Priorities	Votes
Make Physical & Visual Connections to the River	4
Integrated Site Design into the City	4
Connect to Surrounding Neighborhoods	6
Create a Greenspace to Gather	10
Walkable	5
Connect to Existing Trail Network	8
Execute a Strategic Site Conveyance Plan	1
Increase Job Creation	4
Diversify City's Economy and Revenue Streams	1
Engage local Development Community	2
Create an Authentic Mixed-Use Environment	3
Be True to Covington's Character and Unique Neighborhoods	2
Encourage Organic Development	0
Create Vibrant Spaces for the Community to Gather & Celebrate	9
Create Spaces for Public Art	3

At the Innovate Workshop individuals were asked to vote for their top priorities from the list in Figure 6.x. Participants focused on creating greenspace to gather and vibrant spaces in general that could be used by the community.

FINAL DRAFT

Connect- Street Types

Street	Complete Streets	Retail Street	Trails	Neighborhood Street
Rivercenter Blvd				1
Madison Ave	3			
4th Street				
Russel Street (extension through site)			2	2
Johnson Street	1			1
Mainstrasse			1	
East Third (extension through site)	8			
Continuation of Montgomery			6	2

Another activity asked participants to assign a street type to the surrounding and connecting streets. Choices included a complete street which incorporates bike lanes, a retail street which has on street parking and retail access, trails which are largely pedestrian and bike use, and a neighborhood street which is comprised of smaller sidewalks and narrower streets with lower traffic speeds.

street, Russel and Johnson as a neighborhood streets, Mainstrasse as a retail street, East Third as a complete street, and the new Montgomery as a retail street.

Most participants saw RiverCenter Blvd as a neighborhood street, Madison Avenue as a complete

04. MARKET STUDY

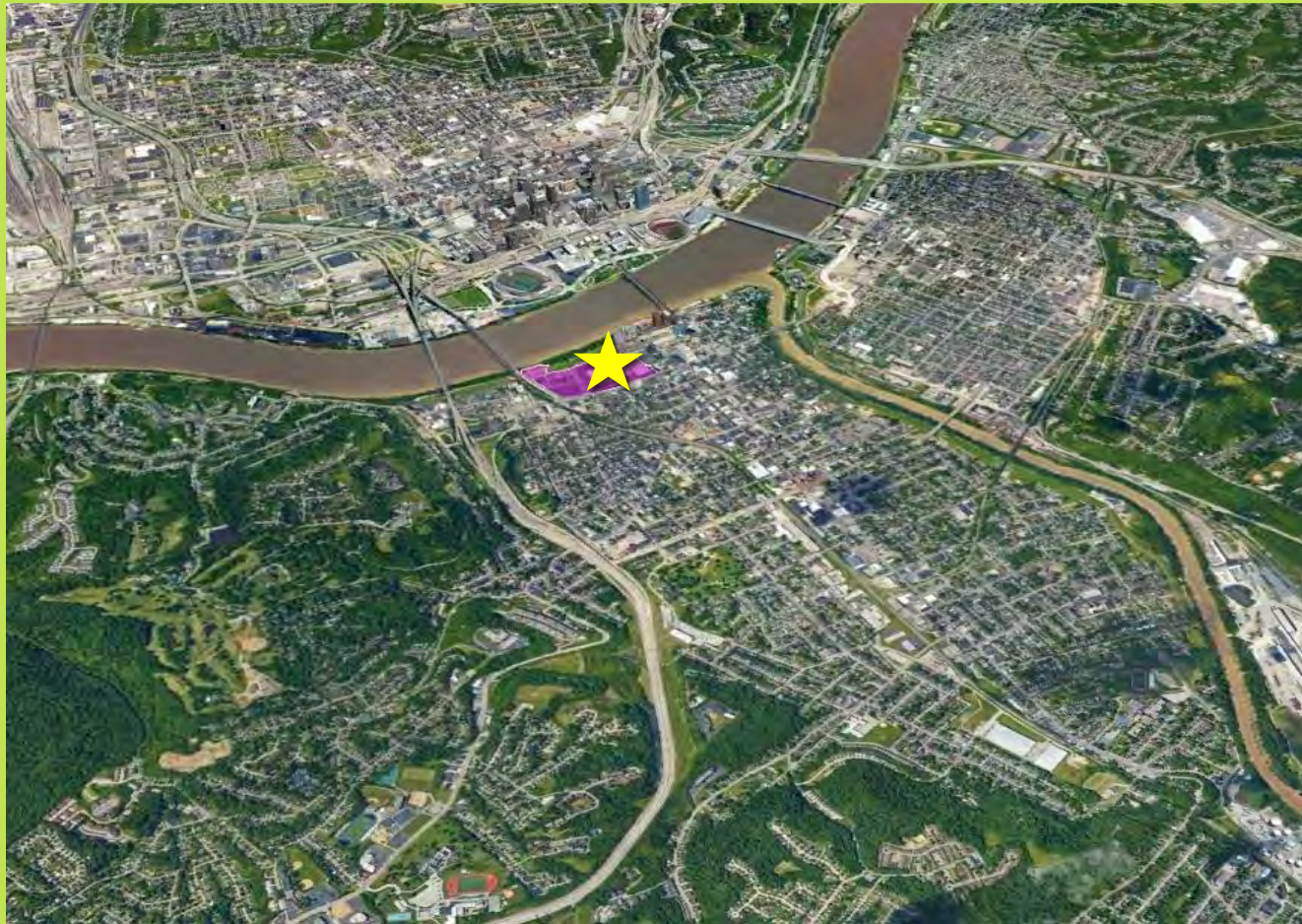
Noell Consulting Group

CITY OF COVINGTON
FOUNDED IN 1815



**CITY OF COVINGTON, KY
IRS SITE DRAFT MARKET ANALYSIS**

CITY OF COVINGTON, KY
MARCH 2019








CITY OF COVINGTON, KY IRS SITE DRAFT MARKET ANALYSIS

CITY OF COVINGTON, KY
MARCH 2019

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 1 Subject Site Market-Driven Recommendations

Land Use	Example Picture	Market Summary	Potential Subject Site Demand Depth	Recommended Price Point	Market Recommendations
Office		Lower forecasted metro job growth of only 7,000/year versus historical averages of nearly 16,000 per year, will limit the market to only 500,000-600,000 SF of net absorption per year versus historical averages of 1.25 million SF. While Intown captures are increasing, market depth will remain just 200,000-250,000 SF of absorption potential in the Tri-City Intown Core.	Only 16,000 SF per year of new growth, but potential to capture fair share of turnover in the market results in support of up to 175,000 SF through 2027.	\$20 - \$22/SF (NNN)	This demand mostly captures relocations of current office tenants, rather than growth in the Downtown market, and would be supplemental to any key anchor from out of market that might be lured to the project. 175,000 SF would result in approximately 800-900 employees. These rent levels will require significant infrastructure and other incentives to justify new construction.
Hotel		Hotel occupancies and ADRs have risen significantly over the past cycle, which has resulted in a surge of new inventory delivering. While most of this new inventory is in Cincinnati, the Covington market will be impacted by the new inventory at Newport on the Levee. The CSL International expansion study of NKYCC plans for future potential for two new hotels, however their full demand analysis has not been completed and this demand is likely 5+ years into the future.	Given planned supply, we don't foresee excess demand to the existing rooms until 2026 and 2027, at which time a 200-225 room hotel would work with demand numbers.	Estimated ADR of \$185/night, but heavily dependent on amount of committable rooms from NKYCC.	While Hotel Covington has proven ability to grow the weekend/destination market, Covington is still largely driven by NKYCC. As such, this use is heavily impacted by the completion of CSL International's NKYCC study. Our demand forecast assumes no significant shift in NKYCC demand per CSL's current conclusions, but does assume 30-40% of the room night demand at our forecasted hotel will be from NKYCC.
Retail		Increasing urban populations and disposable income levels are creating new opportunity for urban retail, however predominately in food and beverage or experiential retail categories. The planned renovation of Newport on the Levee, as well as planned entertainment/retail in Ovation, will be heavy competition for the subject site.	Potential for 70,000-80,000 SF, with a small grocery anchor (i.e. Trader Joe's), heavy food and beverage offering and service industries.	\$15 - \$28/SF (NNN), with an average of \$20 - \$21 based on projected store type mix.	Aim to create a mixed-use environment that can attract a wide range of consumers, including daytime and nighttime populations, as well as young professionals, Empty Nesters and convention goers. Development needs to be heavily amenitized and programmed to help offset regional competition. Focus on becoming Covington's local gathering spot.
Apartments		Historically, Downtown Covington has seen limited new Class A absorption, but recent deliveries, such as Duveneck Square and River Haus, show growing interest from target demographics, such as young professionals and Empty Nesters. Use does not create many replacement jobs.	Depth for +/-200 unit apartment community beginning in 2023; future multifamily phases can support approximately 200 units every 1.5 years.	Estimated \$1.80/SF at an 850 SF weighted average size, resulting in average absolute rents of \$1,500.	At this rent level, product type will need to be wood frame construction. Land value discounts and/or future property tax abatement may be required to justify development.
For-Sale Condos		Cincinnati Metro has struggled to regain momentum following the Recession, averaging only 1,400 new home sales per year compared to pre-Recession highs of 7,000 per year. With only 13% of these metro new home sales being condominiums, it leaves a small market of only 180 forecasted new condos sales per year, only 14% of which will be in Kenton County.	Approximately 35-50 units per phase of the subject site, assuming a 3 year sell out period.	\$400/SF, with the bulk of product achieving sale prices of \$400,000 to \$800,000.	Majority of the market is still fueled by Empty Nester downsizers, who have the financial ability to buy during a pre-sale condition and the ability to wait 2+ years for delivery. While potential exists to tap into first time and move-up buyers, absolute price points would need to be below \$500,000 and pre-sale requirements may make this a difficult segment to attract.

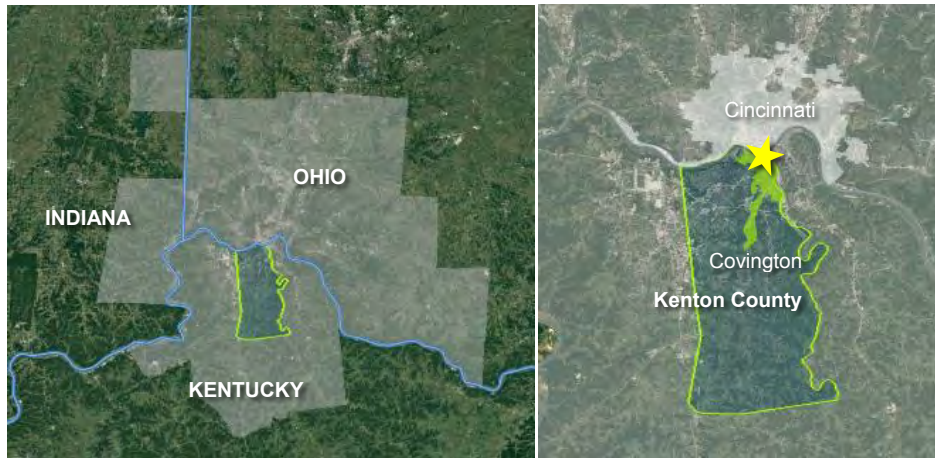
SOURCE: Noell Consulting Group

Location Analysis

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 2

Overview of Covington Metro Area Population Trends



The subject site is located in the Central Business District of the City of Covington, KY. Just across the river from Cincinnati Ohio, the site enjoys urban density with proximity to Cincinnati's CBD. While adjacent to the N. Kentucky Convention Center and multiple office buildings, the site is also walkable to human-scale, main street neighborhoods.

Covington is located in the Cincinnati MSA which includes 15 counties across three states. Covington is one of two county seats in Kenton County in Northern Kentucky, which has the highest population of all Kentucky MSA counties at almost 170,000 in 2017 (7.6% of MSA).

The City of Covington itself makes up 0.3% of the MSA's population at 40,455. Covington saw a 0.7% annual loss in population from 2000-2010, but this loss diminished from 2010-2017 to -0.02%. Cincinnati has seen similar losses by percent. While Cincinnati is almost 14% of the metro population, it saw a loss from 2000-2010 of 1%. Just as Covington has, this loss has diminished since 2010.

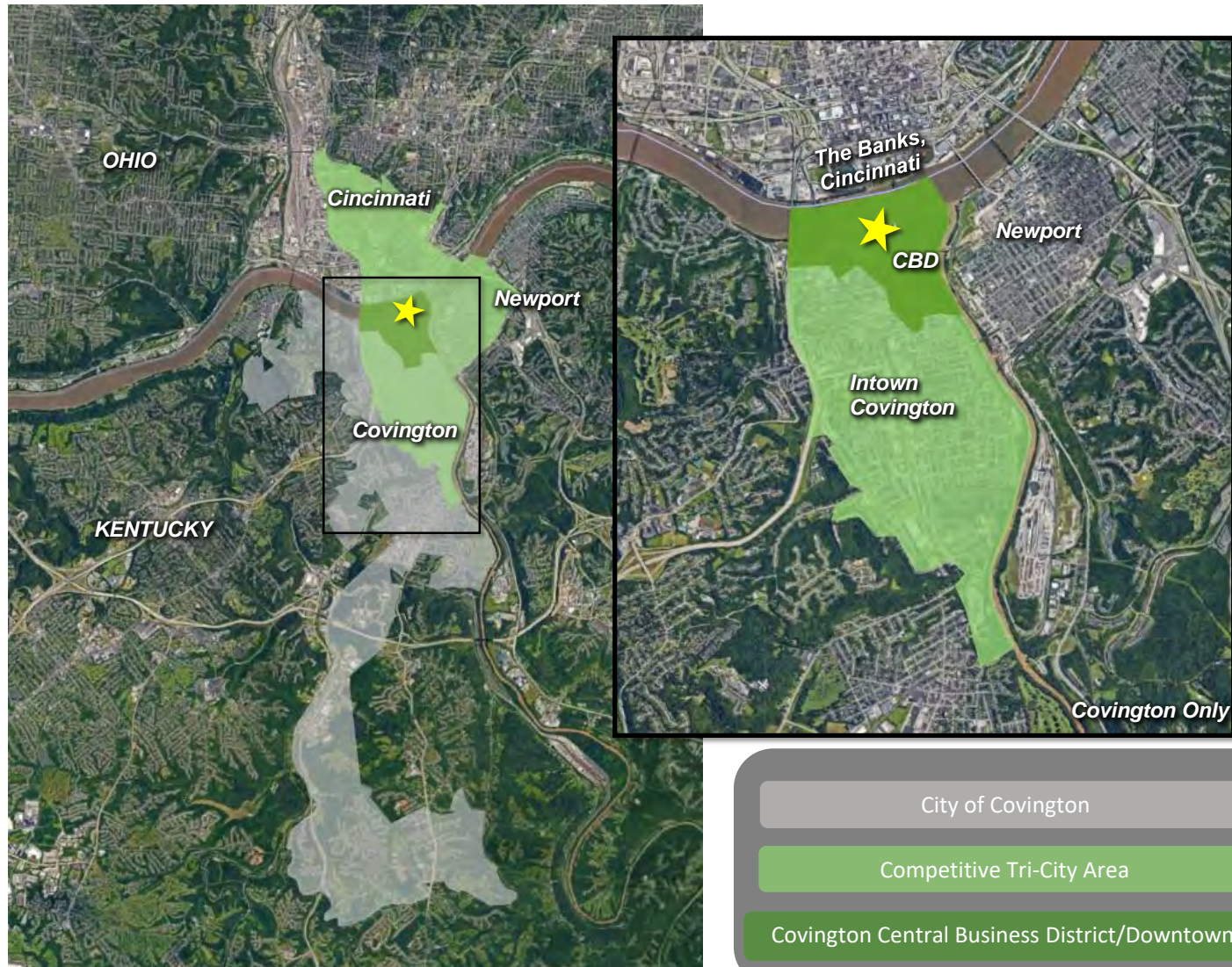
The following exhibits examine the intown, urban areas of Covington, Cincinnati, and Newport to understand population changes under a closer lens.

		LAND AREA		POPULATION		ANNUAL GROWTH		ANNUAL % GROWTH		CAPTURE OF REGION		
GEOGRAPHY		SQ MILES	% of MSA	2017	% of MSA	2000-10	2010-17	2000-10	2010-17	2000-10	2010-17	LAND CAPTURE RATIO (2010-17)
INDIANA	Dearborn County	305	7.3%	49,741	2.3%	398	-50	0.8%	-0.1%	3.2%	-0.6%	-0.08
	Ohio County	86	2.1%	5,828	0.3%	47	-38	0.8%	-0.6%	0.4%	-0.4%	-0.21
	Union County	161	3.9%	7,200	0.3%	19	-48	0.3%	-0.7%	0.2%	-0.5%	-0.14
KENTUCKY	Boone County	246	5.9%	130,728	6.0%	3,337	1,624	3.3%	1.3%	27.2%	18.5%	3.13
	Bracken County	206	4.9%	8,267	0.4%	24	-35	0.3%	-0.4%	0.2%	-0.4%	-0.08
	Campbell County	151	3.6%	92,488	4.2%	200	268	0.2%	0.3%	1.6%	3.1%	0.84
	Gallatin County	101	2.4%	8,776	0.4%	74	23	0.9%	0.3%	0.6%	0.3%	0.11
	Grant County	258	6.2%	24,984	1.1%	230	43	1.0%	0.2%	1.9%	0.5%	0.08
	Kenton County	160	3.8%	165,399	7.6%	854	770	0.6%	0.5%	7.0%	8.8%	2.29
Pendleton County	277	6.7%	14,573	0.7%	53	-49	0.4%	-0.3%	0.4%	-0.6%	-0.08	
OHIO	Brown County	490	11.7%	43,576	2.0%	260	-186	0.6%	-0.4%	2.1%	-2.1%	-0.18
	Butler County	467	11.2%	380,604	17.5%	3,628	1,645	1.0%	0.4%	29.5%	18.8%	1.67
	Clermont County	452	10.9%	204,214	9.4%	1,961	946	1.1%	0.5%	16.0%	10.8%	0.99
	Hamilton County	406	9.7%	813,822	37.3%	-4,302	1,649	-0.5%	0.2%	-35.0%	18.8%	1.93
	Warren County	401	9.6%	228,882	10.5%	5,508	2,202	3.0%	1.0%	44.8%	25.1%	2.61
MSA Total		4,169	100.0%	2,179,082	100.0%	12,290	8,765	0.6%	0.4%	6.7%	6.7%	0.07
City of Covington		13	0.3%	40,455	1.9%	-290	-8	-0.7%	-0.02%	-2.4%	-0.1%	-0.31
City of Cincinnati		80	1.9%	298,957	13.7%	-3,112	-173	-1.0%	-0.06%	-25.3%	-2.0%	-1.03

SOURCE: Noell Consulting Group, United States Census Bureau

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 3
Overview of the Study Area's Location in the Market



Covington's CBD (dark green) is located along the Ohio River, south of Cincinnati. The closest census tract aligning with the CBD also includes Licking Riverside. The City of Covington, shaded in grey, largely functions as a linear city stretching north to south. The intown neighborhoods have been identified in light green and include Mutter Gottes, Seminary Square, Mainstrasse, Eastside, Westside, Peaselsburg, Austinburg, Wallace Woods, and portions of Latonia Milldale. In understanding Covington's role in the N. Kentucky / Ohio area we have identified a larger competitive Tri-City area shaded in lighter green. This area is comprised of those census tracts which represent the intown, urban areas along the Ohio River in Cincinnati, Newport, and Covington. For the purposes of our analysis this area is bounded by I-71 (I-75 on the Ohio side) and I-471. Spanning over two states and three counties, this region functions as a greater urban trade area exchanging residents, jobs, and entertainment opportunities.

SOURCE: Noell Consulting Group, Google Maps



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 4
Overview of Intown Area Population Trends



Just as the Cincinnati metro spans three states, the competitive market area of the IRS site spans across three cities. To better understand this market, the intown areas of Cincinnati, Newport, and Covington are studied here. Similar trends to the metro appear in the intown areas as populations decreased between 2000-2010. With the exception of Intown Newport, growth from 2010-2017 was positive with Cincinnati capturing the majority of the region. Covington's CBD is compared using the most closely aligned census tract. The CBD has captured about 12% of the Tri-City area and nearly 50% of Intown Covington growth.

While population growth here captures net growth/decline, the following exhibit takes a closer look into the specifics of the changing demographics.

GEOGRAPHY	LAND AREA		POPULATION		ANNUAL GROWTH		ANNUAL % GROWTH		CAPTURE OF REGION		LAND CAPTURE RATIO (2010-17)
	ACRES	% of Intown	2017	% of Intown	2000-10	2010-17	2000-10	2010-17	2000-10	2010-17	
Intown Cincinnati	1,482	39.1%	16,204	36.0%	-425	216	-2.5%	1.4%	58%	95%	2.4
Intown Newport	740	19.5%	10,915	24.3%	-55	-49	-0.5%	-0.4%	7%	-21%	-1.1
Intown Covington	1,565	41.3%	17,852	39.7%	-254	60	-1.3%	0.34%	34.6%	26.4%	0.64
INTOWN TOTAL	3,787	100.0%	44,971	100.0%	-733	227	-1.5%	0.5%	100%	100%	1.00
COVINGTON CBD	328	8.7%	2,776	6.2%	-68	28	-2.3%	1.06%	9.2%	12.5%	1.44
CBD CAPTURE OF INTOWN COVINGTON ONLY											
COVINGTON CBD	328	21.0%	2,776	15.6%	-68	28	-2.3%	1.06%	26.6%	47.3%	2.25

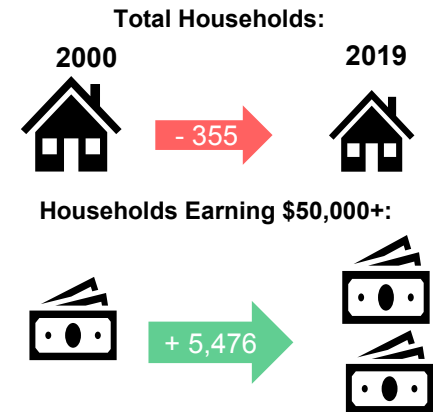
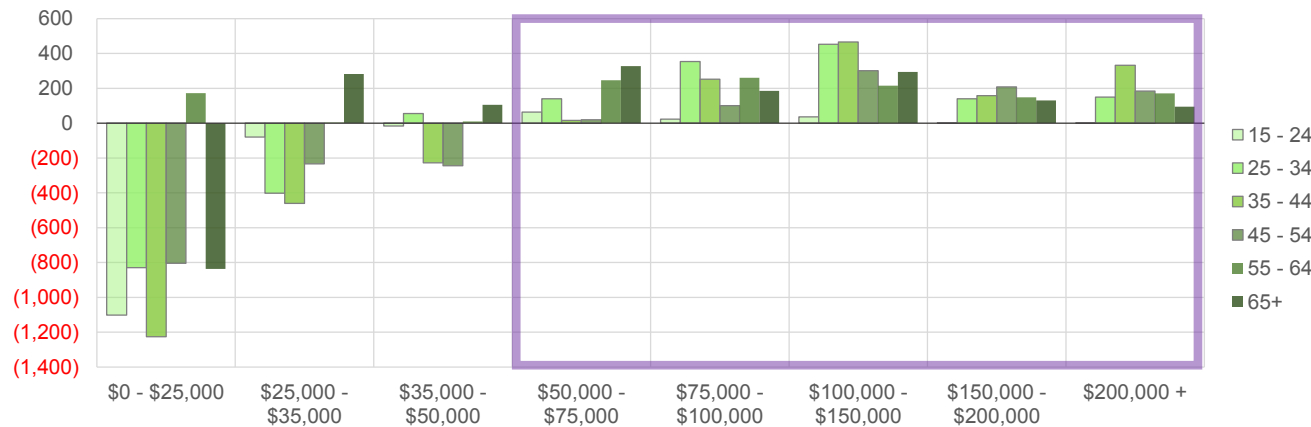
SOURCE: Noell Consulting Group, United States Census Bureau

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 5 Age & Income Population Change in Intown Areas

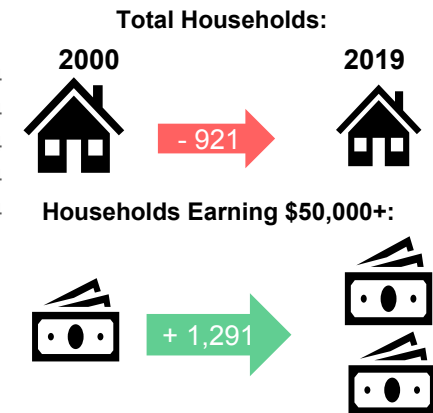
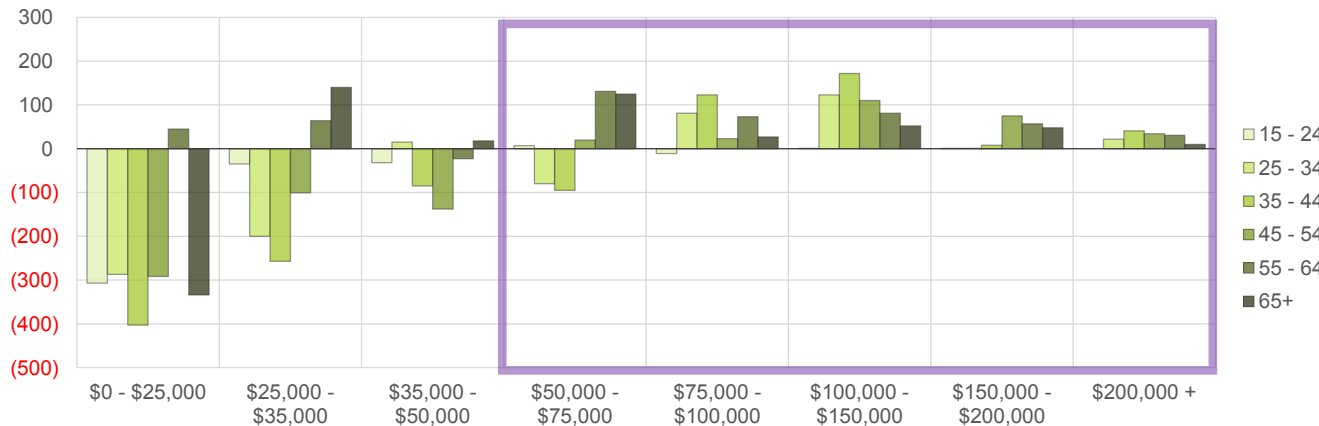
Changing Household Demographics in Tri-City Intown

Tracking Change in Household Income by Age from 2000 to 2019



Changing Household Demographics in Intown Covington

Tracking Change in Household Income by Age from 2000 to 2019



As mentioned in the previous exhibit, while population growth has been moderate or negative for much of the Cincinnati metro, this doesn't tell the whole story. Population growth in income cohorts above \$50,000+ have been predominately positive across the Tri-City Intown and Intown Covington. There has been drastic loss in lower income cohorts resulting in a net decrease in households. Both areas have seen an increase in higher income households.

Source: NCG, Environics Analytics / Claritas

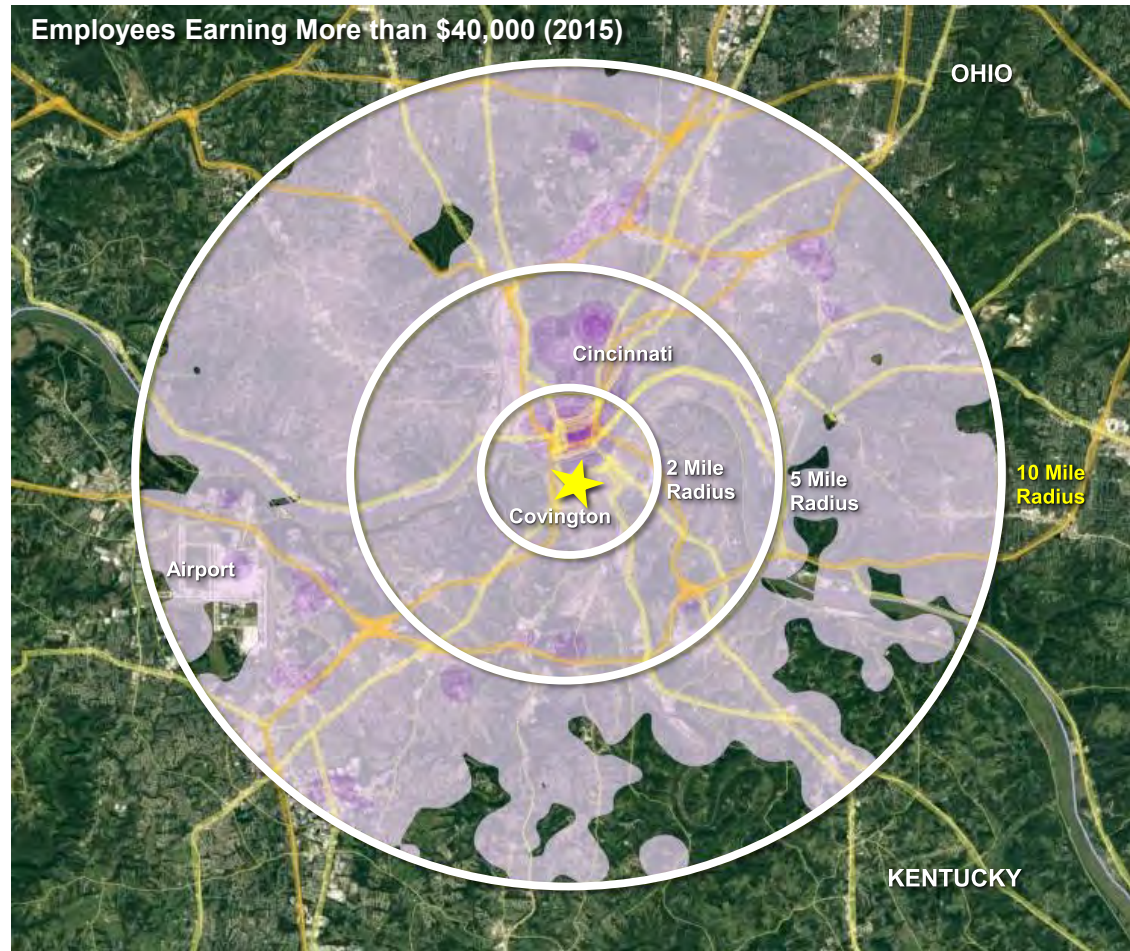


CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 6 Proximity and Connection of the Subject Site to Jobs

Total Jobs, Above \$40k in Salary, By Distance	
Distance	Employment
25 Miles	401,992
10 Miles	201,556
5 Miles	111,744
2 Miles	52,817

Top 10 Industry Sectors Within 15 Miles	
Industry Sector	
Health Care and Social Assistance	18%
Manufacturing	12%
Professional, Scientific, and Technical Services	10%
Management of Companies and Enterprises	9%
Finance and Insurance	8%
Educational Services	7%
Wholesale Trade	5%
Construction	5%
Administration & Support	5%
Transportation and Warehousing	4%



**FORTUNE
500**

Greater Cincinnati Region

- Kroger
- Procter & Gamble
- Macy's
- Fifth Third
- American Financial Group
- AK Steel
- Western & Southern Financial
- Cincinnati Financial
- Cintas



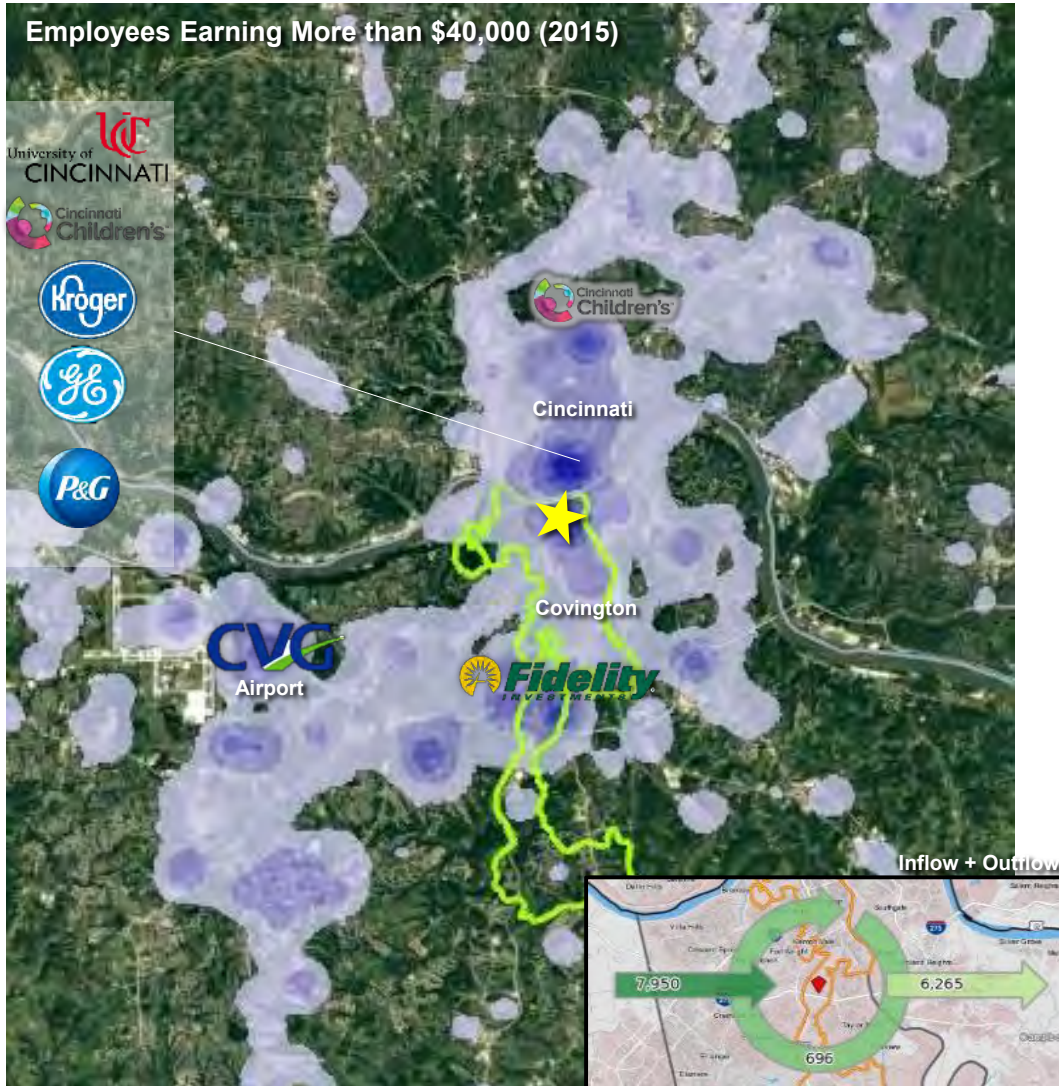
The map in this exhibit shows the concentration of jobs for those earning \$40,000+ within a 10-mile radius of the subject site. There are over 200,000 high paying jobs within 10-miles of the subject site with the majority of job centers within Covington's CBD and connected via interstate highways. The majority of these jobs are in high paying industries defined by high levels of educational attainment, with 18% being Health Care and Social Assistance. In addition to Covington's CBD, the subject site is adjacent to one of the metro's larger job cores in Cincinnati with quick access over I-71 and Roebing Bridge.

SOURCE: Noell Consulting Group, Google Maps, US Census, OntheMap, REDi



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 7
Work Destinations of Existing Local Residents



This exhibit highlights commuting patterns of those who live in Covington. A large portion of residents work within Covington itself, serving as a work destination for 10%. The inflow/outflow graphic depicts this trend showing that almost 700 residents also work in Covington. The job destination heat map shows a high density of jobs directly adjacent to the subject site within the CBD. Nearly 8,000 employees commute to Covington for work, and around 6,200 residents commute outside of Covington for work.

Of the 6,200 residents employed outside of Covington, 23% commute to Cincinnati. There is a fairly even workforce exchange between the City of Covington and Cincinnati as 1,571 Covington residents commute to Cincinnati, and 1,412 Cincinnati residents work in Covington.

Cincinnati, Covington, and Florence are destinations for 38% of Covington residents with the remaining Covington residents commuting to surrounding Kentucky cities and suburbs.

Top Work Destinations

Location	Share
Cincinnati, OH	23%
Covington, KY	10%
Florence, KY	5%
Fort Wright, KY	3%
Edgewood, KY	2%
Blue Ash, OH	2%
Erlanger, KY	2%
Lexington-Fayette County	2%
Highland Heights, KY	2%
Louisville, KY	2%

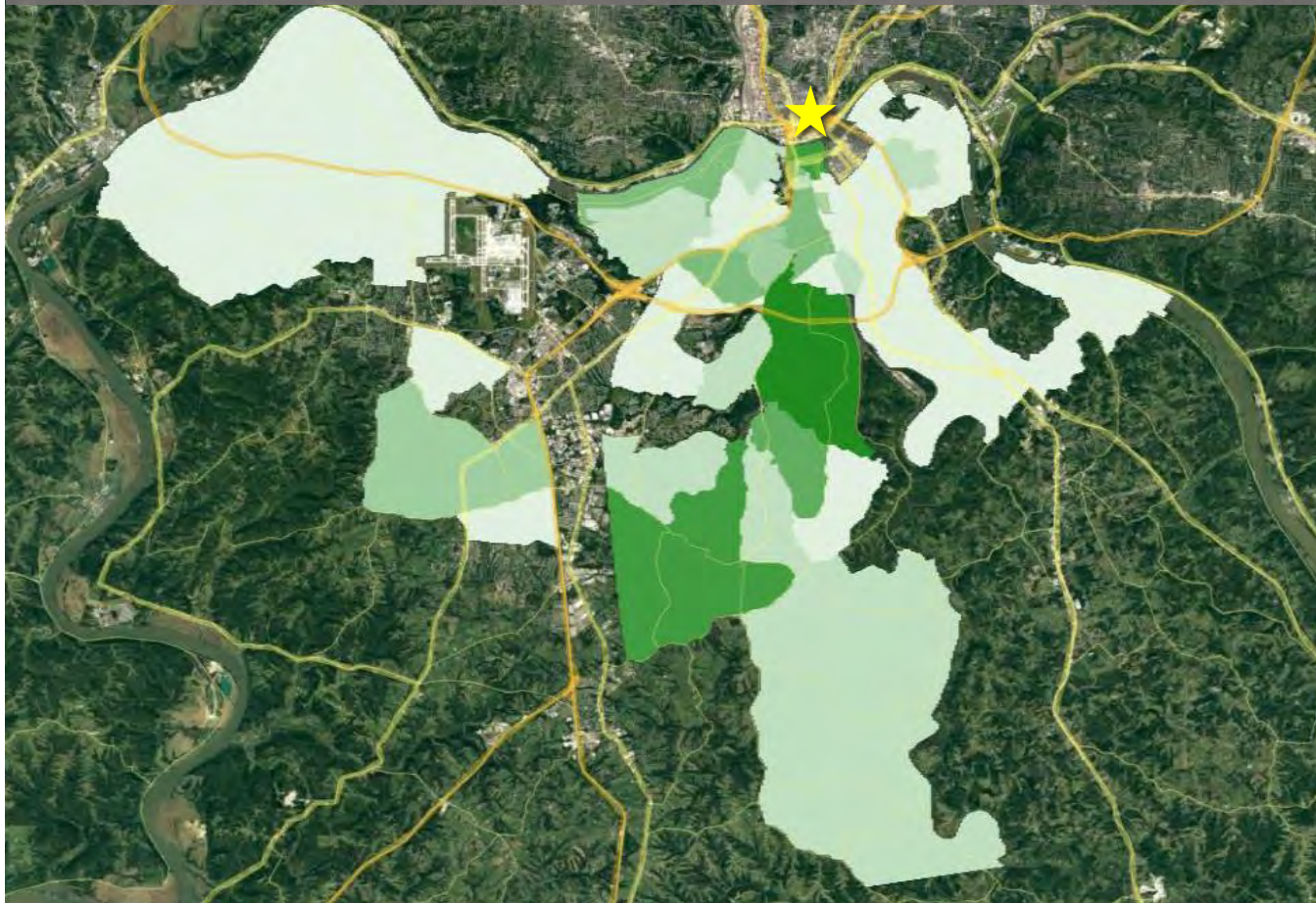
Commuting Distance

< 10 Miles	62.8%
10-24 Miles	21.4%
25-50 Miles	1.9%
> 50 Miles	13.8%

SOURCE: Noell Consulting Group, Google Maps, US Census

Exhibit 8
Downtown Covington Workforce Location

2015: Where Trade Area Employees Live



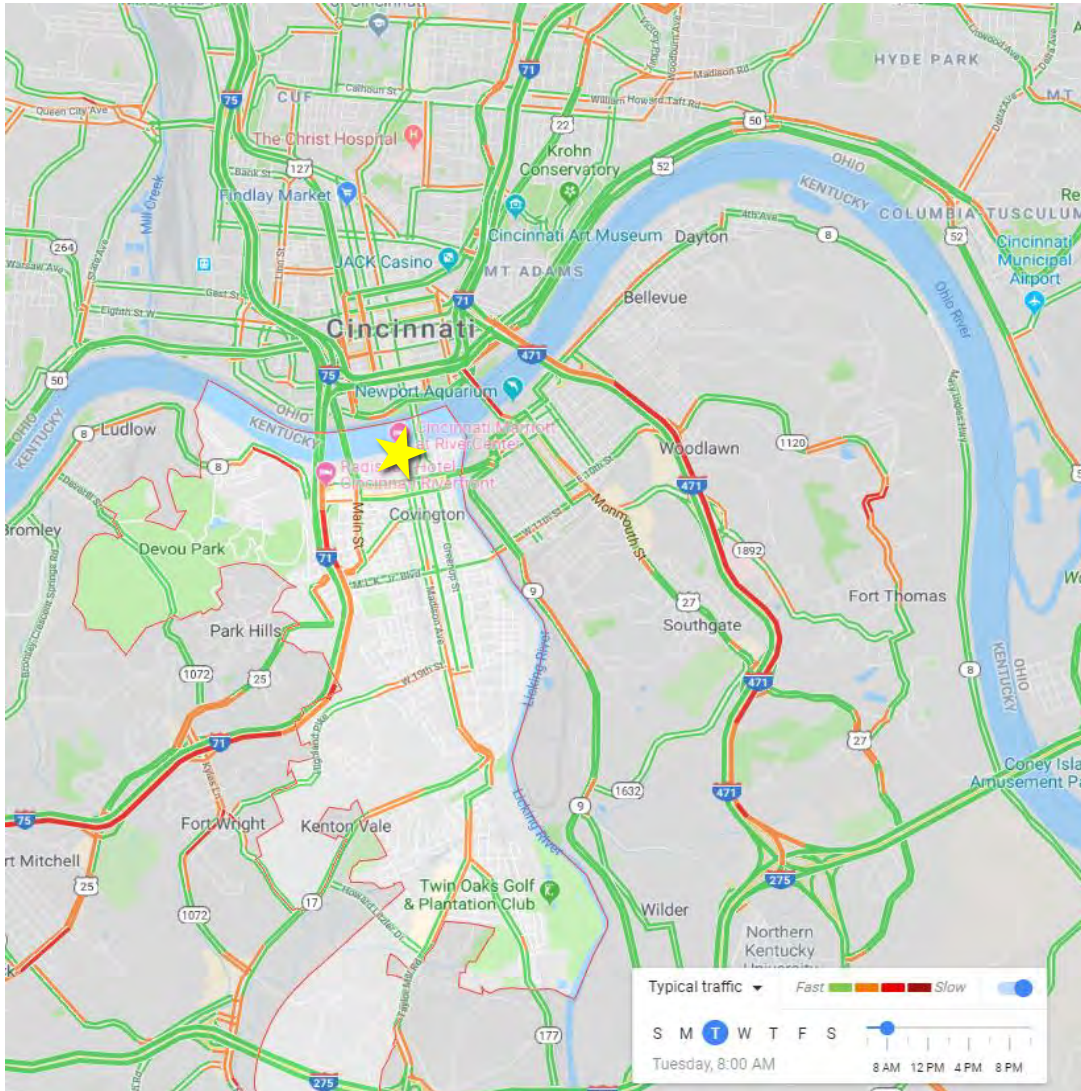
The map above outlines where employees live who work in the downtown Covington area. Where the previous exhibit examined where residents of the entire City of Covington work, this exhibit looks at where those who work in downtown Covington live. While there's a fair portion of Cincinnati residents who commute to Covington for work, there are almost no employees of downtown Covington who live outside of Northern Kentucky. Those who work in downtown Covington primarily live in Taylor Mill along I-275, Independence, Downtown Covington, and Latonia. This is an obstacle in recruiting office tenants as the workforce living in Intown Covington is less educated by comparison to Cincinnati.

SOURCE: Noell Consulting Group, Google Maps, US Census, OntheMap

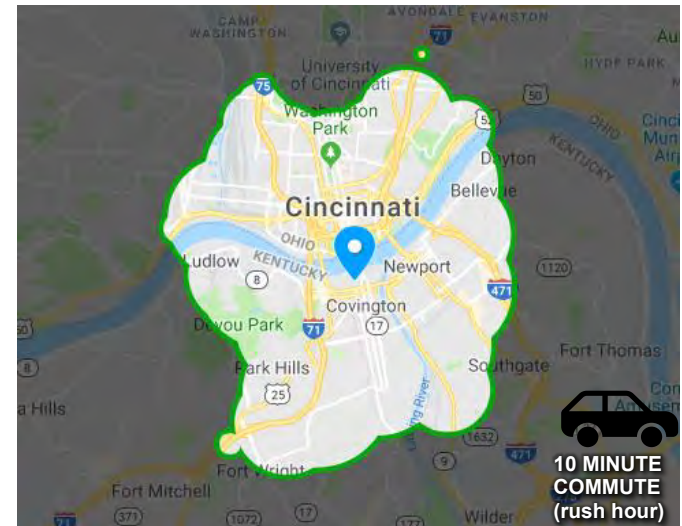


CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 9
Study Area's Access to Highways and Correlating Traffic



This map shows the traffic levels near the subject site during morning rush hour on a typical Tuesday. The site benefits from walkable access to Covington employers and an easy commute to Cincinnati's CBD with multiple access points. Florence, Fort Wright, and the airport are within a 20 minute commute. This access is appealing for prospective residents and businesses.



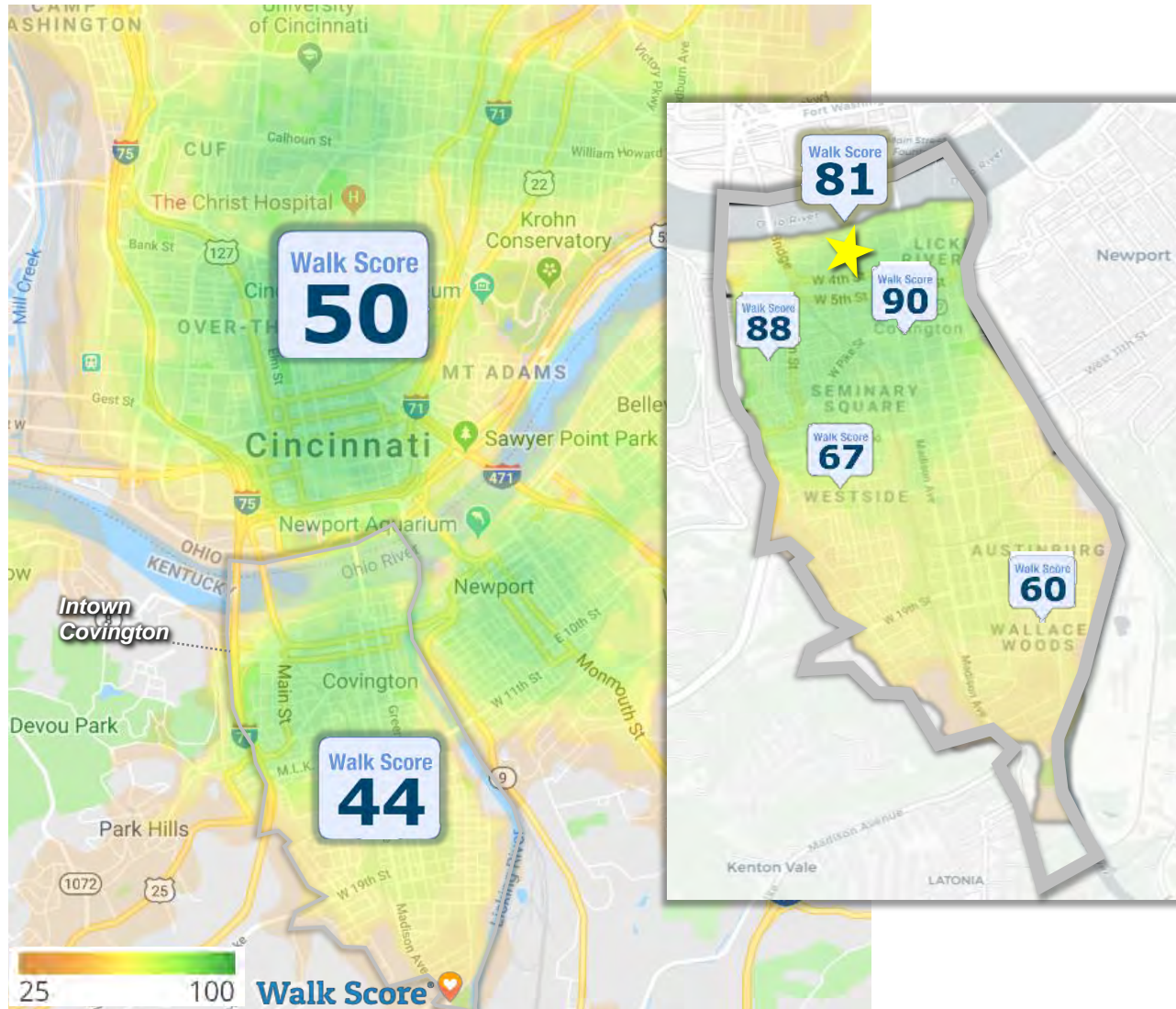
Cincinnati CBD 5-8 Minutes
 Florence 13-17 Minutes
 Fort Wright 7-11 minutes
 Airport 15-20 minutes

SOURCE: Noell Consulting Group, Google Maps, Census



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 10 Walkability Near Site



This map shows regional and local WalkScores near the subject site. Covington has an overall score of 44 (Car-Dependent). The intown neighborhoods of Covington, however, boast a more walkable environment with scores over 60. Mainstrasse and the Eastside (along Madison Ave.) have the highest scores creating a walker's paradise. Adjacent to these areas, the subject site is very walkable, with a walkscore of 81.

WalkScore	Description
90-100	Walker's Paradise Daily errands do not require a car.
70-89	Very Walkable Most errands can be accomplished on foot.
50-69	Somewhat Walkable Some errands can be accomplished on foot.
25-49	Car-Dependent Most errands require a car.
0-24	Car-Dependent Almost all errands require a car.

SOURCE: Noell Consulting Group, WalkScore



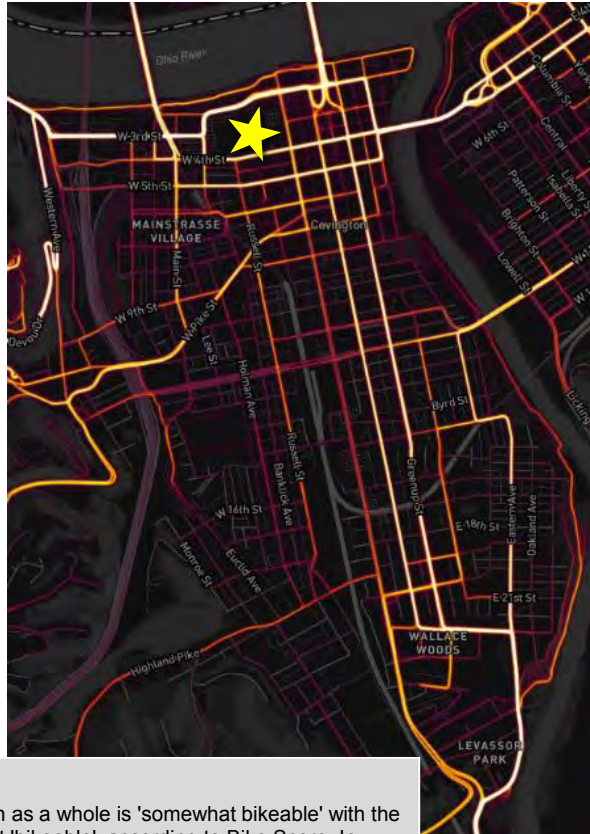
Exhibit 11
Cyclist and Pedestrian Activity

CYCLIST ACTIVITY

Covington



Subject Site



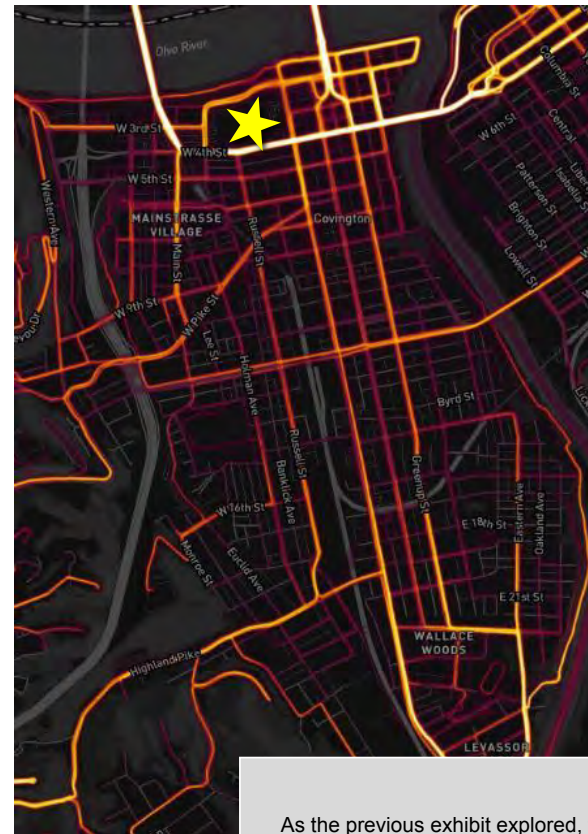
The bikability of Covington as a whole is 'somewhat bikeable' with the subject site ranked at 'bikeable', according to Bike Score. In considering the future use of the site, the current accessibility and transit modes support a bike and pedestrian friendly urban environment. The activity heat map shows major bike corridors from Wallace Woods to the CBD as well as 3rd and 4th street. Understanding this accessibility can ensure the future use of the site supports current alternative modes of transportation.

PEDESTRIAN ACTIVITY

Covington



Subject Site



As the previous exhibit explored, the northern, intown Covington neighborhoods are very walkable. The pedestrian heat map above explores the spatial behaviors of residents by tracking pedestrian activity. The Roebling Bridge and 4th street are directly adjacent to the site and are hot spots for pedestrian activity. There is an opportunity to use the site to connect the walkable areas of Covington such Licking River and Mainstrasse.

The heat maps on this exhibit are obtained from Strava, a popular fitness and athletic website and mobile app, where users track and upload their activities. Pink represents lightly used paths, whereas yellow represents heavily used paths.

SOURCE: Noell Consulting Group, Strava Labs, Walk Score, Bike Score



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 12 Schools

Covington's public schools, while rated higher than Cincinnati and Newport overall, are below. Covington and the surrounding area has many qualified private schools including two within the intown area.

The subject site is within the Covington Independent Public School's district. Outlined below are the closest elementary, middle, and high schools. While the elementary school has an average rating by Great Schools, the middle and high schools share the same below average score of 2/10. Covington does however have many private schools in the surrounding area that are ranked highly. In comparison to the neighboring intown areas, Covington ranks well as both Cincinnati and Newport do not have any intown public schools ranking higher than a 3/10.

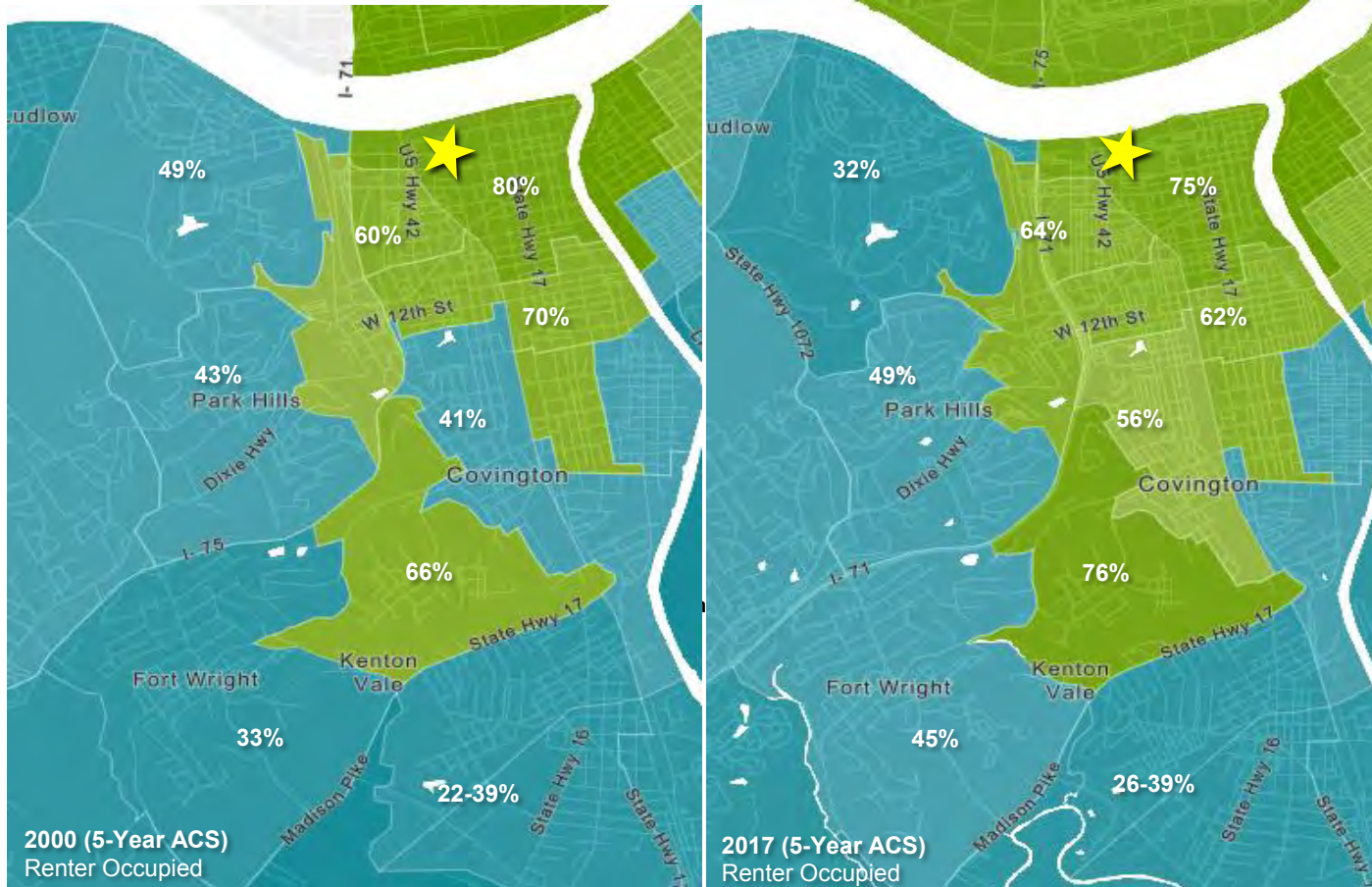
- Covington Latin School (7-12)
- Prince of Peace (K-8)



SOURCE: Noell Consulting Group, Great Schools

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

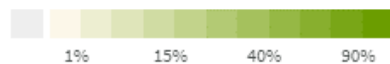
Exhibit 13
Housing Tenure Near the Subject Site



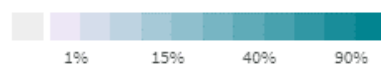
The Census tract where the subject site is located is majority renter occupied. From 2000, this has decreased by 5% corresponding to an increase in owner occupied housing units. Since 2000, the intown Covington area has seen an increase in renters. This is consistent with national trends. Many intown neighborhoods have become majority renter occupied while the surrounding suburbs have largely remained owner occupied.

This urban renter trend has been seen in Cincinnati and Newport as well with renter occupancy increasing 1% and 4%, respectively, from 2000 to 2017.

% Occupied Housing Units: Renter Occupied
(percent of: Occupied Housing Units)



% Occupied Housing Units: Owner Occupied
(percent of: Occupied Housing Units)



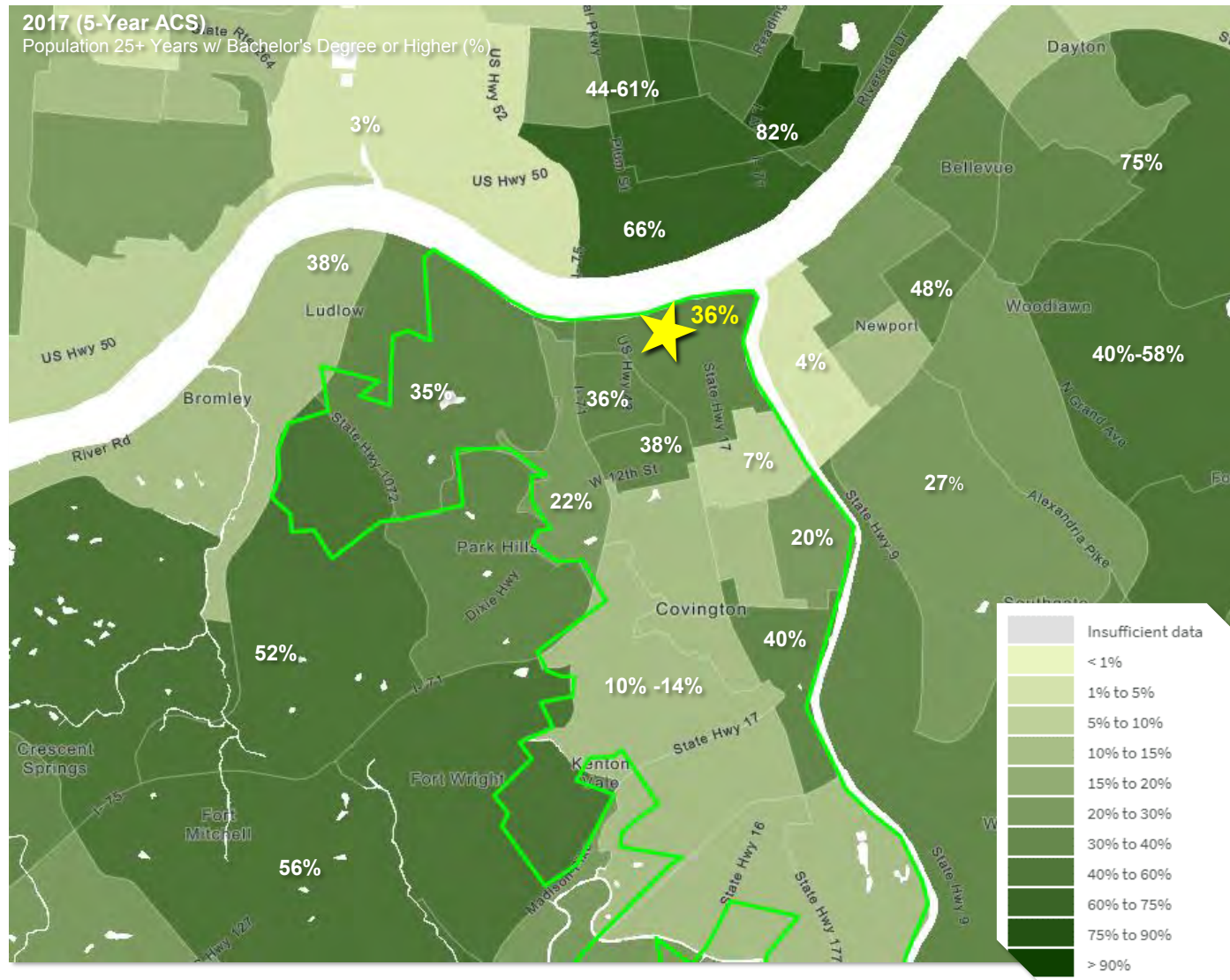
* Percentages refer to Renter Occupied Housing Units

Source: NCG, Social Explorer, U.S. Census Data



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 14
Educational Attainment Trends Near the Subject Site



This exhibit highlights the percentage of local populations with a Bachelor's degree or more. Households with higher educational attainment have high income potential and are strong indicators of neighborhood stability with many retail establishments, such as Whole Foods, using educational attainment as a key metric for site selection.

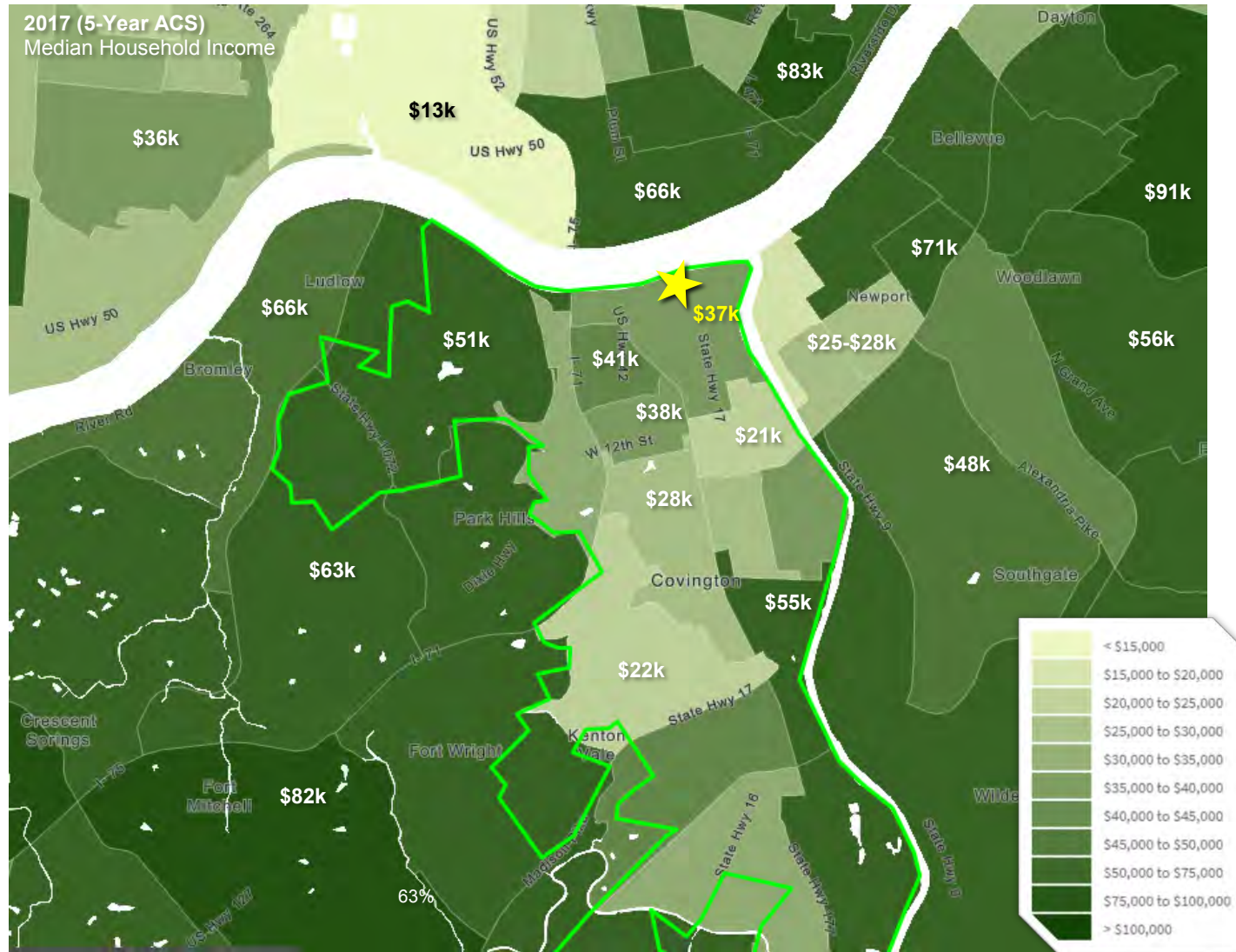
36% of residents living in the Census Tract containing the subject site have a Bachelor's degree or higher. This is notably less than the Cincinnati's intown area. However, in comparison to intown Covington, the subject site has one of the highest educational attainment percentages well above Covington's average of 22%.

Source: NCG, Social Explorer, U.S. Census Data



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 15
Median Incomes Near the Subject Site



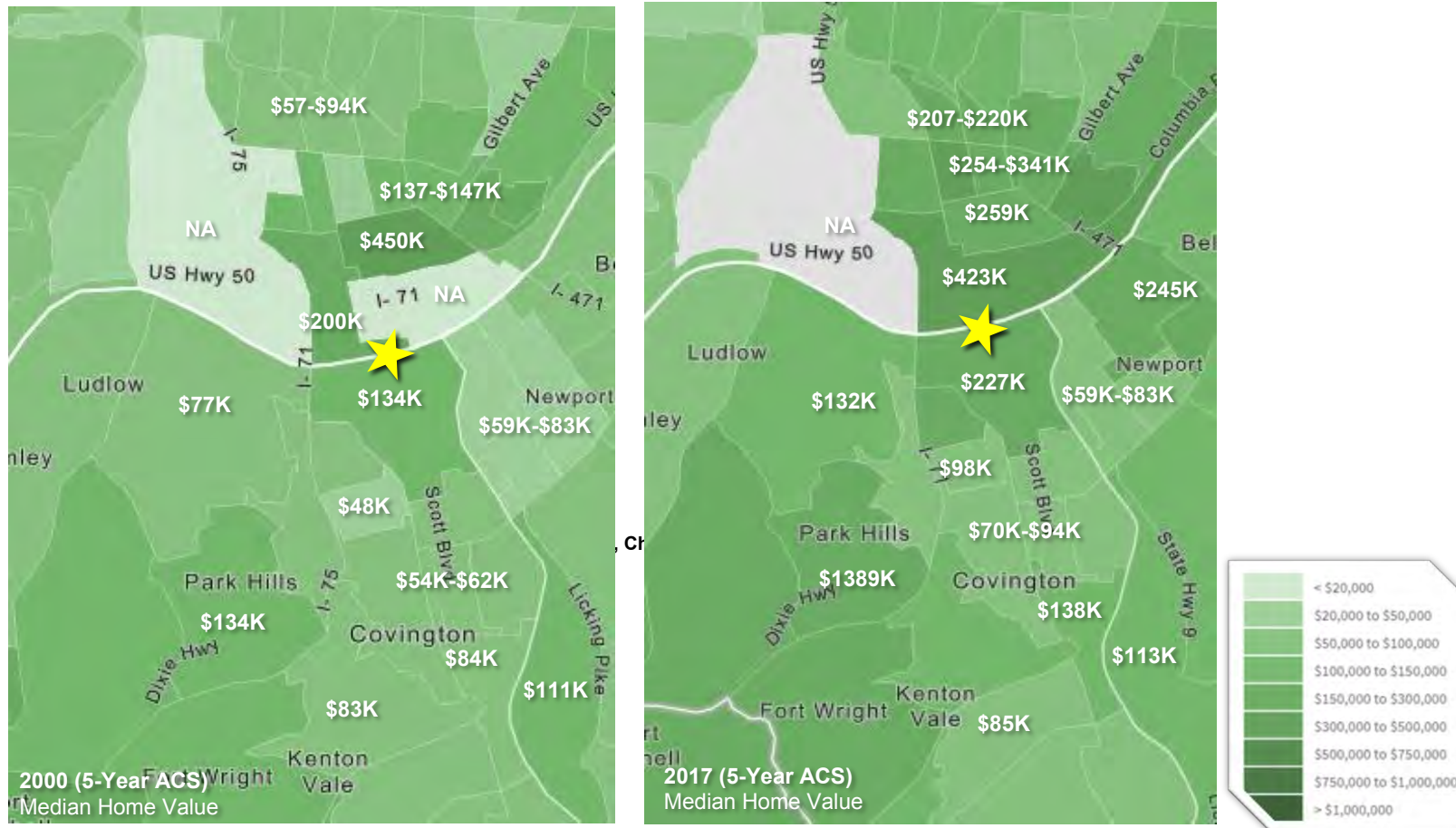
The Census tract where the subject site is located has a median household income of roughly \$37,000 as of 2017. Many higher income households live in the surrounding suburbs. There is a clear divide between intown Covington incomes and those in surrounding areas.

Source: NCG, Social Explorer, U.S. Census Data



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 16
Median Incomes Near the Subject Site



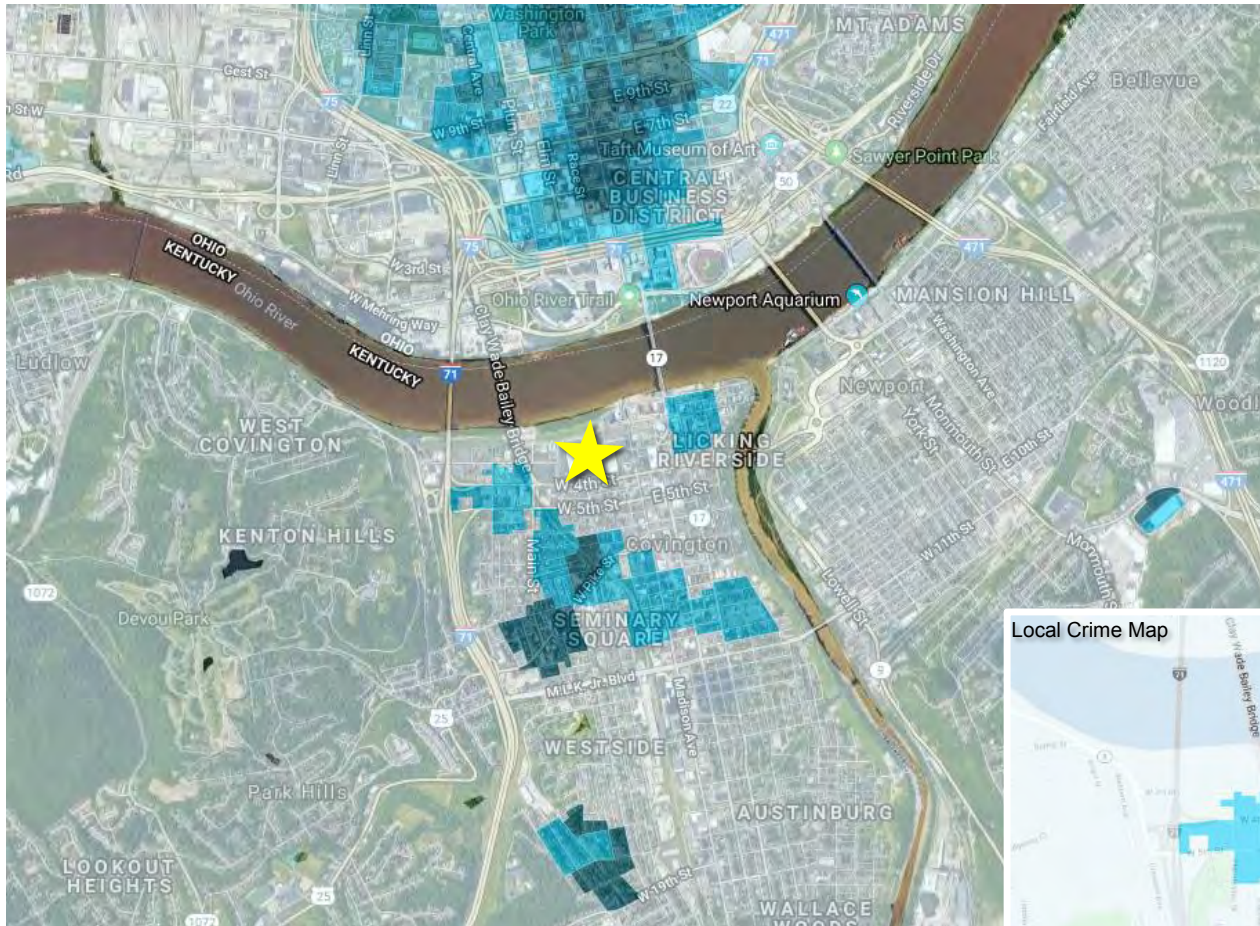
The Census tract where the subject site is located has a median home value of roughly \$227,000. This is well above the median home value of Covington, which is \$100,800 and the metro, which stands around \$158,800. Overall, the tri-City area has seen a continuous increase in home values. While Cincinnati's riverfront median home value stands out in the area, the subject site is still competitive in this arena as median home values are consistent with Newport and the northern intown area of Cincinnati. The change in home value from 2000-2017 speaks to the popularity of the area and growing attractive nature of intown Covington as a walkable, urban destination.

Source: NCG, Social Explorer, U.S. Census Data



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 17 Crime Near the Subject Site



The area around the IRS site has lower crime rates with a more sporadic occurrence than neighboring Cincinnati. As is typical with urban areas, crime rates generally increase as density increases. While there are a few hot spots of crime in intown Covington, the area is an attractive alternative to the high crime rates of Cincinnati's CBD.

Much of Covington's crime is south of 5th Street creating a lower crime perception directly adjacent to the IRS site as well as along the riverfront. This is an important asset in creating a walkable, urban development in the site.

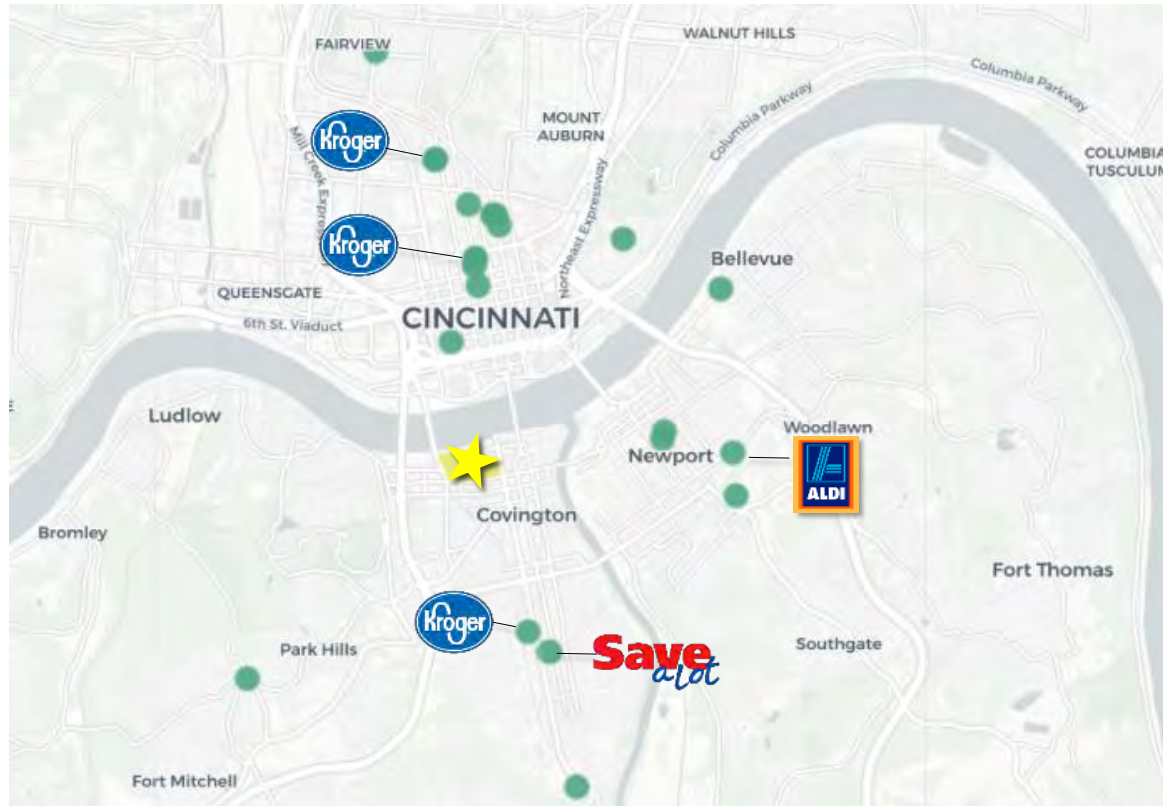


Source: NCG, Trulia.com



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 18
Grocery Access to the Subject Site



The intown areas of Covington, Cincinnati, and Newport share in a lack of an accessible grocer. While currently a negative aspect of the subject site, it allows the future of the site to be a more competitive and attractive area with the addition of a grocer.

Currently, all of the intown, riverside neighborhoods need to drive for grocery access. Here, larger brand grocers are labeled while the green dots represent smaller grocers or markets.



While Covington has limited access to full service grocers, there is an active, weekly farmers market which serves the area year round. Currently, the market changes location by season. The subject site may provide a permanent option for the market to allow greater access.



Source: NCG, Yelp

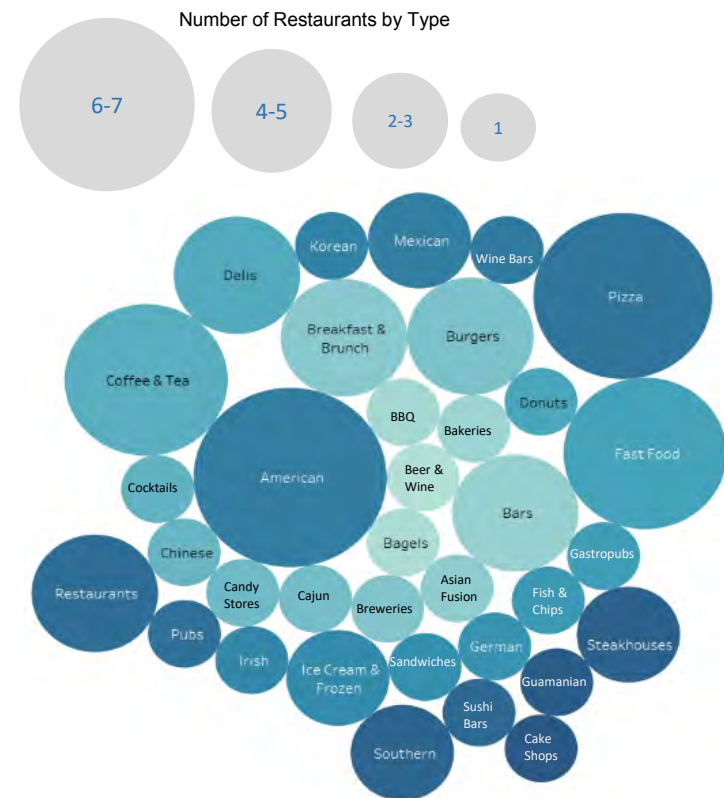


CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 19
Dining Access to the Subject Site



The access to local dining is high. While there are many options currently accessible from the IRS site, the site's location is also primed to connect the established and emerging dining cores in Covington. The site sits at the epicenter of Main Street to the west, Madison Ave to the south, and Licking River to the east. Dining variety can be better understood through the bubble chart below using Yelp's dining categories to better understand the areas offering.



Source: NCG, Yelp



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 20 Retail Access to the Subject Site

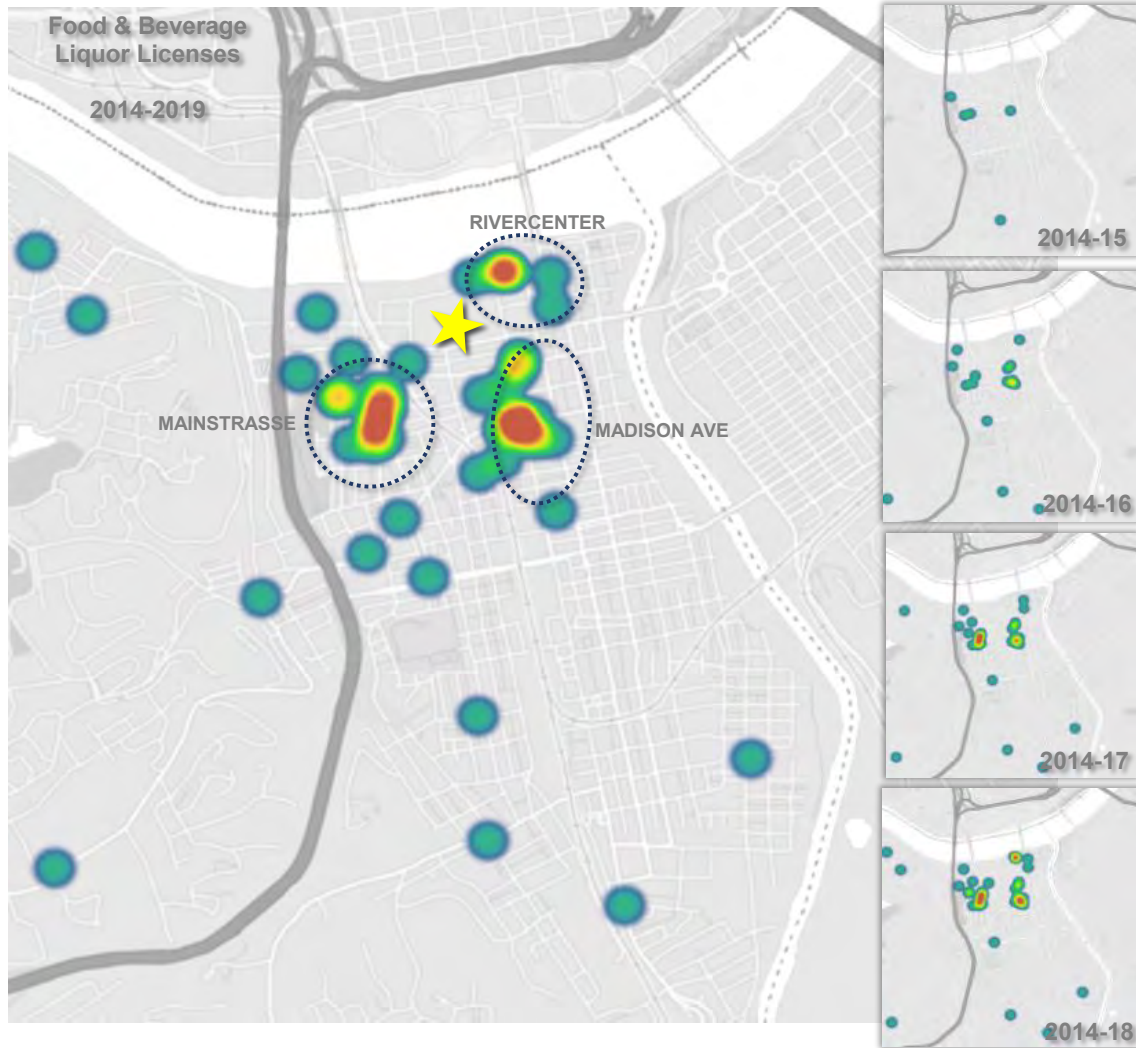
Retail cores in Covington mimic the dining cores seen previously with the exception of Licking River. The site is located between the established Mainstrasse neighborhood and the emerging Madison Avenue area. Both areas are walkable to the site and provide precedent for transforming into town Covington. Many new retailers have taken to Madison Avenue as the addition of new dining options, mixed-use residential, and Hotel Covington have activated the streets and provided viable traffic for retailers.



Source: NCG, Yelp

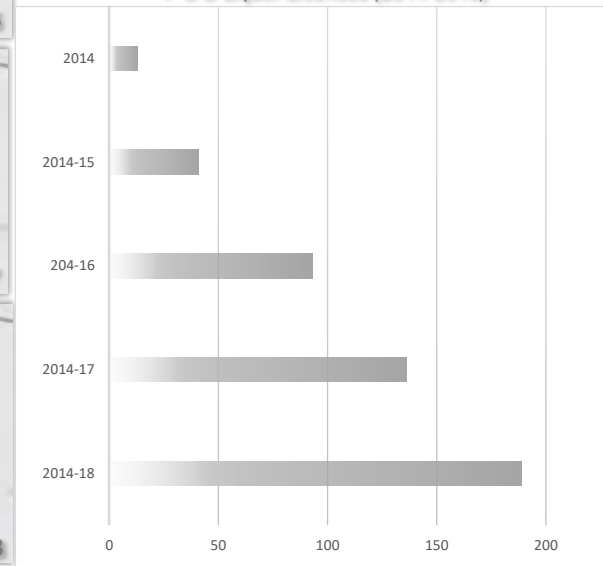
CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 21
New F&B in Covington



The heat maps to the left represents the consecutive liquor licenses (new and renewal) for restaurants and bars in the intown Covington area to better display the persistence and emergence of the urban neighborhood districts. The IRS site is well positioned in the middle of three districts, as previously stated. While 2014 only saw 13 food and beverage liquor licenses, 2018 saw 53. This speaks to the momentum of these intown dining and entertainment districts and viability of the IRS site to capitalize on its ability to strengthen and connect the urban core.

F & B Liquor Licenses (2014-2018)

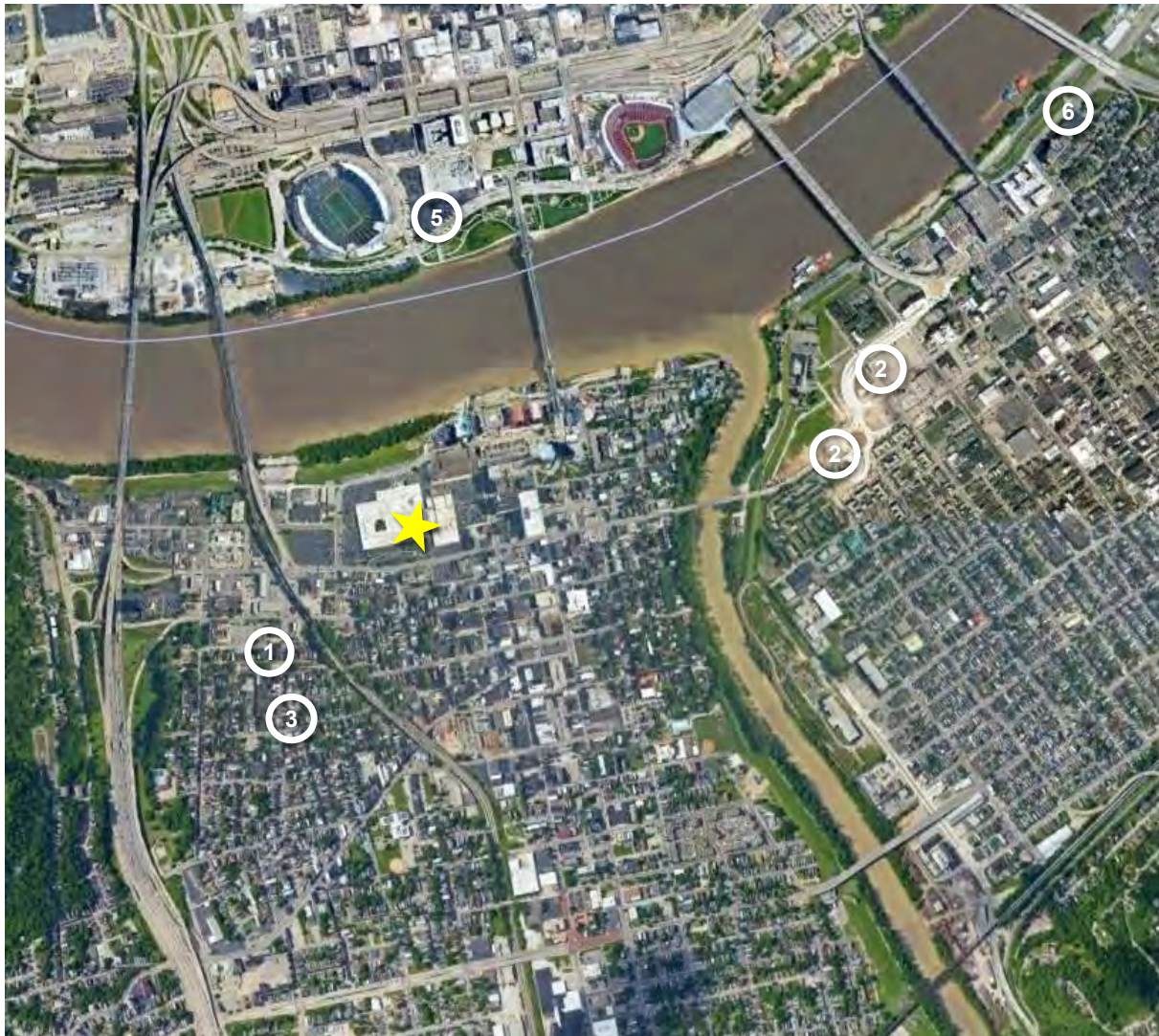


Source: NCG, Yelp



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 22 Major Intown Developments



Projects

- 1) River Haus
- 2) Ovation
- 3) John R Green Lofts
- 4) Madison Place Conversion
- 5) The Banks Phase 3
- 6) Pegasus Project

The Tri-City intown area is seeing significant redevelopment and infill, including several major mixed-use projects that will compete for renters and buyers via significant lifestyle opportunities.

These projects range from smaller mixed-use developments to progressions of longer, ongoing projects. Understanding the surrounding momentum is important in understanding the future use of the IRS site and its competitive environment.

Source: NCG, Google Earth



**CITY OF COVINGTON, KY
IRS SITE MARKET ANALYSIS**

Exhibit 23
Summary of Competitive Covington Residential and Mixed-Use Developments

	<p>River Haus Mixed-use development by Flaherty-Collins that includes: 192 multifamily rental units 3,100 SF Retail & food and beverage</p>	<p>Currently under construction, River Haus will be completed in the second half of 2019.</p>	
	<p>Ovation Mixed-use development by Corporex that includes: 942 Rental and for-sale residential units 380,000 SF of Retail , F&B, and entertainment 524 hotel rooms Marina 1 Million sf Office</p>	<p>Ovation is a 35-acre mixed -use development planned to break ground oh Phase I in 2019.</p>	
	<p>John R Green Lofts A RealtyLink adaptive reuse development featuring: 182 rental units 10,000 sf office & retail Banquet hall Boutique grocery</p>	<p>Live-work-play concept in a historic building. Planned to deliver early 2021.</p>	
	<p>Madison Place Conversion Corporex office conversion featuring: 179 rental units (136 1B, 43 2B)</p>	<p>Previous 290,000 sf of office space to be converted to apartments. Condo units (12) will remain on top floors. Conversions will include the addition of balconies to 86 units. No timeline has been announced.</p>	
	<p>The Banks Phase IIIA Joint development effort on Lot 24 including: Dining & entertainment Retail 14 Townhomes & 250 apartments</p>	<p>A City of Cincinnati led redevelopment, The Banks, is poised to see development on lot 24 of the master plan. An entertainment anchor is proposed to occupy 47,000 sf of this space in the mixed-use concept.</p>	
<p>TBD</p>	<p>Project Pegasus Mixed-use. riverfront development by Anchor Investment Properties: Multifamily, office, retail Pedestrian Boardwalk</p>	<p>5.5 riverfront acres in Newport to see mixed-use development. Timeline is unknown with few recent updates.</p>	

Source: NCG



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 24
The Banks, Cincinnati



THE BANKS

Multi-use, phased development directly across the Ohio River from Covington, KY. **City & County Role:** Initial investment in parking podium to lift lots out of floodplain. Riverfront park investment.



Investments/Incentives To Date:

Initial development: \$157 million (public)
GE Offices - 85% Job Creation Tax Credit (15 yr. term - est. value: \$51.6 mil.)

Proposed:
Phase III: estimated public investment - \$180-200 million, 75% R.E. tax abatement on residential (15 yr term)

Multi-family: \$1.83/SF	592 units
Restaurants: \$36/SF FS	
Retail: \$ 15-20/ SF FS	96,000 SF
18.50-20.50/SF FS	Office: \$
Hotel: \$ 130-335/ night	338,000 SF
	171 rooms
Park Space:	45 acres
Parking:	8,727 spots

Source: NCG, The Banks, City of Cincinnati



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 25
Subject Property Strengths, Challenges & Opportunities



STRENGTHS

- Adjacent to Mainstrasse, Licking River, Madison Ave, and Cincinnati's CBD and sports venues
- Highly convenient location to major freeways
- Large, urban site with riverfront access and views
- Central location along riverfront with multiple dining/retail districts within walking distance
- Within driving distance to parks and walkable to trails

CHALLENGES

- Perception of IRS site as a physical barrier between Covington's neighborhoods
- Lacks of continuity in urban fabric
- Momentum of nearby existing and proposed mixed-use developments competing for retail, office, and residential target audiences
- Unattractive uses to the west of the IRS site
- N. Kentucky workforce limitations
- Significant redevelopment cost in upfront infrastructure

OPPORTUNITIES

- Offer superior convenience to employment cores
- Create connection between Covington's vibrant neighborhoods to the south, east, and along the riverfront
- Create a mixed use destination for all uses to capitalize on riverfront location
- Emphasize access to retail/dining districts (Mainstrasse, Madison Ave, The Banks) while improving continuity of the urban landscape and creating new destinations on-site.
- Provide newer formatted office and retail space in a desirable urban mixed-use format.

Source: NCG



Demographic Analysis

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 26
Age and Income Analysis of the Intown Covington and Comparison to Tri-City Intown
2000 - 2019 (estimates)

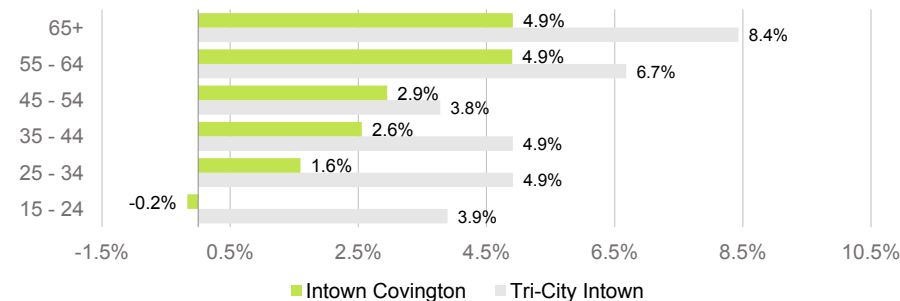
PMA Total Household Growth							
2000 - 2019	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+	Total
\$0 - \$25,000	-307	-287	-403	-292	45	-334	-1,578
\$25,000 - \$35,000	-35	-200	-257	-101	64	140	-389
\$35,000 - \$50,000	-32	15	-85	-138	-23	18	-245
\$50,000 - \$75,000	7	-80	-95	20	131	125	108
\$75,000 - \$100,000	-11	81	123	23	73	27	316
\$100,000 - \$150,000	1	123	172	110	81	52	539
\$150,000 - \$200,000	1	1	8	75	57	48	190
\$200,000 +	0	22	41	34	31	10	138
Total	-376	-325	-496	-269	459	86	-921
Target Audience	0	147	249	262	373	262	1,293



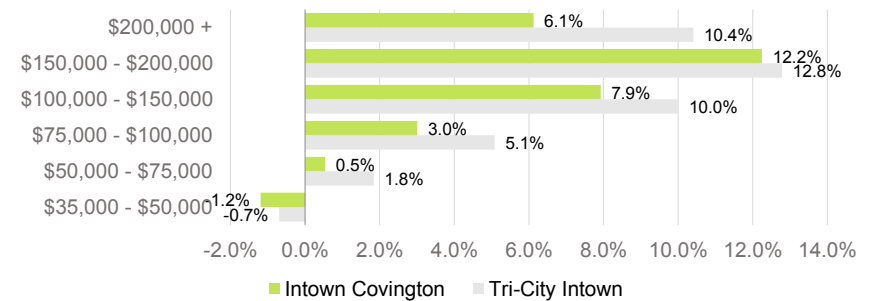
The PMA has added 1,293 household within the target age & income ranges since 2000, or 76 HH/yr.

The Tri-City Intown Competitive Market Area, in green, include portions of the cities Covington, Newport, and Cincinnati. The Primary Market Area, outlined above in white, is Intown Covington. As seen above the PMA has lost large amounts of households earning under \$50,000 annually. Where the PMA has seen the strongest growth is in the more mature audiences (45+ years old and earning over \$100,000 annually). As see below the PMA has experienced slightly less growth across all categories in comparison to the greater Tri-City Intown area.

Household Growth By Age (HHs \$50k+ Only)



Household Growth by Income



Source: NCG, Nielsen, US Census Data



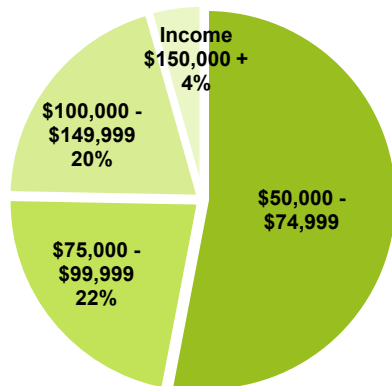
CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 27
Summary of Renter Households in the Intown Covington, 2019

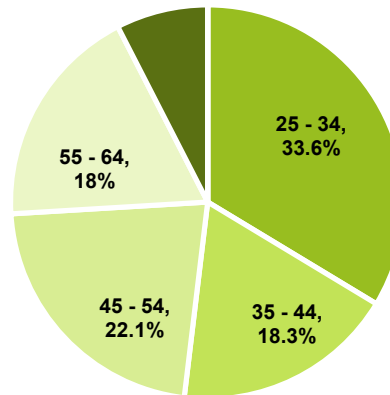
Income/Age	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85+	Total
Less than \$15,000	132	352	195	251	301	167	83	39	1,519
\$15,000 - \$24,999	131	204	81	124	164	113	71	29	918
\$25,000 - \$34,999	45	194	90	102	112	94	45	18	700
\$35,000 - \$49,999	52	272	118	124	108	52	22	5	752
\$50,000 - \$74,999	34	183	86	127	117	45	16	5	612
\$75,000 - \$99,999	10	90	49	44	37	14	4	1	249
\$100,000 - \$149,999	0	76	49	44	30	15	2	0	217
Income \$150,000 +	0	6	7	18	11	5	1	0	47
Total	404	1,376	676	834	878	505	243	98	5,015
Target Audience	0	354	192	233	194	79	0	0	1,052

Within the Intown Covington PMA there are over 5,000 renter households. Once we eliminate age and income cohorts that NCG believes will not be attracted to the property, primarily due to those that will not be able to afford the property, we're left with a little over 1,000 renter households that make up our target audience. These households are diverse in terms of household types with the largest cohorts being singles (47.6%). In terms of age, the PMA is also diverse with the younger cohorts (25-34 & 35-44) comprising the majority at nearly 52%. Nearly 57% of households earn above \$75,000 annually, with 24% earning above \$100,000 per year. These household types confirm what NCG believes will be the market audience for the subject site, mature single professionals, professionals couples, empty nesters and a moderate number of young families.

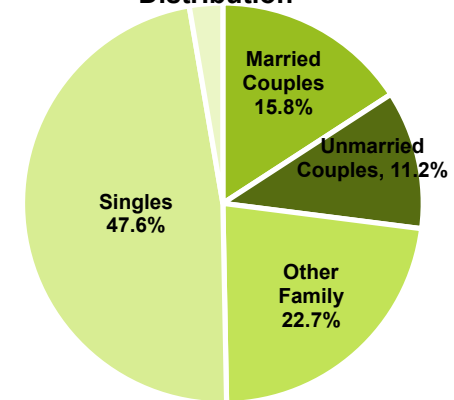
Target Market Income Distribution



Target Market Age Distribution



Target Market HH Type Distribution



SOURCE: Noell Consulting projections based on data obtained from the US Census and Claritas, Inc.



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

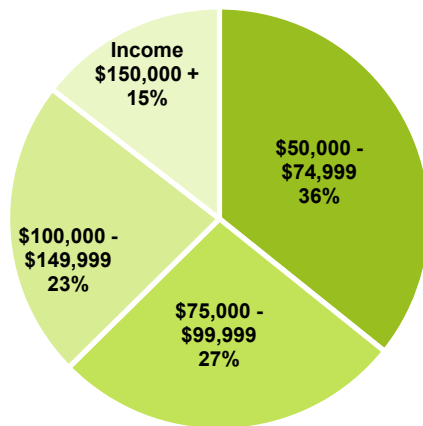
Exhibit 28

Summary of Owner Households in the Intown Covington PMA, 2019

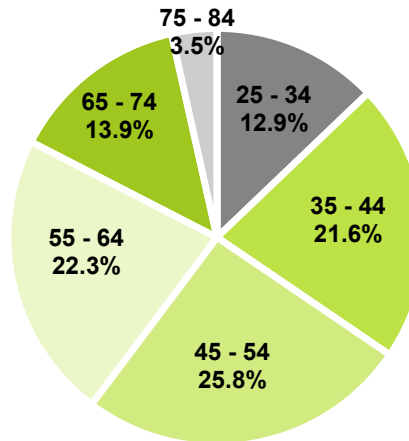
Income/Age	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85+	Total
Less than \$15,000	0	27	43	55	72	60	30	17	305
\$15,000 - \$24,999	0	21	24	36	52	53	34	17	237
\$25,000 - \$34,999	0	37	50	55	68	85	41	20	356
\$35,000 - \$49,999	0	68	86	87	84	60	26	8	418
\$50,000 - \$74,999	0	76	104	149	152	88	31	11	610
\$75,000 - \$99,999	0	73	116	101	93	53	14	4	454
\$100,000 - \$149,999	0	56	106	92	69	52	8	2	385
Income \$150,000 +	0	11	37	89	60	41	6	1	244
Total	0	369	566	664	650	491	189	79	3,009
Target Audience	0	216	363	431	374	234	59	0	1,676

Having looked at overall household growth in the previous exhibit, we're taking a closer look at owner households within the Intown Covington PMA and specifically our target demographic, which are those aged 25 to 85 and earning more than \$50,000+. This group has a strong percentage of married couples and singles, with around 30% living with a non-related roommate or a family member. Roughly 65% of this market is aged 45 to 84, suggesting larger units will be more attractive to this audience portion.

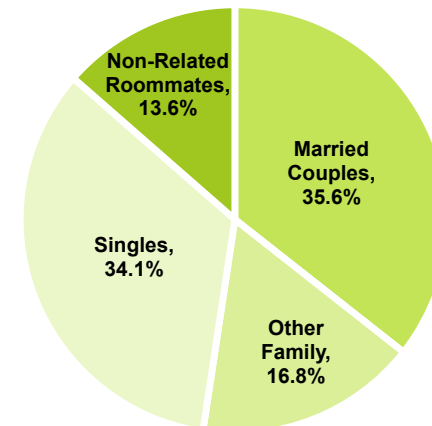
Target Market Income Distribution



Target Market Age Distribution



Target Market HH Type Distribution



Source: NCG, Nielsen, US Census Data



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 29 Intown Comparison

INTOWN CINCINNATI



INTOWN COVINGTON



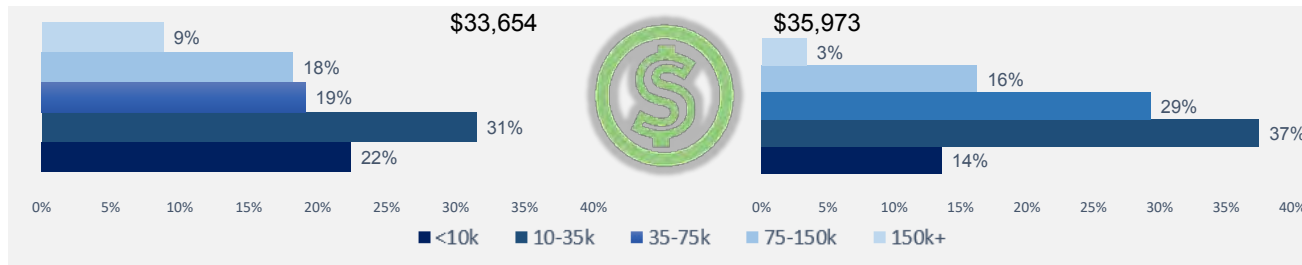
This exhibit takes a closer look at the comparison of Covington and Cincinnati's intown areas as previously outlined in earlier exhibits. Cincinnati has slightly more households with a greater percentage of nonfamily HHs (including roommates, singles, etc.). Covington, by contrast, is 43% family households and an older median age.

In comparing these intown areas, the young professional demographic of nearby Cincinnati will likely also be attracted to a future urban residential development on the IRS site.

Intown Covington has a higher median income with the largest majority of incomes between \$35,000-\$150,000. In comparison, Cincinnati has a lower median income, but a higher proportion of HHs with an income greater than \$75,000 as well as a higher proportion of HHs making less than \$10,000.

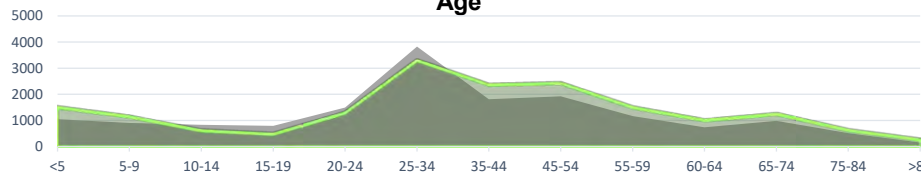
Given this, Covington has a larger proportion of HHs which can afford the future new build housing product on the IRS site. NCG believes there is an opportunity to attract the more mature, higher earning HHs currently in Covington as well as the younger Cincinnati HHs with moderate incomes by offering a diversity of residential product. It is unlikely that the site will attract a large number of family households as the future housing on the IRS site will be smaller, more urban units.

Median Household Income



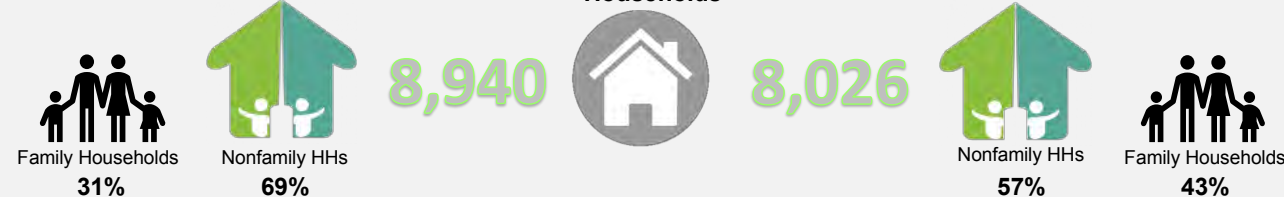
Age

32
median age

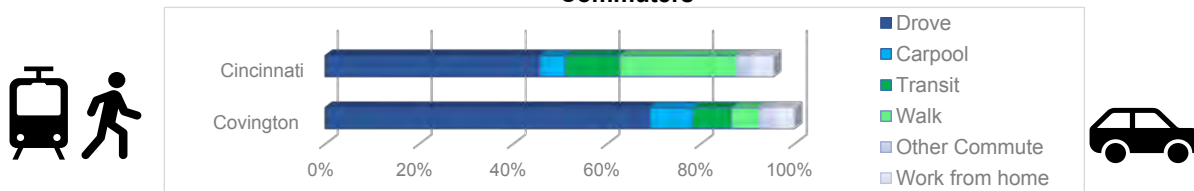


38
median age

Households



Commuters



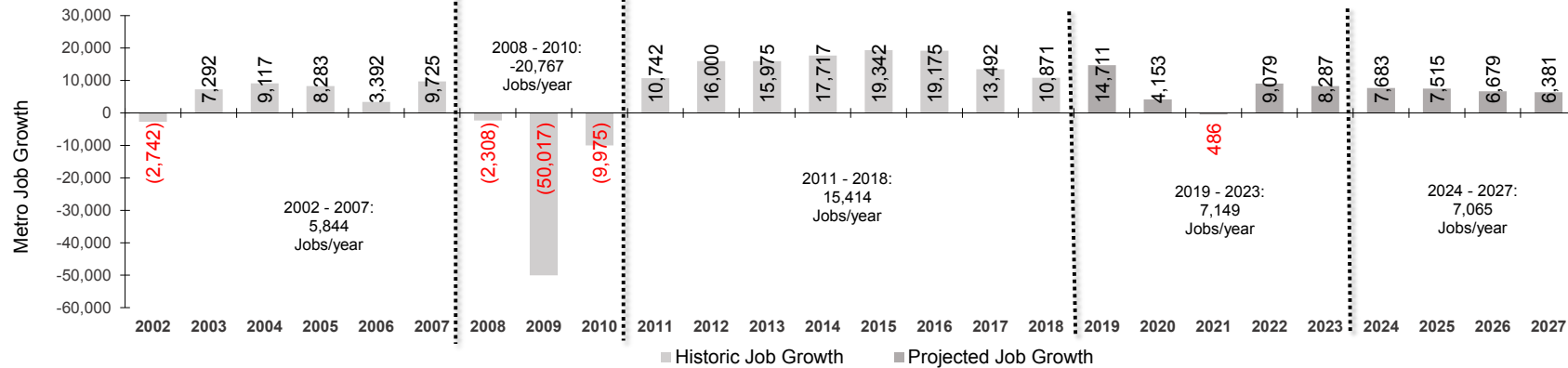
SOURCE: Noell Consulting Group, US Census

Multifamily Analysis

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

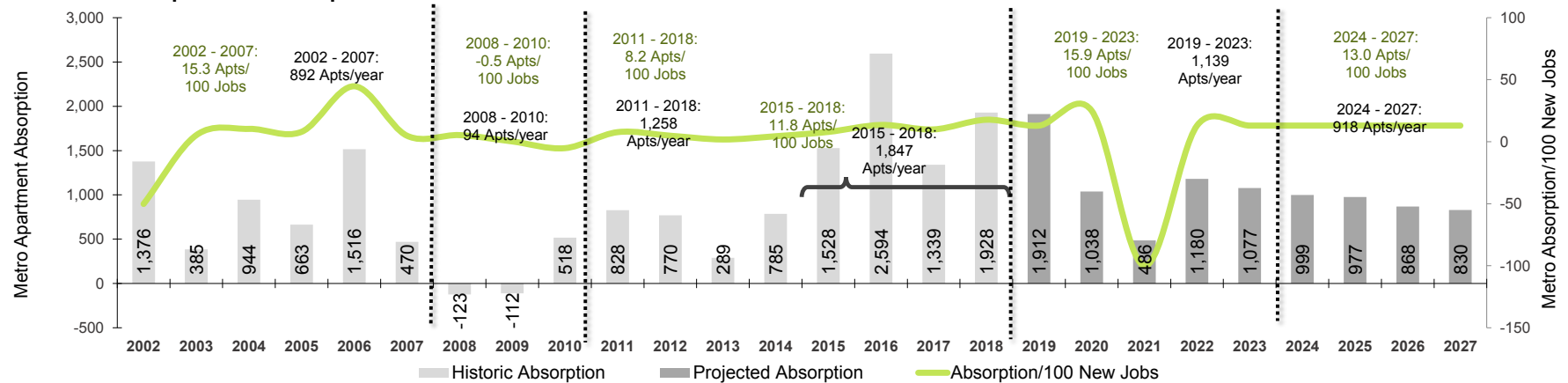
Exhibit 30
Historic and Projected Job Growth to Apartment Absorption Relationship in Cincinnati Metro

Cincinnati Metro Job Growth



The graphs on this page track the relationship between job creation and Class A & B apartment absorption. While population growth and wage growth are strongly related to apartment absorption, job growth figures capture many of these trends. NCG sees an increasing preference for Class A & B rentals since 2002, with a steadily increasing ratio of absorption/100 new jobs since the Great Recession. NCG predicts apartment absorption will begin to trend downward beginning in 2019. Moody's projects an economic slow down in 2020 and 2021 and we expect a resulting dip in apartment absorption in 2021, keeping the annual absorption average between 2019 and 2023 at 1,139 apartments per year. Starting in 2024, we expect the decline to continue resulting in an average annual absorption of 918 apartments, given job forecasts more consistent with demonstrated rates in the early 2000s.

Metro Class A Apartment Absorption



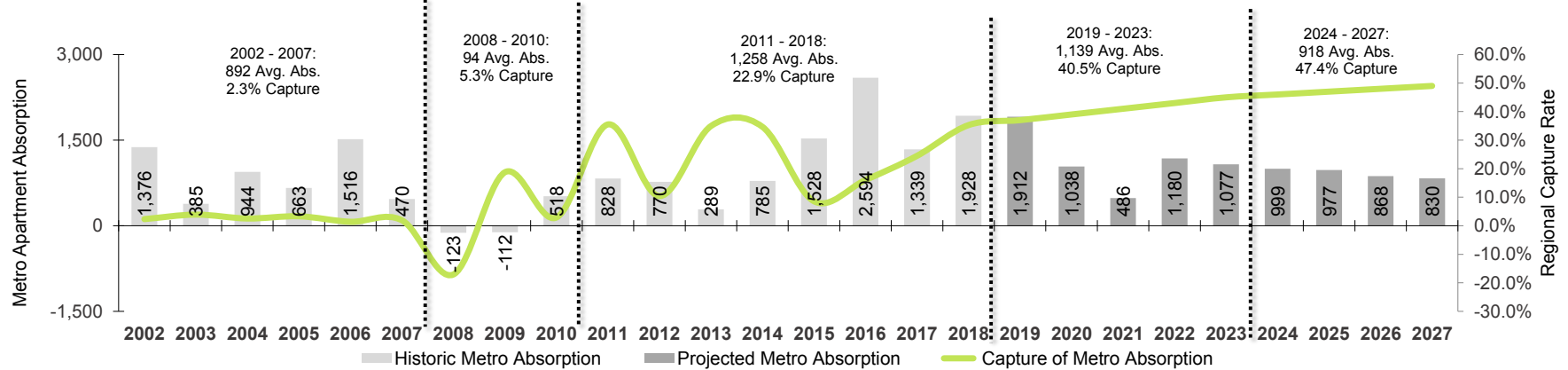
SOURCE: Noell Consulting Group, Costar and Economy.com | Moody's Analytics



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

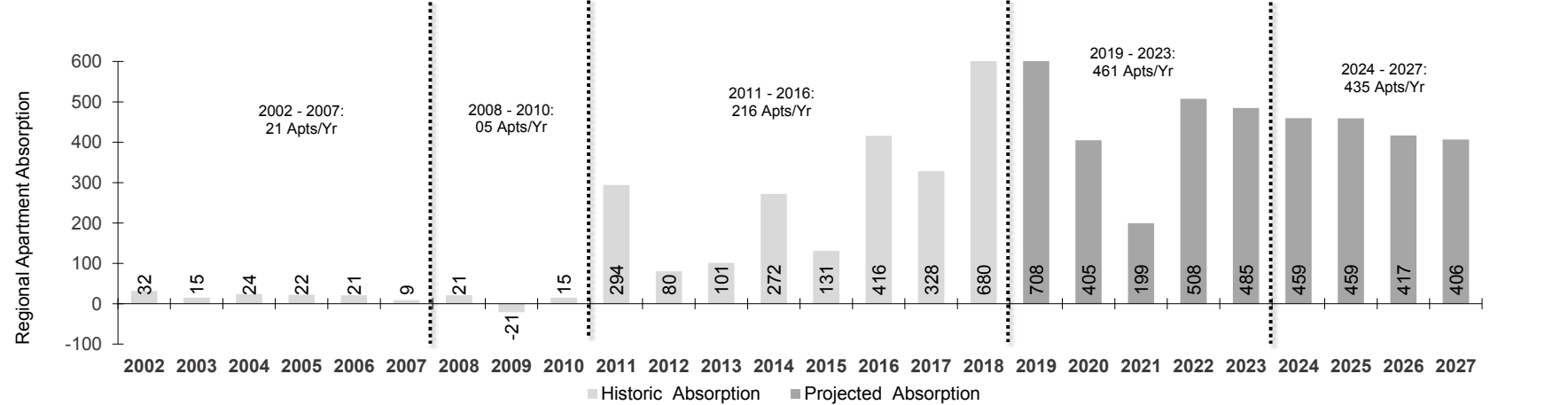
Exhibit 31
Tri-City Intown Core Capture of Cincinnati Metro Class A Apartment Absorption

Cincinnati MSA Apartment Absorption and Tri-City Intown Core



The Tri-City Intown Core, defined as intown areas of Cincinnati, Covington and Newport, has steadily absorbed a higher share of metro Class A & B apartment units since 2002. While individual years will vary as pipeline delivers, we expect the district to capture roughly 40% of metro absorption through 2023 and 47% from 2024 to 2027. Overall, we expect the next five years to absorb on average 461 units per year. From 2024 to 2027, we expect the Tri-City Intown Core to absorb an average of 435 units/year.

Tri-City Intown Core Class A Apartment Absorption



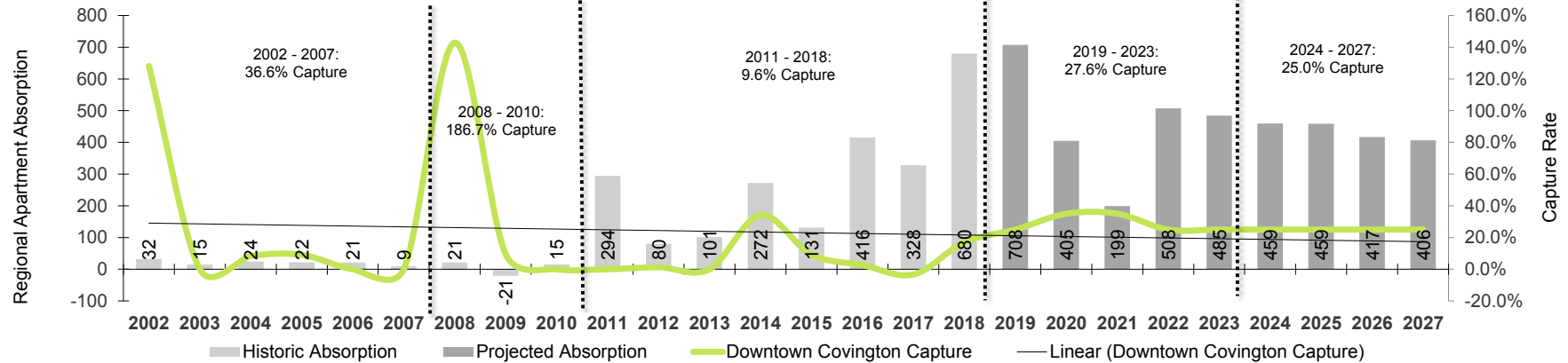
SOURCE: Noell Consulting Group and Costar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

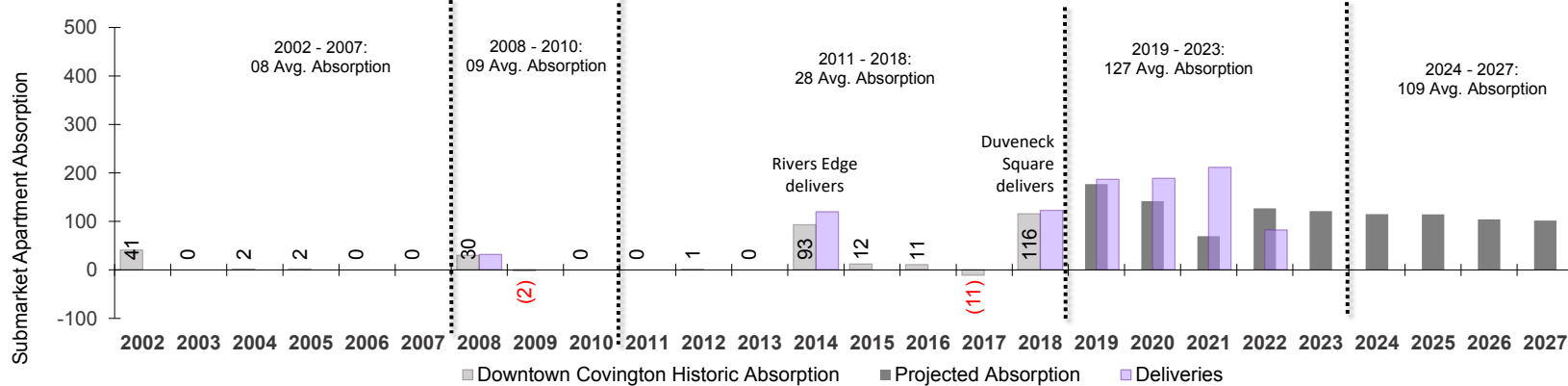
Exhibit 32
Downtown Covington Submarket Capture of the Tri-City Intown Apartment Core

Tri-City Intown Core Class A Apartment Absorption



From 2002 to 2018, Downtown Covington submarket saw three Class A & B apartment deliveries, a very small deal in 2008, followed by Rivers Edge in 2014 and Duveneck Square in 2018. When these developments delivered, however, they were quickly absorbed. Downtown Covington's capture of the Tri-City Intown Core has varied based on these deliveries, once capturing over 100%, likely due to apartment conversions to condominiums or a removal of apartments from the market. Beginning in 2011, Downtown Covington captured an average of 9.6% of the Tri-City Intown Core's class A apartment absorption. Moving forward, NCG predicts an average annual capture of over 27%, as Intown Covington continues to see more deliveries, resulting in an average annual absorption of 127 units. From 2024 to 2027, NCG predicts this trend will continue with an average annual capture of 25%, resulting in an average annual absorption of 109 units.

Downtown Covington Apartment Absorption



SOURCE: Noell Consulting Group and Costar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 33 (Page 1 of 2)
Downtown Covington Submarket Apartment Supply and Demand Analysis

	'01-'18 Average	11-'18 Average	2018	FORECAST										2019 - 2023 Average	2024 - 2027 Average
				2019	2020	2021	2022	2023	2024	2025	2026	2027			
Employment Growth in the Metro ¹	5,652	16,492	10,871	14,711	4,153	-486	9,079	8,287	7,683	7,515	6,679	6,381	7,149	7,065	
Projected Jobs to New Apt. Absorption In Metro	15.2	6.9	17.7	13.0	25.0	-100.0	13.0	13.0	13.0	13.0	13.0	13.0	15.9	13.0	
Est. Supportable New Apt Absorption in Metro	861	1,132	1,928	1,912	1,038	486	1,180	1,077	999	977	868	830	1,139	918	
0 Capture of Metro	13%	19%	35%	37.0%	39.0%	41.0%	43.0%	45.0%	46.0%	47.0%	48.0%	49.0%	40.5%	47.4%	
Est. Supportable New Apt Absorption 0	110	216	680	708	405	199	508	485	459	459	417	406	461	435	
Downtown Covington Capture of New Apt. Abs. w/in Tri-City Intown Core	10.2%	3.5%	17.1%	25.0%	35.0%	35.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	27.6%	25.0%	
Downtown Covington New Apartment Absorption	11	8	116	177	142	70	127	121	115	115	104	102	127	109	



- 1/ Employment growth from Economy.com
- 2/ Noell Consulting Group analysis based on larger analysis and trends of the market.
- 3/ Intown Covington submarket shown above

SOURCE: Noell Consulting Group, CoStar, Economy.com



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 33 (Page 2 of 2)
Downtown Covington Submarket Apartment Supply and Demand Analysis

Downtown Covington New Apartment Absorption		2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
		177	142	70	127	121	115	115	104	102	1,072
NOTES:											
1. The numbers found beneath the year columns for each project indicate the percentage of the year the projects are expected to be in lease-up. Unit counts are market rate only.											
2. Projects that are currently under construction are designated in GREEN .											
3. There are currently 187 units under construction in the submarket.											
4. There are an additional 581 units planned in the submarket, bringing total pipeline to 768 units.											
5. Current pipeline will soak up demand through the end of 2022. Beginning in 2023, there is demand for 100-125 units/year, which translates to one 180-unit community at a time.											
6. Due to negative demand numbers until 2022, NCG projects the ability to build a +/-200 unit apartment community beginning in 2023, which should lease up within a year.											
7. If additional room exists on the subject site, future multifamily phases can deliver approximately 200 units every 1.5 years.											
5 Year Pipeline											
<i>River Haus (Flaherty & Collins Properties)</i>		0.50	0.50								187
Madison Place Apartments (Corporex)			0.75	0.25							189
John R. Green Lofts (RealtyLink-Alabama, LLC)				1.00							182
3rd & Scott (Urban Sites)					0.75						110
Duveneck Square Phase 2 (Northpointe Group)				0.50							100
Total, Projects Known		0.5	1.3	1.8	0.8	0.0	0.0	0.0	0.0	0.0	768
Matriculation Factor		100%	100%	75%	75%	50%	25%	25%	25%	25%	670
Subject Site					1.00	0.25					200
Total, All Projects w/Matriculation		0.5	1.3	1.3	1.6	0.3	0.0	0.0	0.0	0.0	670
Total Deliveries (in units)		187	189	212	83	0	0	0	0	0	670
Total Demand		177	101	50	127	121	115	115	104	102	1,011
Total Unmet Demand		(10)	(88)	(162)	44	121	115	115	104	102	
Subject Site		2019	2020	2021	2022	2023	2024	2025	2026	2027	Totals
Fair Share Capture:					64%	75%					
Fair Share Capture with 25% Premium:					80%	94%					
Annual Capture (to 95% Stabilization):					102	114					215
Fair Share Monthly Abs:					8.5	37.9					14.3
w/ 1-Month Free Concession (Above Market Average) on a 12-Mo. Lease During Lease-Up:											17.2

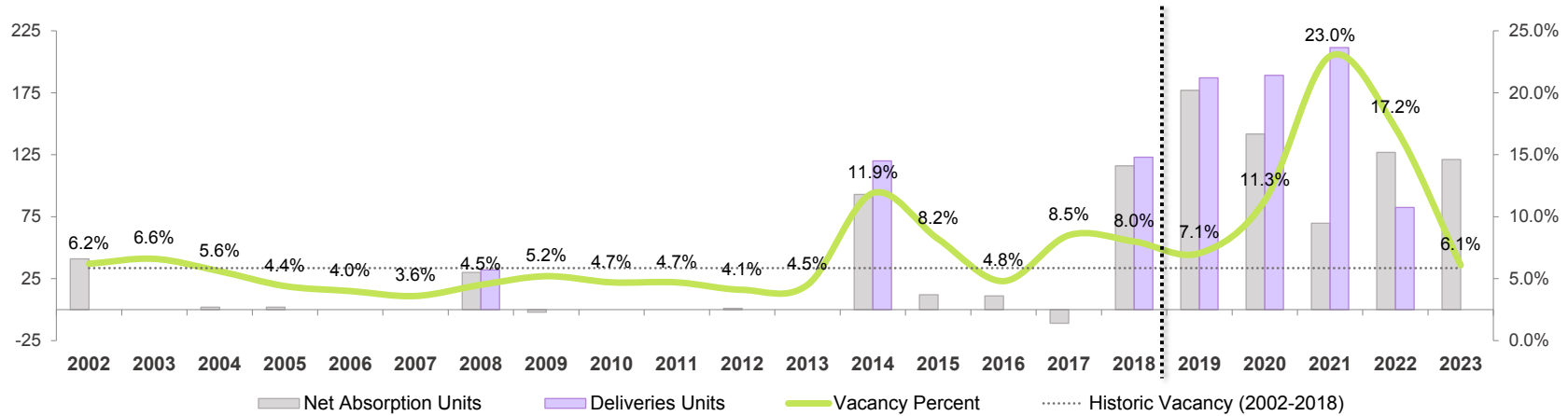
SOURCE: Noell Consulting Group, CoStar, Economy.com



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

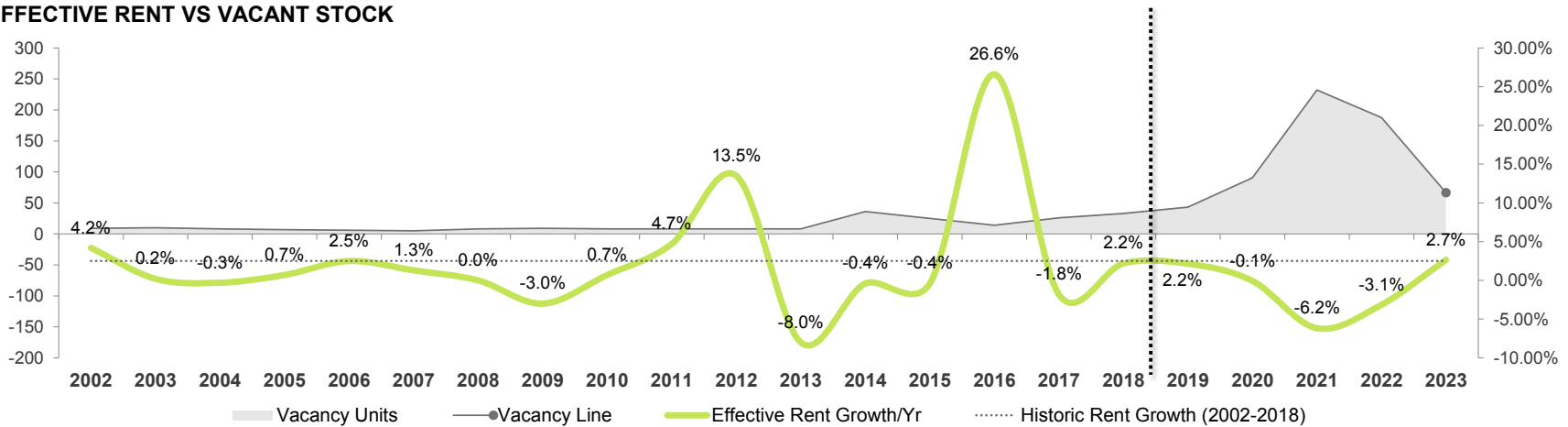
Exhibit 34
Historic and Projected Vacancy and Rent Growth of Class A & B Properties in the Submarket

SUBMARKET ABSORPTION, DELIVERIES, & VACANCY



The submarket has seen consistent vacancies, with the exception of years of delivery (2014, 2018). NCG expects the submarket to see a slight jump in vacancies due to deliveries in 2021, but the vacancy will slowly burn off as we approach 2023. Due to high delivery in the coming years, rent growth will fluctuate, but remain under historic levels until 2023.

EFFECTIVE RENT VS VACANT STOCK



SOURCE: Noell Consulting Group, CoStar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 35
Competitive Apartment Community Map



Covington	Units	\$/SF
1 Duveneck Square	110	\$1.71
2 Roebling Row	86	\$1.37
Covington Average	98	\$1.54

Newport	Units	\$/SF
3 Aqua on the Levee	238	\$1.43
4 Vue 180	93	\$1.72
Newport Average	166	\$1.57

Cincinnati	Units	\$/SF
5 Radius at the Banks	292	\$1.73
6 Current at the Banks	300	\$1.90
7 Seven at Broadway	111	\$2.36
Cincinnati Average	234	\$1.99

Covington Average	98	\$1.54
Newport Average	166	\$1.57
Cincinnati Average	234	\$1.99
Average All	176	\$1.74

SOURCE: Noell Consulting Group, Google Earth, Google Maps



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 36
Summary of the Competitive Market by Area and Implication to the Subject Property

ID	Community Name	Submarket	Year Built	% Leased	Total Units	Unit Size Range	Weighted Average Unit Size	Absolute Effective Rent Range		Weighted Average Rent	Weighted Average \$/SF	Percent Less than 2B/2b
1	Duveneck Square	Covington	2018	95%	110	619 1,312	839	\$1,125	\$2,025	\$1,436	\$1.71	87%
2	Roebing Row	Covington	2001	97%	86	919 1,449	1,255	\$1,328	\$2,295	\$1,717	\$1.37	19%
3	Aqua on the Levee	Newport	2017	90%	238	648 1,536	1,057	\$1,150	\$2,804	\$1,506	\$1.43	43%
4	Vue 180	Newport	2013	91%	93	630 1,190	946	\$1,141	\$2,034	\$1,628	\$1.72	77%
5	Radius at the Banks	Cincinnati	2016	87%	292	592 1,295	924	\$1,035	\$2,300	\$1,593	\$1.73	59%
6	Current at the Banks	Cincinnati	2011	94%	300	491 1,303	886	\$1,198	\$2,964	\$1,681	\$1.90	57%
7	Seven at Broadway	Cincinnati	2015	88%	111	590 1,736	873	\$1,395	\$4,145	\$2,063	\$2.36	68%

Market Average	2013	92%	176	641	1,403	969	\$1,196	\$2,652	\$1,660	\$1.74	59%
Covington Average	2010	96%	98	769	1,381	1,047	\$1,227	\$2,160	\$1,576	\$1.54	53%
Newport Average	2015	91%	BOA, Chase	639	1,363	1,002	\$1,146	\$2,419	\$1,567	\$1.57	60%
Cincinnati Average	2013	91%	206	541	1,520	880	\$1,297	\$3,555	\$1,872	\$2.13	63%

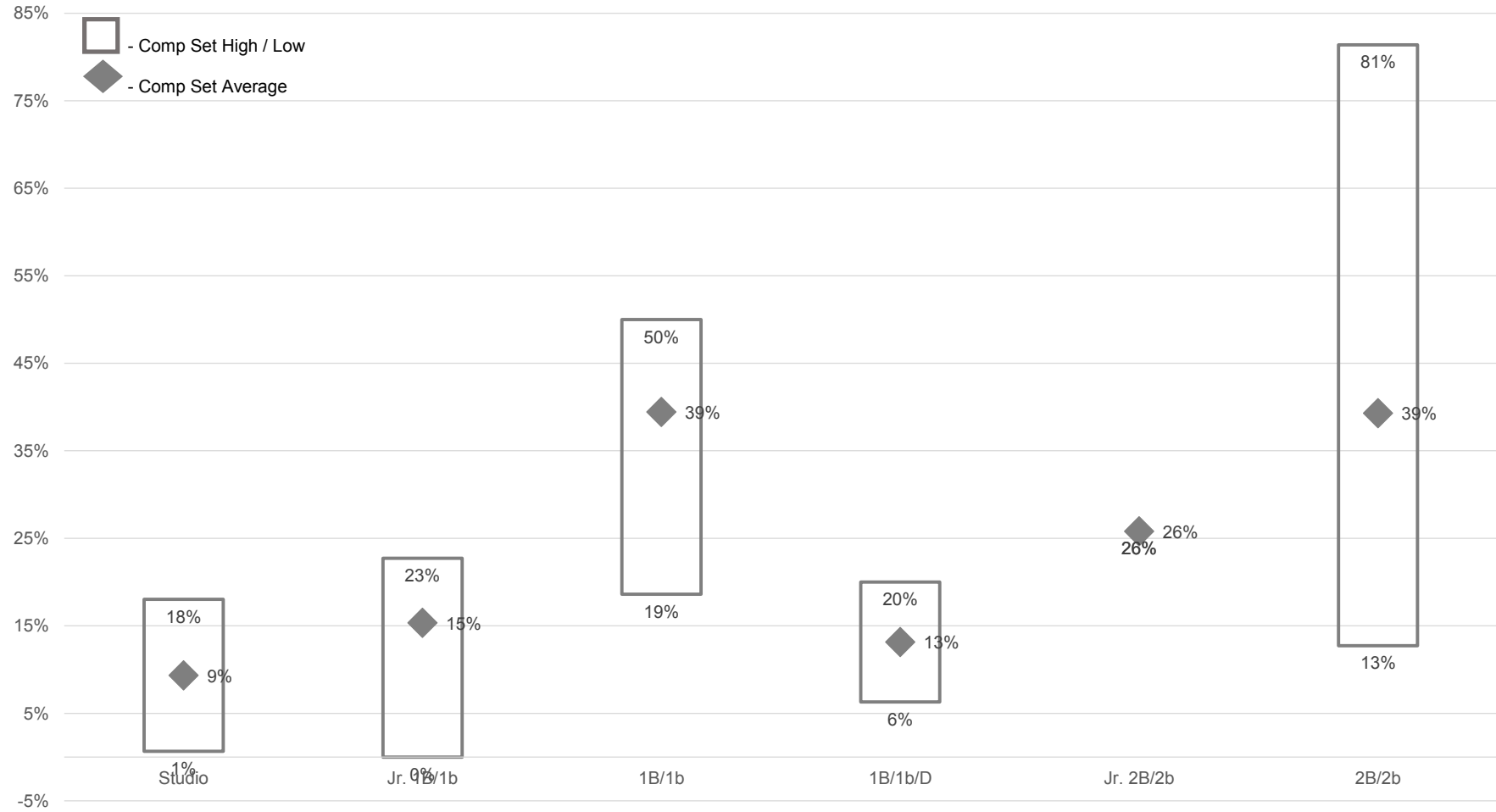
Market Overview Statistics	
Application Fees:	\$35-\$50 Per Applicant
Administrative Fee:	\$100 - \$150 per application
Pet Fees:	\$200-\$400 non-refundable \$25-\$35/mo. Rent - per pet
Parking Fees:	\$30-\$60 surface; \$90-\$140 garage
Parking Ratio (Per Bed:)	0.87- 1.40 per bed
<p>The local market as a whole is largely fueled by employment access and affordability. Much of the existing product is homogenous product, with quality but affordable finishes and full-amenity offerings. Interviews with local leasing agents has indicated that major audiences fueling demand include: young professionals , working couples, some young and single parent families, and empty nester/move-downs.</p>	

SOURCE: Noell Consulting Group



**CITY OF COVINGTON, KY
IRS SITE MARKET ANALYSIS**

Exhibit 37
Market Summary Unit Mix

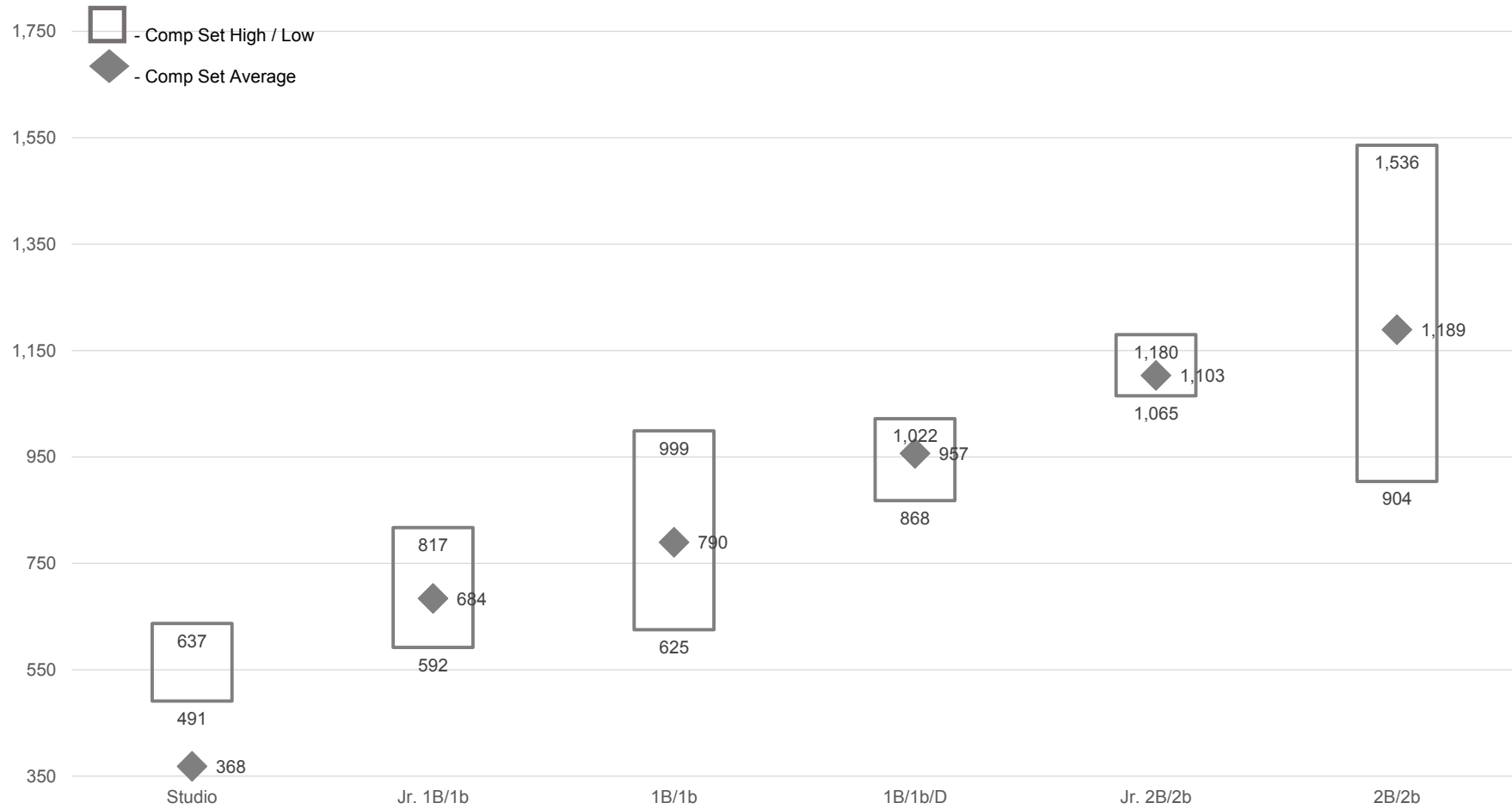


SOURCE: Noell Consulting Group



**CITY OF COVINGTON, KY
IRS SITE MARKET ANALYSIS**

Exhibit 38
Market Summary Unit Size

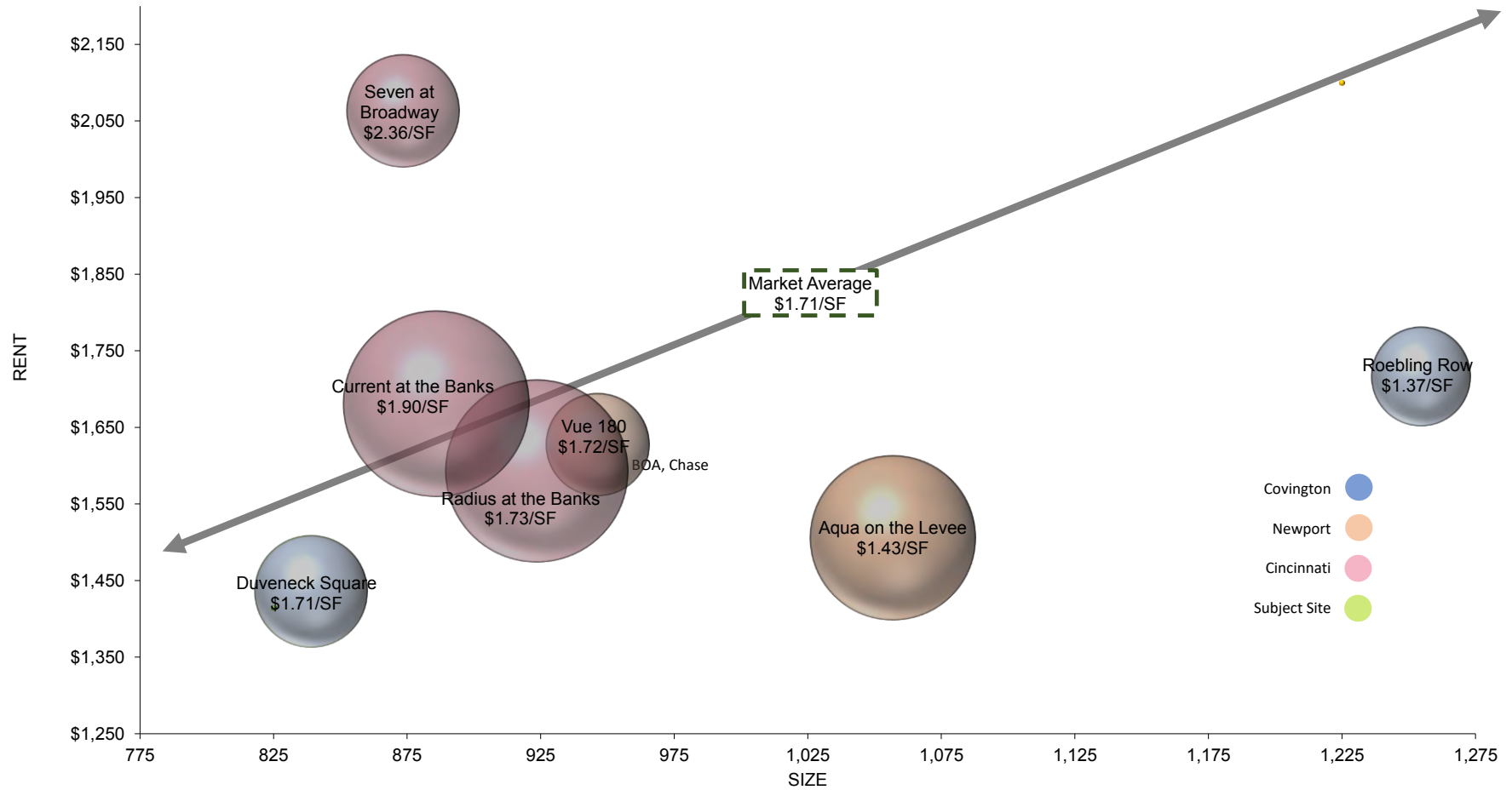


SOURCE: Noell Consulting Group



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 39
Comparison of Key Competitors in the Market - Weighted Average

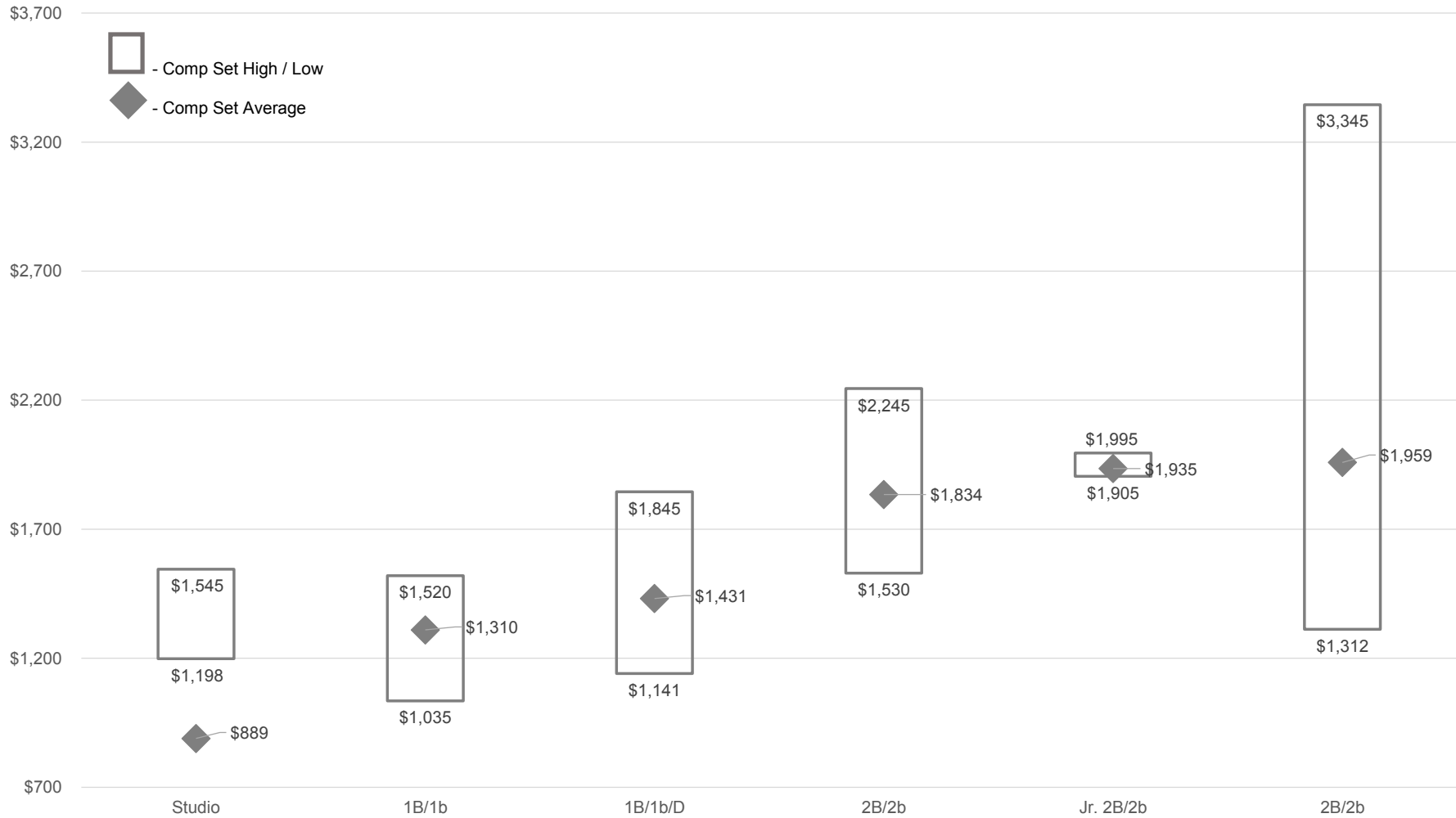


SOURCE: Noell Consulting Group based on surveys of properties.



**CITY OF COVINGTON, KY
IRS SITE MARKET ANALYSIS**

Exhibit 40
Market Summary Unit Rent



SOURCE: Noell Consulting Group



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 41

Competitive Rental Community - Duveneck Square (710 Washington St)

OVERVIEW	Developer Name		Northpointe Group		App. + Admin. Fee:		\$50 + \$100								
	Owner Name		Duveneck Square, LLC		Pet Fees:		\$150 dep / \$150 fee / \$30/mo.								
	Property Manager Name		Duveneck Square, LLC		Garages / Storage:		-								
	Year Built		2018		Parking Fees:		\$30								
	Number Of Stories		3		Parking Type:		Surface								
	Lease Up Pace:		8 units / month		Total Spaces		NA								
	Walk Score®:		4		Spaces/Bed:		NA								
SUMMARY	Market Audience:		Emerging neighborhood attracts many young professionals. Most 2B are couples, few roommates. 20-30% are new-to-market. Diverse employers: Bosch, Amazon, St. Elizabeth, Kroger.												
	Building Summary:		New mixed use development. Plans for phase 2 include 100 units and structured parking. Light but well designed amenity space complimented by ground floor & local retail/dining.												
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range		Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range		Avg. \$/SF	
	Jr. 1B/1b	25	23%	0	100.0%	\$1,125	\$1,255	\$1,189	619 659	632		\$1.82	\$1.90	\$1.88	
	1B/1b	49	45%	3	93.9%	\$1,300	\$1,415	\$1,366	730 867	794	None	\$1.63	\$1.78	\$1.72	
	1B/1b/D	22	20%	1	95.5%	\$1,530	\$1,600	\$1,549	868 1,022	939		\$1.57	\$1.76	\$1.65	
	2B/2b	14	13%	1	92.9%	\$1,850	\$2,025	\$1,940	1,119 1,312	1,212		\$1.54	\$1.65	\$1.60	
	SUMMARY:	110	100%	5	95.5%	\$1,125	\$2,025	\$1,436	619 1,312	839		\$1.54	\$1.90	\$1.71	
FINISHES AND AMENITIES	Ceiling Height and Finish:		9' finished ceilings												
	Lighting and Fixtures:		Recessed lighting in kitchen, ceiling fan in living room & bedroom												
	Flooring:		Wood-style vinyl flooring throughout												
	Cabinets and Hardware:		Grey wood-style cabinets with SS pulls												
	Countertops:		Quartz countertops in kitchen, granite in bathrooms w/ undermount sinks												
	Appliance Package:		GE SS appliances, smooth top range												
	Laundry and Bath Detail:		Full size washer/dryer; Garden style tubs												
	Windows and Balconies:		Large punch windows w/ Roman shades; Some units w/ balconies/patios and bay windows												
Additional Features:															
Community Features and Amenities:		Fitness center, clubroom with catering kitchen, outdoor lounge w/ grills and firepit, bike storage													

Source: Noell Consulting Group, CoStar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 42

Competitive Rental Community - Roebling Row (240 Greenup St)

OVERVIEW	Developer Name -		App. + Admin. Fee: \$50 + no admin									
	Owner Name Towne Properties		Pet Fees: \$150 NRD + \$150 fee + \$35/mo									
	Property Manager Name Towne - Roebling Row		Other Fees: \$500 Sec. Dep.									
	Year Built 2001		Parking Fees: \$40/\$60/\$90 (dbl-\$120)									
	Number Of Stories 4		Parking Type: Surface/Carport/Garage (sing/dbl)									
	Lease Up Pace: -		Total Spaces NA									
	Walk Score®: Very Walkable- 86		Spaces/Bed: NA									
SUMMARY	Market Audience:				Community attracts all age groups due to convenient location, character of the neighborhood, and large units. Majority of new-to-market are young professionals working for Kroger, PNG, etc. More mature residents work for government, local colleges, medical inst. (St. Elizabeth & Children's Hospital).							
	Building Summary:				Dated product with walkable location. Active neighborhood involvement w/ recent disinvestment due to IRS downsizing (losing walkable dining options). High retention w/ residents invested in the area.							
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	1B/1b	16	19%	1	93.8%	\$1,328 \$1,722	\$1,544	919 999	956		\$1.45 \$1.72	\$1.62
	2B/2b	70	81%	2	97.1%	\$1,509 \$2,295	\$1,756	1,200 1,449	1,323	None	\$1.26 \$1.58	\$1.33
SUMMARY:		86	100%	3	96.5%	\$1,328 \$2,295	\$1,717	919 1,449	1,255		\$1.26 \$1.72	\$1.37
FINISHES AND AMENITIES	Ceiling Height and Finish:		9' finished ceilings									
	Lighting and Fixtures:		Pendant lighting w/ decorative fixtures in kitchen									
	Flooring:		Carpet throughout, tile in kitchen/bath; Updated: Vinyl HW flooring throughout, carpet in BR & living									
	Cabinets and Hardware:		White cabinets w/ SS pulls, Updated units w/ subway tile backsplash									
	Countertops:		Granite countertops in kitchen and bathroom									
	Appliance Package:		GE SS/black appliances with smooth top electric range									
	Laundry and Bath Detail:		Full size side-by-side washer/dryer, Mix of garden tubs & framed, walk-in showers									
	Windows and Balconies:		Standard punch windows, no balconies									
Additional Features:		Free storage (60, 3 x 6)										
Community Features and Amenities:		Elevated sun deck, fitness center, walkable dining										



Source: Noell Consulting Group, CoStar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 43

Competitive Rental Community - VUE 180 on the Water (300 Riverboat Row)

OVERVIEW	Developer Name	Capital Investment Group, Inc.	App. + Admin. Fee:	\$50 / \$100								
	Owner Name	Andrea Georgopoulos-stray	Pet Fees:	\$200 dep / \$150 fee / \$35/mo								
	Property Manager Name	Village Green - VUE 180 on the Water	Other Fees:	-								
	Year Built	2013	Parking Fees:	\$100/covered : \$75/uncovered								
	Number Of Stories	4	Parking Type:	Garage & Surface								
	Lease Up Pace:	-	Total Spaces	130								
	Walk Score®:	Somewhat Walkable- 61	Spaces/Bed:	1.14								
SUMMARY	Market Audience:	Mix of all ages, location and river views are most attractive feature to residents										
	Building Summary:	Smaller community w/ slightly dated finishes, convenient location w/ direct river views										
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	1B/1b	32	34%	1	96.9%	\$1,141 \$1,450	\$1,297	630 850	775		\$1.81	\$1.67
	Jr. 1B/1b	16	17%	2	87.5%	\$1,389 \$1,389	\$1,389	750 750	750		\$1.85 \$1.85	\$1.85
	Jr. 2B/2b	24	26%	2	91.7%	\$1,905 \$1,995	\$1,935	1,065 1,180	1,103	None	\$1.69 \$1.79	\$1.75
	2B/2b	21	23%	3	85.7%	\$1,910 \$2,034	\$1,963	1,160 1,190	1,177		\$1.65 \$1.71	\$1.67
	SUMMARY:	93	100%	8	91.4%	\$1,141 \$2,034	\$1,628	630 1,190	946			\$1.65 \$1.85
FINISHES AND AMENITIES	Ceiling Height and Finish:	9 -10ft. finished ceilings										
	Lighting and Fixtures:	Pendant lighting										
	Flooring:	HW throughout, carpet in bedroom, tile in bath										
	Cabinets and Hardware:	Dark cabinets w/ SS pulls										
	Countertops:	Granite, undermount sinks										
	Appliance Package:	GE stainless steel appliances w/ electric coil range										
	Laundry and Bath Detail:	Full size, side-by-side W/D; Garden tubs & framed walk-in showers w/ tile surround										
	Windows and Balconies:	Standard punch windows, all units have balconies/patios										
Additional Features:												
Community Features and Amenities:	Club room w/ game area, fitness center, dog park, BBQ area w/ fire pit											



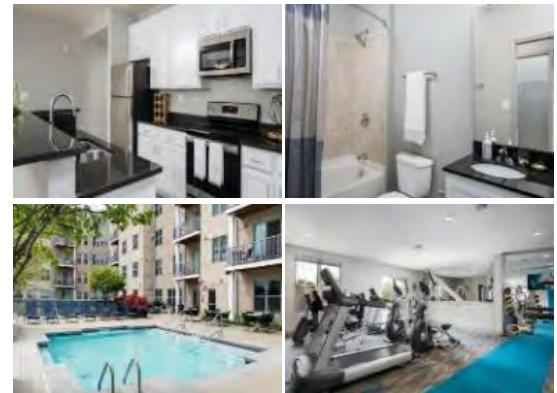
Source: Noell Consulting Group, CoStar

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 44

Competitive Rental Community - Current at the Banks (120-180 E Freedom Way)

OVERVIEW	Developer Name	Carter Real Estate- Atlanta, The Daw:		App. + Admin. Fee:	\$50/\$100							
	Owner Name	Nicol Investment Company		Pet Fees:	\$300 fee/ \$25/mo							
	Property Manager Name	Village Green - Current at the Banks		Other Fees:	Parking fee includes trash & pest							
	Year Built	2011		Parking Fees:	\$135 (2nd- \$95)							
	Number Of Stories	6		Parking Type:	Structured							
	Lease Up Pace:	-		Total Spaces	300							
	Walk Score®:	Very Walkable- 76		Spaces/Bed:	0.70							
SUMMARY	Market Audience:	Many new-to-market residents due to locations. Preferred employers: Kroger, GE, PNG, EY. Many young professionals. Few empty nesters/downsizer.										
	Building Summary:	Two buildings part of a larger master planned community on The Banks. Within walking distance to stadiums, parks, retail, and dining. Though dated, prime location appeals to residents and out of market prospects.										
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	Studio	2	1%	0	100.0%	\$1,198 \$1,198	\$1,198	491 491	491	None	\$2.44 \$2.44	\$2.44
	Jr. 1B/1b	18	6%	1	94.4%	\$1,344 \$1,344	\$1,374	675 675	675		\$1.99 \$1.99	\$2.04
	1B/1b	150	50%	7	95.3%	\$1,344 \$1,655	\$1,501	674 835	759		\$1.98 \$1.99	\$1.98
	2B/2b	130	43%	9	93.1%	\$1,641 \$2,964	\$1,938	904 1,303	1,068		\$1.82 \$2.27	\$1.82
	SUMMARY:	300	100%	17	94.3%	\$1,198 \$2,964	\$1,681	491 1,303	886		\$1.82 \$2.44	\$1.90
FINISHES AND AMENITIES	Ceiling Height and Finish:	9 ft finished ceilings										
	Lighting and Fixtures:	Track lighting w/ decorative fixtures										
	Flooring:	Vinyl HW throughout, tile in bath; Some units with carpet throughout										
	Cabinets and Hardware:	Mix of wood style/white cabinets with SS pulls										
	Countertops:	Granite counters										
	Appliance Package:	Mix of black appliances w/ SS fridge										
	Laundry and Bath Detail:	Full size, stacked W/D; Garden style tub & shower combo										
	Windows and Balconies:	Punch windows; All units have balconies/patios										
	Additional Features:	Two color scheme (contemporary & modern); 50% updated units										
Community Features and Amenities:	Clubhouse w/ fireplace, Rooftop pool, Outdoor kitchen w/ grills, business center, fitness center, concierge, onsite corner market											



Source: Noell Consulting Group, CoStar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 45

Competitive Rental Community - Aqua On The Levee (100 Aqua Dr)

OVERVIEW	Developer Name	Capital Investment Group, Inc.		App. + Admin. Fee:	\$35/\$100							
	Owner Name	Capital Investment Group, Inc.		Pet Fees:	\$200 deposit, \$25/mo							
	Property Manager Name	CIG - Aqua on the Levee		Other Fees:	\$10 valet trash; \$150/ yr amenity fee							
	Year Built	2017		Parking Fees:	\$75-\$100/mo							
	Number Of Stories	5		Parking Type:								
	Lease Up Pace:	-		Total Spaces	-							
	Walk Score®:	Very Walkable- 76		Spaces/Bed:	-							
SUMMARY	Market Audience:	Mix of young professionals and downsizers.										
	Building Summary:	Abundant amenity package creating a lifestyle building. Adjacent to aloft Hotel and Newport on the Levee.										
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	1B/1b	103	43%	12	88.3%	\$1,150 \$1,400	\$1,275	648 902	772		\$1.55 \$1.77	\$1.65
	2B/2b	116	49%	10	91.4%	\$1,312 \$1,700	\$1,506	1,098 1,536	1,253	None	\$1.11 \$1.19	\$1.20
	3B/2b	19	8%	1	94.7%	\$2,714 \$2,804	\$2,759	1,407 1,407	1,407		\$1.93 \$1.99	\$1.96
	SUMMARY:	238	100%	23	90.3%	\$1,150 \$2,804	\$1,506	648 1,536	1,057			\$1.11 \$1.99
FINISHES AND AMENITIES	Ceiling Height and Finish:	9-10 ft finished ceilings										
	Lighting and Fixtures:	Track & pendant lighting w/ decorative fixtures in living area										
	Flooring:	Vinyl HW floors throughout; Carpet in BR										
	Cabinets and Hardware:	Modern cabinets w/ SS pulls										
	Countertops:	Granite counters; Glass tile backsplash										
	Appliance Package:	Stainless steel appliances; smooth top electric range										
	Laundry and Bath Detail:	Full size, stacked W/D; Garden tubs & walk-in showers with tile surround										
	Windows and Balconies:	Standard punch windows; all units have balcony/patio										
	Additional Features:	Ceiling fans in bedroom										
Community Features and Amenities:	Large pool, jacuzzi, outdoor lounge w/ grills & veranda, PGA Tour simulator, pet park & spa, fitness center, clubroom, rooftop deck, business center											



Source: Noell Consulting Group, CoStar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 46

Competitive Rental Community - Radius at the Banks (44 W Freedom Way)

OVERVIEW	Developer Name: Harold A. Dawson Co. Inc.		App. + Admin. Fee: \$50 / none									
	Owner Name: Carter USA		Pet Fees: \$250 dep / \$150 fee / \$35/mo									
	Property Manager Name: Village Green - Radius at the Banks		Other Fees: -									
	Year Built: 2016		Parking Fees: \$140.00									
	Number Of Stories: 9		Parking Type: Structured									
	Lease Up Pace: -		Total Spaces: NA									
	Walk Score®: Very Walkable- 76		Spaces/Bed: NA									
SUMMARY	Market Audience: 60% empty nesters/downsizers, very little roommates. Many new-to-market young professionals working at a variety of employers in downtown Cincinnati.											
	Building Summary: Average finishes with a great locations. Onsite dining. Easy access to stadiums, parks, and dining at The Banks.											
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	Jr. 1B/1b	45	15%	6	86.7%	\$1,035 \$1,520	\$1,287	592 817	679	None	\$1.75 \$1.86	\$1.90
	1B/1b	120	41%	12	90.0%	\$1,225 \$1,613	\$1,352	692 960	776		\$1.68 \$1.77	\$1.74
	1B/2b	7	2%	0	100.0%	\$1,787 \$1,787	\$1,787	1,049 1,049	1,049		\$1.70 \$1.70	\$1.70
	2B/2b	120	41%	21	82.5%	\$1,774 \$2,300	\$1,938	1,098 1,295	1,156		\$1.62 \$1.78	\$1.68
	SUMMARY:		292	100%	39	86.6%	\$1,035 \$2,300	\$1,593	592 1,295	924		\$1.62 \$1.86
FINISHES AND AMENITIES	Ceiling Height and Finish: 9 ft. finished ceilings											
	Lighting and Fixtures: Track and pendant lighting											
	Flooring: Vinyl HW throughout, carpet in bedroom											
	Cabinets and Hardware: Dark cabinets w/ SS pulls											
	Countertops: Granite counters w/ undermount sinks; Subway tile backsplash											
	Appliance Package: SS appliance package											
	Laundry and Bath Detail: Full size W/D; Garden style tubs, some units w/ walk-in showers & tile surround											
	Windows and Balconies: Large punch windows; most units w/ balconies											
Additional Features:												
Community Features and Amenities: Heated pool, grills, courtyard, fitness center w/ spin/yoga studio, clubroom w/ fireplace, concierge, café/lounge, dog-walking service, guest suite												



Source: Noell Consulting Group, CoStar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 47

Competitive Rental Community - Seven at Broadway (345 E 7th St)

OVERVIEW	Developer Name		Northpointe Group		App. + Admin. Fee:		\$50 / \$150							
	Owner Name		North American Properties		Pet Fees:		\$250 dep / \$150 fee / \$35/mo							
	Property Manager Name		NAP - Seven at Broadway		Other Fees:		-							
	Year Built		2015		Parking Fees:		140							
	Number Of Stories		7		Parking Type:		Structured							
	Lease Up Pace:		-		Total Spaces		130							
	Walk Score®:		Walker's Paradise -96		Spaces/Bed:		0.89							
SUMMARY	Market Audience: Luxury product attractive to a more mature audience. 60% empty nester/downsizers. Mature professionals.													
	Building Summary: High-end product. 7 stories on top a 7 story parking deck to give high-rise views. Very walkable in dense, urban environment with easy access to highway.													
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range		Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range		Avg. \$/SF
	Studio	20	18%	3	85.0%	\$1,395	\$1,545	\$1,470	590 637	614		\$2.36	\$2.43	\$2.40
	1B/1b	49	44%	3	93.9%	\$1,595	\$1,845	\$1,684	625 786	697		\$2.35	\$2.55	\$2.42
	1B/1b/D	7	6%	1	85.7%	\$1,995	\$2,245	\$2,120	974 974	974	None	\$2.05	\$2.30	\$2.18
	2B/2b	28	25%	2	92.9%	\$2,395	\$3,345	\$2,670	1,085 1,292	1,137		\$2.21	\$2.59	\$2.35
	2B/2.5b/D	7	6%	4	43%	\$3,695	\$4,145	\$3,920	1,660 1,736	1,698		\$2.23	\$2.39	\$2.31
	SUMMARY:	111	100%	13	88.3%	\$1,395	\$4,145	\$2,063	590 1,736	873		\$2.05	\$2.59	\$2.36
FINISHES AND AMENITIES	Ceiling Height and Finish: 9-10 ft finished ceilings													
	Lighting and Fixtures: Recessed lighting													
	Flooring: HW floors throughout; tile in bath													
	Cabinets and Hardware: Mix of white/black cabinets w/ SS pulls													
	Countertops: Marble counters w/ undermount sinks and glass backsplash													
	Appliance Package: Higher end SS appliances; French door fridge, smooth top, electric range													
	Laundry and Bath Detail: Full size W/D; Frameless walk-in showers w/ tile surround													
	Windows and Balconies: Floor-to-ceiling windows													
	Additional Features: Barn doors in some units													
	Community Features and Amenities: Rooftop terrace w/ grills and fire pit, fitness center, guest suite, coffee station													

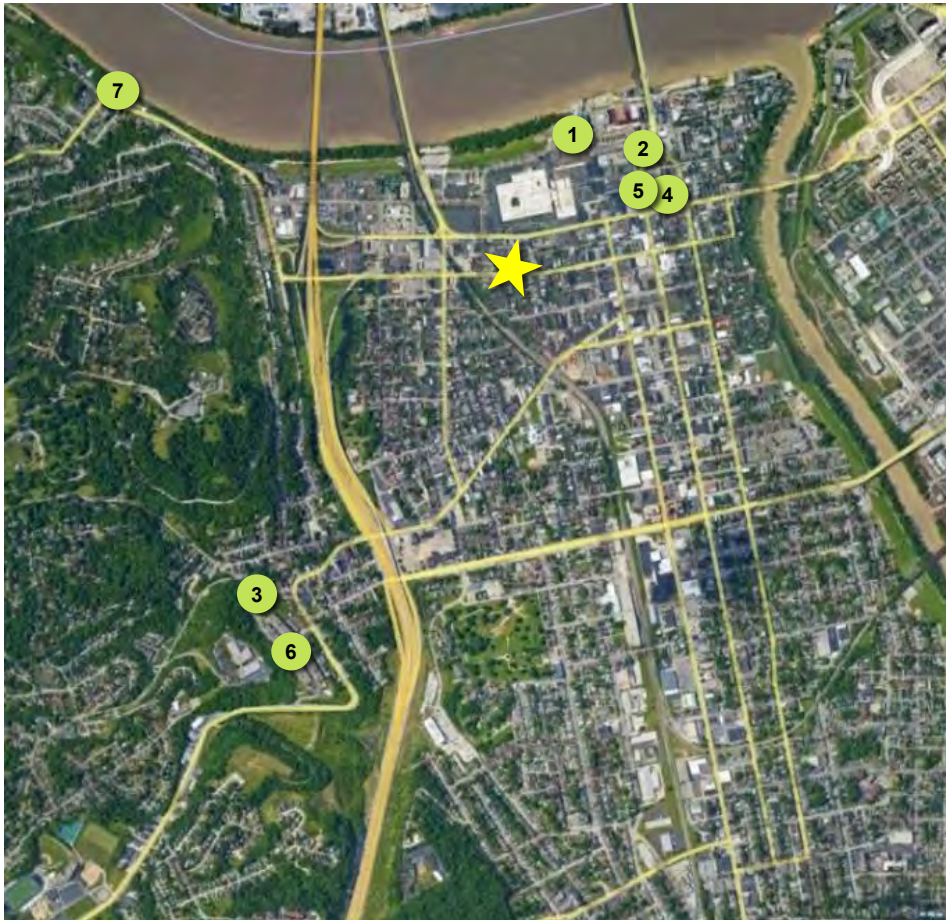
Source: Noell Consulting Group, CoStar



For-Sale Residential Analysis

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 48
Competitive For-Sale Attached Community Map



Local Condo Market	Avg. Sales Price	Avg. Size	\$/SF
1 Domaine de la Rive	\$2,100,000	5,166	\$407
2 The Ascent	\$759,500	2,143	\$354
3 Veranda at the Views	\$1,075,833	3,025	\$356
4 Bradford Building	\$400,000	2,150	\$186
Local Condo Market Average	\$1,083,833	3,121	\$326

Local Townhome Market	Avg. Sales Price	Avg. Size	\$/SF
5 Boone Block	\$405,750	2,777	\$146
6 The Views	\$497,803	2,501	\$199
7 Westport Riverhomes	\$517,803	2,856	\$181
Local Townhome Market Average	\$473,785	2,711	\$173

Due to a lack of new condo and townhome developments in Covington, under construction and older developments are included to better understand the for-sale market

Source: NCG, RedFin, Berkeley County Tax Assessor



**CITY OF COVINGTON, KY
IRS SITE MARKET ANALYSIS**

Exhibit 49
Summary of the Competitive Market by Area

ID	Community Name	Community Type	Year Built	Total Units	Unit Size Range	Weighted Average Unit Size	Sales Price		Weighted Average Sales Price	Weighted Average \$/SF
1	Domaine de la Rive	Condominium	2016	12	4,000 6,331	5,166	\$1,500,000	\$2,700,000	\$2,100,000	\$407
2	The Ascent	Condominium	2015	70	1,081 3,800	2,143	\$429,000	\$1,900,000	\$759,500	\$354
3	Veranda at the Views	Condominium	2020	18	2,365 5,060	3,025	\$800,000	\$2,000,000	\$1,075,833	\$356
4	Bradford Building	Condominium	2019	5	1,800 2,500	2,150	\$300,000	\$500,000	\$400,000	\$186
5	Boone Block	Townhome	2016	9	2,185 5,000	2,777	\$304,000	\$523,000	\$405,750	\$146
6	The Views	Townhome	2017	9	2,875 2,900	2,501	\$480,809	\$550,000	\$497,803	\$199
7	Westport Riverhomes	Townhome	2015	7	2,826 2,945	2,856	\$480,809	\$550,000	\$517,803	\$181
Market Average			2016	8	2,629 3,615	2,711	\$421,873	\$541,000	\$473,785	\$237
Condominium Average			2018	26	2,312 4,423	3,121	\$757,250	\$1,775,000	\$1,083,833	\$326
Townhome Average			2016	8	2,851 2,923	2,678	\$480,809	\$550,000	\$507,803	\$190

Source: NCG, RedFin, Berkeley County Tax Assessor



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 50 Condominium Comparables



Domaine de la Rive, built in 2001, 12 total units

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
3B/3.5b	2	100%	\$1,500,000 \$2,700,000	\$2,100,000	4,000 6,331	5,166	\$375 \$426	\$407
Total	2	100%	\$1,500,000 \$2,700,000	\$2,100,000	4,000 6,331	5,166	\$375 \$426	\$407

*Resales

Locating on the top levels of Madison Place, this development offers luxury penthouse units with river and skyline views. Few resales available. Though dated, condos feature large floor plans with expansive terraces.



The Ascent at Roebing's Bridge, built in 2008, 70 units

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
2B/2b	2	20%	\$429,000 \$440,000	\$434,500	1,081 1,081	1,081	\$397 \$407	\$402
2B/2.5b	6	60%	\$594,000 \$795,000	\$694,500	2,089 2,330	2,210	\$284 \$341	\$314
3B/3.5b	1	10%	\$659,000 \$659,000	\$659,000	2,206 2,206	2,206	\$299 \$299	\$299
3B/4b	1	10%	\$1,900,000 \$1,900,000	\$1,900,000	3,800 3,800	3,800	\$500 \$500	\$500
Total	10	100%	\$429,000 \$1,900,000	\$759,500	1,081 3,800	2,143	\$284 \$500	\$354

*Resales

Built in 2008, The Ascent was a pioneering high-rise condo building in downtown Covington. Featuring unique floorplans and design features, the building attracts a more mature audience. Amenities include concierge, fitness center, sauna & steam room, wine cellar, pool & hot tub, dining terrace with grills & fire pit, movie theatre, and two guest condos.



Veranda at the Views

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
3B/2.5/D	14	78%	\$800,000 \$895,000	\$847,500	2,365 2,540	2,453	\$338 \$378	\$346
3B/3.5/D	4	22%	\$1,750,000 \$2,000,000	\$1,875,000	5,000 5,060	5,030	\$350 \$400	\$373
Total	18	100%	\$800,000 \$2,000,000	\$1,075,833	2,365 5,060	3,025	\$338 \$400	\$356

*Asking price

Developed by Joshua One these are the newest condos in The View's development. Currently under construction, the condos will have skyline views from 315-375 SF terraces with luxury finishes marketing to empty nesters. Each unit comes with 2 parking spots and a garage storage room. Amenities will be shared with current townhomes at The Views.



Bradford Building

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
2B/2b	5	100%	\$300,000 \$500,000	\$400,000	1,800 2,500	2,150	\$167 \$200	\$186
Total	5	100%	\$300,000 \$500,000	\$400,000	1,800 2,500	2,150	\$167 \$200	\$186

*Asking price

Adaptive reuse condos with 5,000 SF ground floor commercial space. Currently under construction, five luxury condos are planned with five commercial spaces on the ground level. The condo units will feature roof terraces. Groundbreaking for this development was November 2017.

*The unit mix is based on demonstrated unit sales YTD.
For older buildings this only includes sales from 2016 to present

Source: NCG, Zillow, Kenton County



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 51 Townhome Comparables



Boone Block, built in 2016, 9 homes

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
2B	7	78%	\$304,000 \$440,500	\$372,250	2,185 2,467	2,326	\$139 \$179	\$159
3B	2	22%	\$523,000 \$523,000	\$523,000	3,710 5,000	4,355	\$141 \$105	\$123
Total	9	100%	\$304,000 \$523,000	\$405,750	2,185 5,000	2,777	\$139 \$179	\$146

Adaptive reuse project in downtown Covington. Three-story townhomes with exposed brick and a garage/flex space off of the kitchen with street access. Common courtyard behind building.



The Views, Phased dev. Built 2010-2016

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
2B/2.5b	2	40%	\$467,800 \$475,000	\$471,400	1,920 1,920	1,920	\$244 \$247	\$246
3B/3.5b	3	60%	\$480,809 \$550,000	\$515,405	2,875 2,900	2,888	\$167 \$190	\$178
Total	5	100%	\$480,809 \$550,000	\$497,803	2,875 2,900	2,501	\$167 \$247	\$199

*Resales

With first homes built in 2010, the Views has ranch style and 2-3 story townhomes. A short drive from downtown Covington with Cincinnati skyline views. Originally attracted young professional couples/families. Buyer audience has shifted to include families with older children and empty nesters. Veranda at the Views is the latest development adjacent to the existing townhomes and will share existing amenities.

BOA, Chase



Westport Riverhomes, built in 2016, 7 THs

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
3B/2.5b	3	75%	\$480,809 \$550,000	\$515,405	2,826 2,826	2,826	\$170 \$195	\$182
3B/3b	1	25%	\$525,000 \$525,000	\$525,000	2,945 2,945	2,945	\$178 \$178	\$178
Total	4	100%	\$480,809 \$550,000	\$517,803	2,826 2,945	2,856	\$170 \$195	\$181

*Resales

Riverfront homes with private elevators and docks. Luxury finishes and dock access attracted a niche audience. Roof terraces with river views and skyline views of Cincinnati.

*The unit mix is based on demonstrated unit sales YTD. For older buildings this only includes sales from 2016 to present

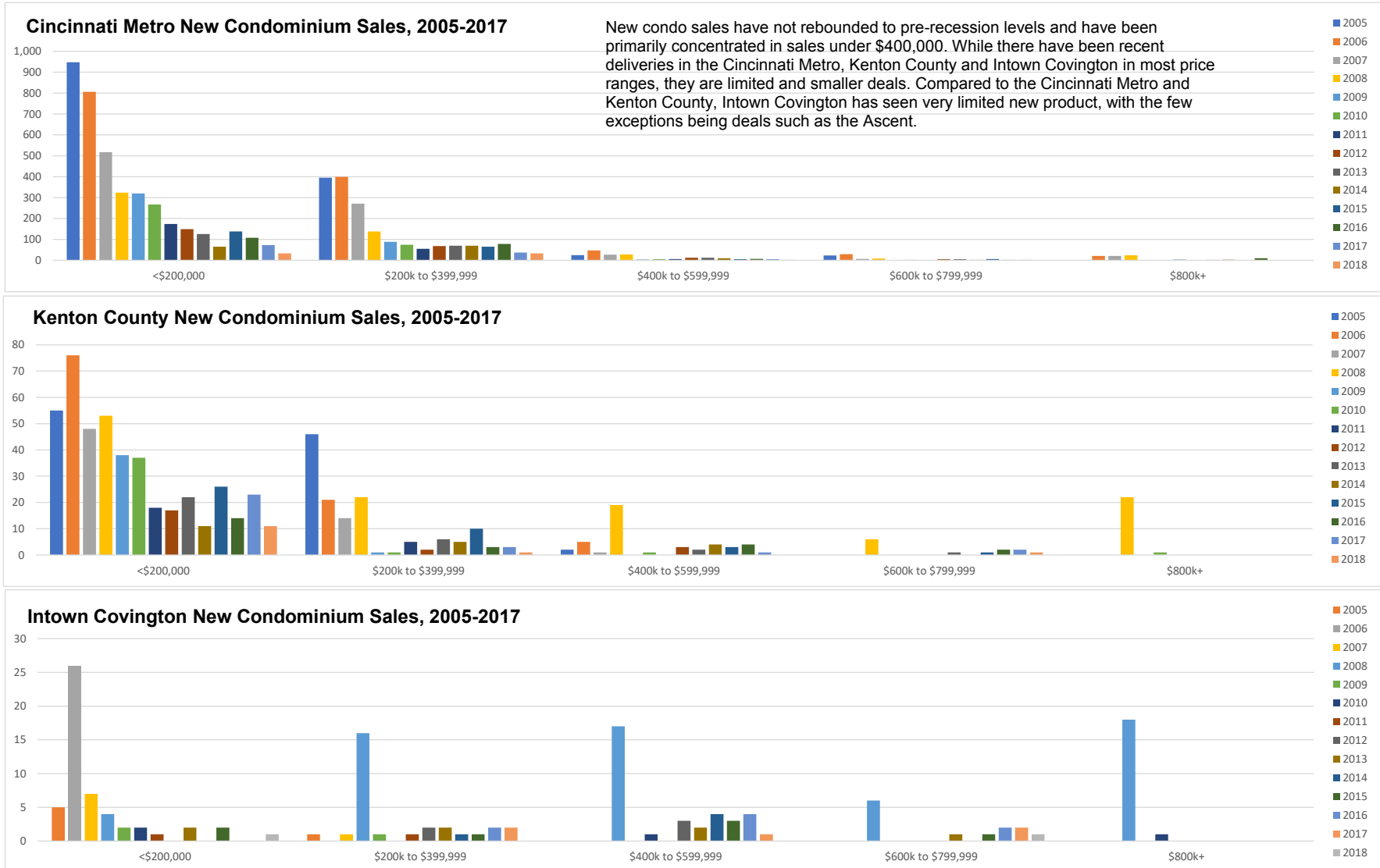
Source: NCG, RedFin, Berkeley County Tax Assessor



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 52

New Sale History of Condominium Product in the Cincinnati Metro, Kenton County and Intown Covington



*Intown Covington is comprised of zip codes 41011 and 41014.

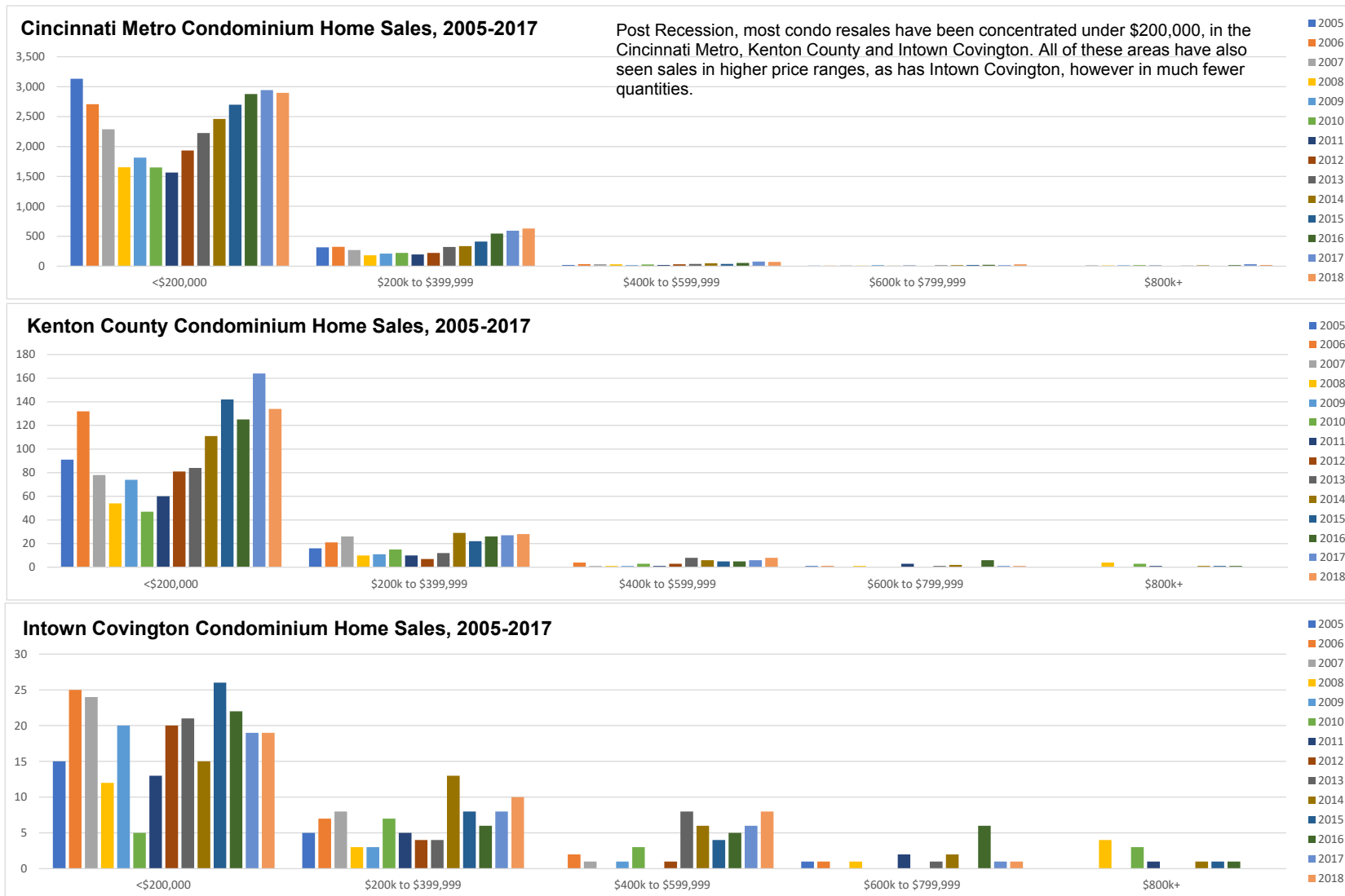
Source: NCG, MetroStudy



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 53

Sale History of Existing Condominium Product in the Cincinnati Metro, Kenton County and Intown Covington



*Intown Covington is comprised of zip codes 41011 and 41014.

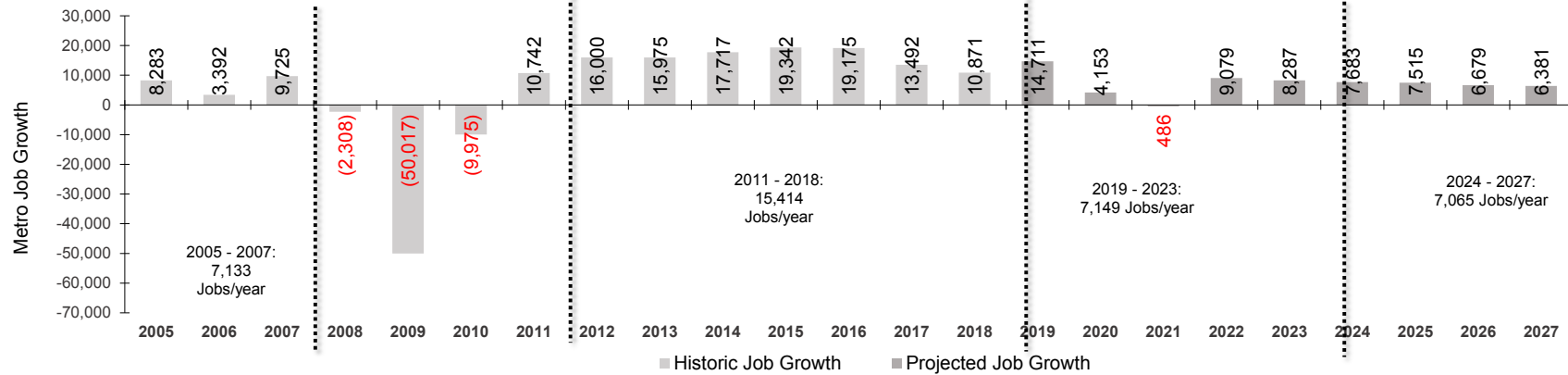
Source: NCG, MetroStudy



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

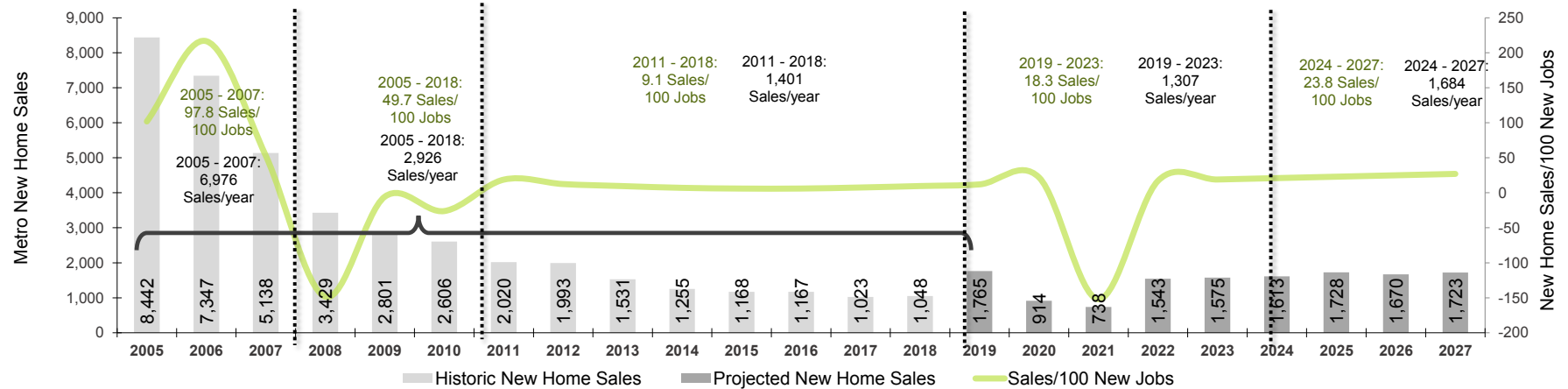
Exhibit 54
Historic and Projected Job Growth to New Home Sales Relationship in the Cincinnati Metro

CINCINNATI METRO JOB GROWTH



New home sales have not risen to pre-recessionary activity levels. Due to supply constraints, new home sales have been dropping since 2005. Despite a small bump in 2019, While new home sales have steadily risen since 2011, Moody's projects a slow down in job growth in 2020 and 2021 leading to lower new home sales. Despite the slow down, NCG projects nearly 1,300 new home sales annually from 2019 to 2023, which equates to 18.3 sales per 100 net new jobs, and just over 1,700 new home sales from 2024 to 2027, or 24 sales per 100 net new jobs.

CINCINNATI METRO NEW HOME SALES



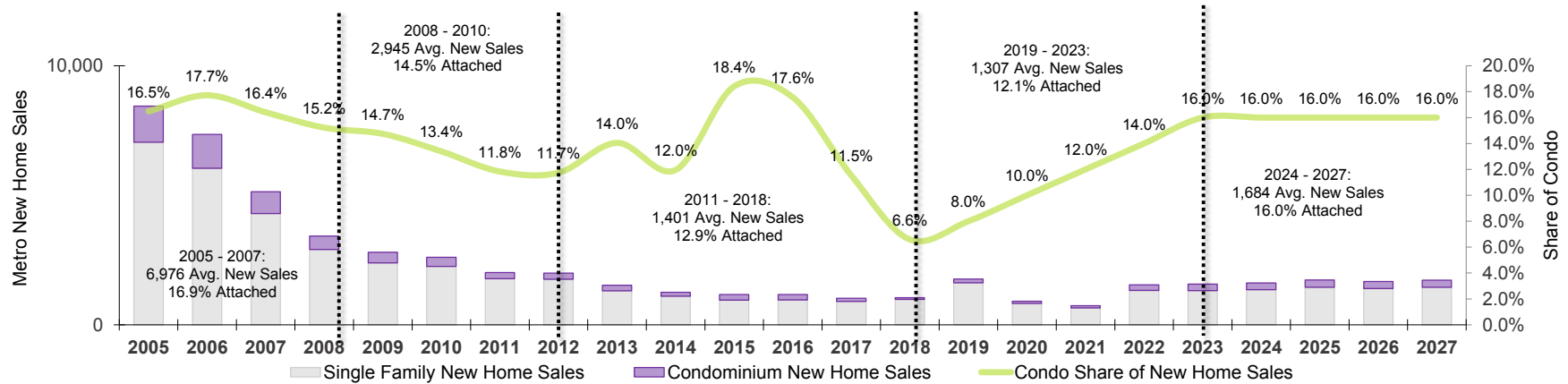
SOURCE: Noell Consulting Group, DQNews/CoreLogic and Economy.com | Moody's Analytics



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

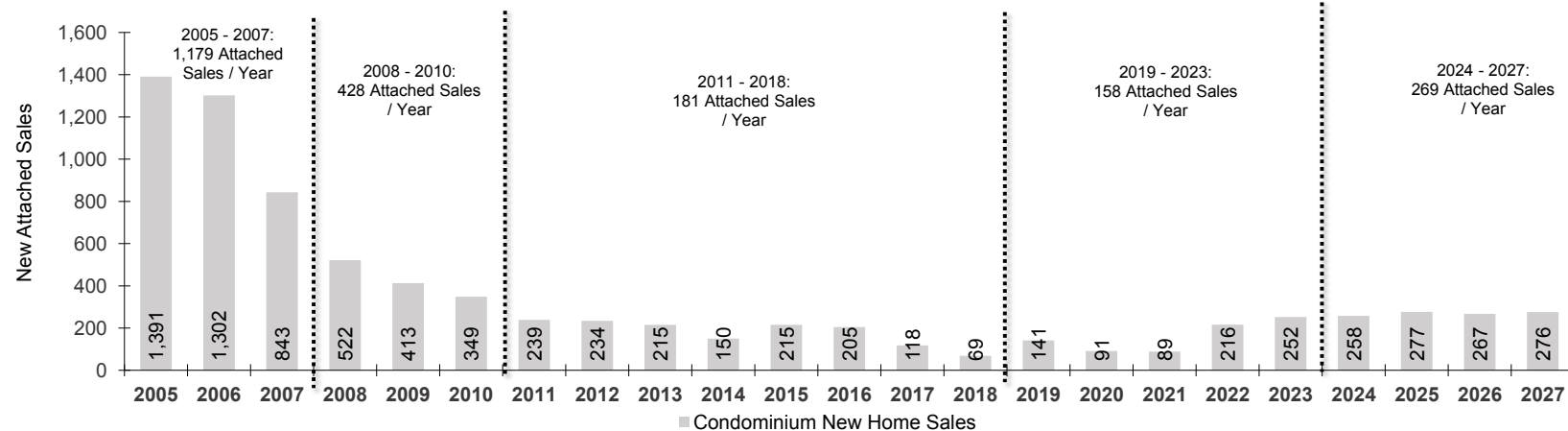
Exhibit 55
Cincinnati Metro New Home Sales and Condominium Share

CINCINNATI METRO NEW HOME SALES & CONDOMINIUM CAPTURE



New condominium sales accounted for 16.9% of all new home sales pre-recession. Post recession, new condominium sales have declined, as did single family. Historically, the number of condo sales as a component of total sales has fluctuated, dipping down to 6.6% in 2018. Moving forward, with many households being priced out of detached product and many metro counties maturing and lacking large quantities of single family detached lots, NCG projects condos to become more prevalent, accounting for 12% of all new sales from 2019 to 2023 and up to 16% on average between 2024 and 2027. This equates to roughly 158 condo new sales annually between 2019 and 2023 and 269 condo new sales annually between 2024 and 2027.

CINCINNATI METRO NEW CONDOMINIUM HOME SALES



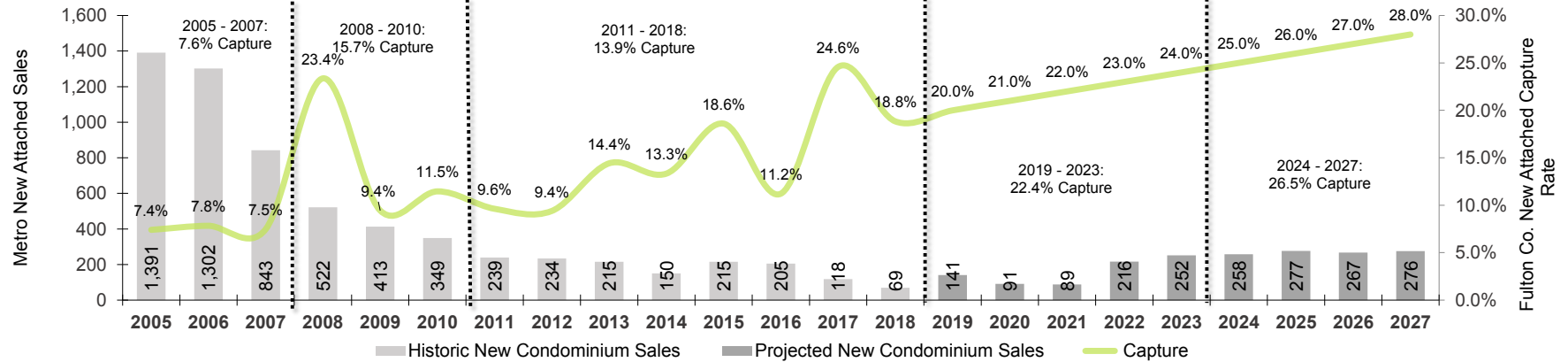
SOURCE: Noell Consulting Group and Costar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

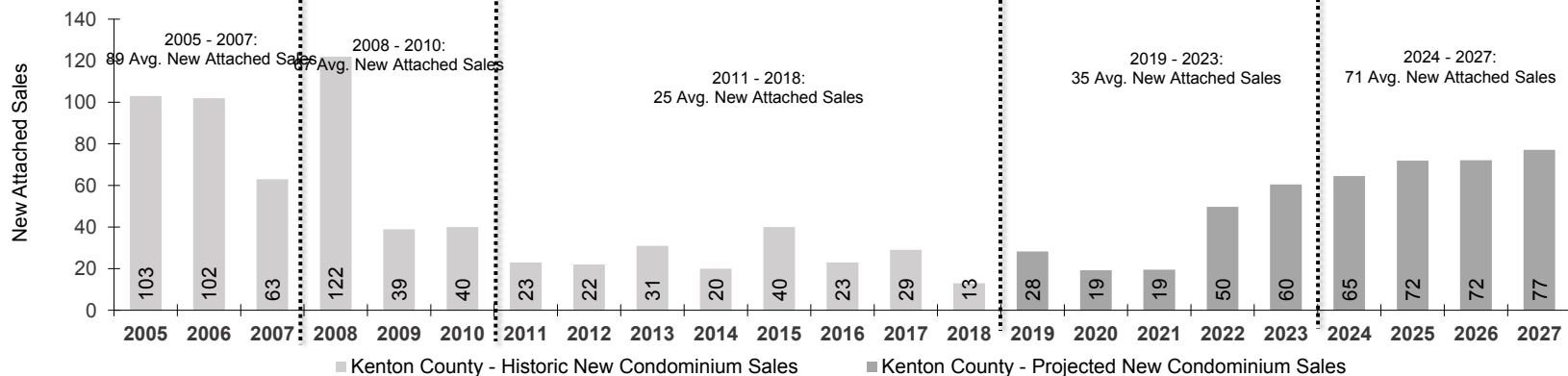
Exhibit 56
Kenton County Capture of Cincinnati Metro New Condominium Sales

CINCINNATI METRO NEW CONDOMINIUM SALES & KENTON COUNTY CAPTURE



From 2005 to 2017, Kenton County captured 13.4% on average of all new condominium sales. While captures have historically fluctuated, moving forward, NCG projects Kenton County's share to increase to 20% and up to 28% by 2027. This equates to 35 annual sales from 2019 to 2023 and 71 annual sales from 2024 to 2027.

KENTON COUNTY NEW CONDOMINIUM SALES



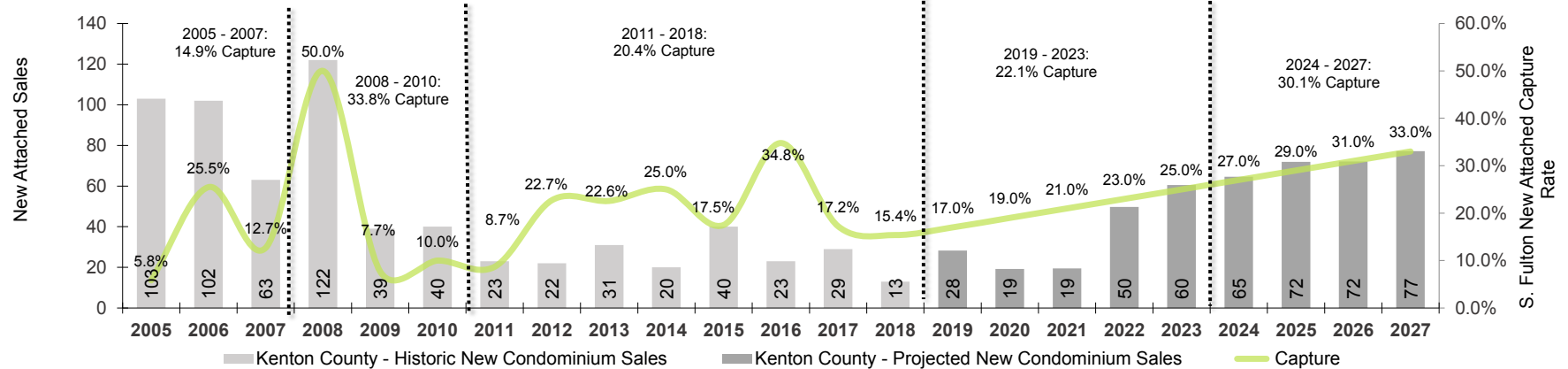
SOURCE: Noell Consulting Group and Costar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

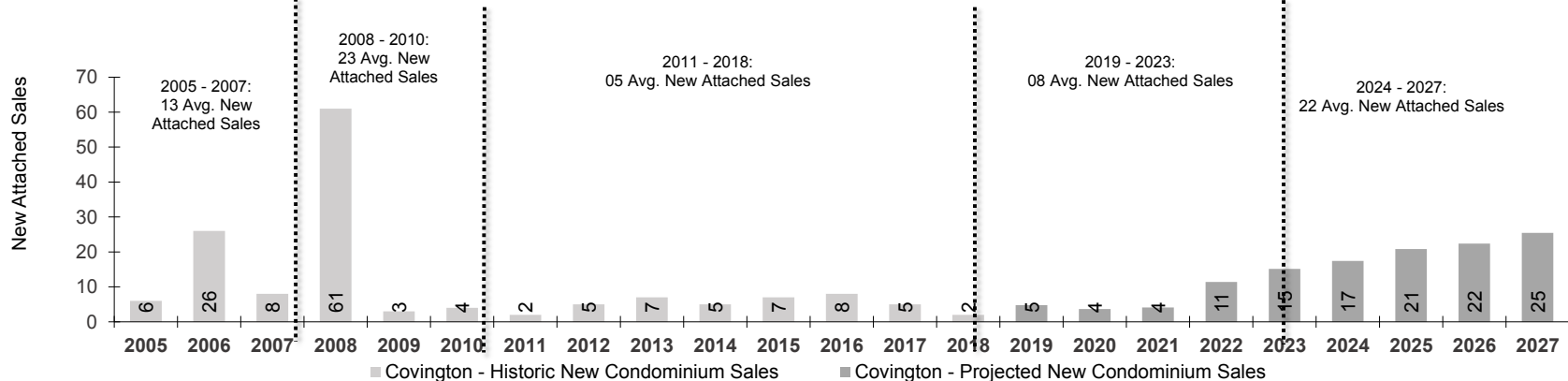
Exhibit 57
Intown Covington Capture of Kenton County New Condominium Sales

KENTON CO. NEW CONDOMINIUM SALES & INTOWN COVINGTON CAPTURE



Intown Covington has seen fluctuating captures of Kenton County's new condominium sales. On average, post-recession, Intown Covington has seen a capture of 20.4% of Kenton County's new condominium sales. With this capture of Kenton County sales, it is likely that these are small 5 to 10 unit deals, common for a small urban area. Moving forward, we project the capture rate to rise as many are priced out in other areas of the county, limiting the audience and velocity of new sales. A projected 22% capture rate from 2019-2023 equates to an average of 8 new condominium sales annually. Between 2024 and 2027, NCG projects an average annual capture of 30%, resulting in an annual average of 22 new condominium sales.

INTOWN COVINGTON NEW CONDOMINIUM SALES



Note: Intown Covington submarket is comprised of two zip codes 41011 and 41014 that most closely resemble the earlier defined Intown Covington submarket.

SOURCE: Noell Consulting Group and Costar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 58
Summary of New Attached For-Sale Demand, Intown Covington

	2005-2018	2011-2018	FORECAST									2019-2023	2024-2027
	Average	Average	2019	2020	2021	2022	2023	2024	2025	2026	2027	Average	Average
Employment Growth in the Metro ¹	5,887	15,414	14,711	4,153	-486	9,079	8,287	7,683	7,515	6,679	6,381	7,149	7,065
Historic & Projected Jobs to Total New Home Sales in Metro Per 100 Jobs	49.7	9.1	12.0	22.0	-152.0	17.0	19.0	21.0	23.0	25.0	27.0	18.3	23.8
Historic & Projected Total New Home Sales in Metro	2,926	1,401	1,765	914	738	1,543	1,575	1,613	1,728	1,670	1,723	1,307	1,684
Percentage New Condo Sales of Total New Sales	15.3%	12.9%	8.0%	10.0%	12.0%	14.0%	16.0%	16.0%	16.0%	16.0%	16.0%	12.1%	16.0%
Historic & Projected New Condo Sales in Cincinnati Metro	448	181	141	91	89	216	252	258	277	267	276	158	269
Kenton County Capture of Cincinnati Metro New Condo Sales	10.7%	13.9%	20.0%	21.0%	22.0%	23.0%	24.0%	25.0%	26.0%	27.0%	28.0%	22.4%	26.5%
Historic & Projected New Condo Sales in Kenton County	48	25	28	19	19	50	60	65	72	72	77	35	71
Intown Covington Capture of Kenton County New Condo Sales	22.2%	20.4%	17.0%	19.0%	21.0%	23.0%	25.0%	27.0%	29.0%	31.0%	33.0%	22.1%	30.1%
Historic & Projected New Condo Sales in Intown Covington	11	5	5	4	4	11	15	17	21	22	25	8	22
Historic & Projected New Condo Sales in 41011 and 41014	11	5	5	4	4	11	15	17	21	22	25	8	22

NOTES:

- Employment growth from Economy.com.
- For the purpose of NCG's supply and demand analysis the Primary Market Area (PMA) is defined as Intown Covington, which is comprised of 41011 and 41014.
- Potential Fair Share capture is based on projected project delivery and projected price positioning of the units at the subject site. A 75% capture rate is used at all price points given no pipeline currently exists in the 2022+ timeframe.
- Assuming a three year total sales period, the subject site could support a 35-50 unit condo development resulting in a sales pace of 3 to 4 units/month.

Projected Price Distribution	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<\$200,000	0	0	0	0	0	0	0	0	0	0
\$200k to \$399,999	1	1	1	2	2	2	1	0	0	11
\$400k to \$599,999	2	2	2	6	9	10	13	14	16	76
\$600k to \$799,999	1	1	1	2	3	3	4	5	6	26
\$800k+	0	0	0	1	1	2	2	3	3	13
Potential Fair Share Capture ³	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<\$200,000	-	-	-	0%	0%	0%	0%	0%	0%	0
\$200k to \$399,999	-	-	-	75%	75%	75%	75%	75%	75%	75%
\$400k to \$599,999	-	-	-	75%	75%	75%	75%	75%	75%	75%
\$600k to \$799,999	-	-	-	75%	75%	75%	75%	75%	75%	75%
\$800k+	-	-	-	75%	75%	75%	75%	75%	75%	75%
Potential Yearly Capture:	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<\$200,000	-	-	-	0	0	0	0	0	0	0
\$200k to \$399,999	-	-	-	2	2	1	1	0	0	6
\$400k to \$599,999	-	-	-	5	7	8	10	11	12	52
\$600k to \$799,999	-	-	-	2	2	3	3	4	4	18
\$800k+	-	-	-	1	1	1	2	2	2	9
Potential Yearly Capture:	-	-	-	9	11	13	16	17	19	85

*Please note that there could be some rounding errors in price band estimates

Note: Intown Covington submarket is comprised of two zip codes 41011 and 41014 the most closely resemble the earlier defined Intown Covington submarket.

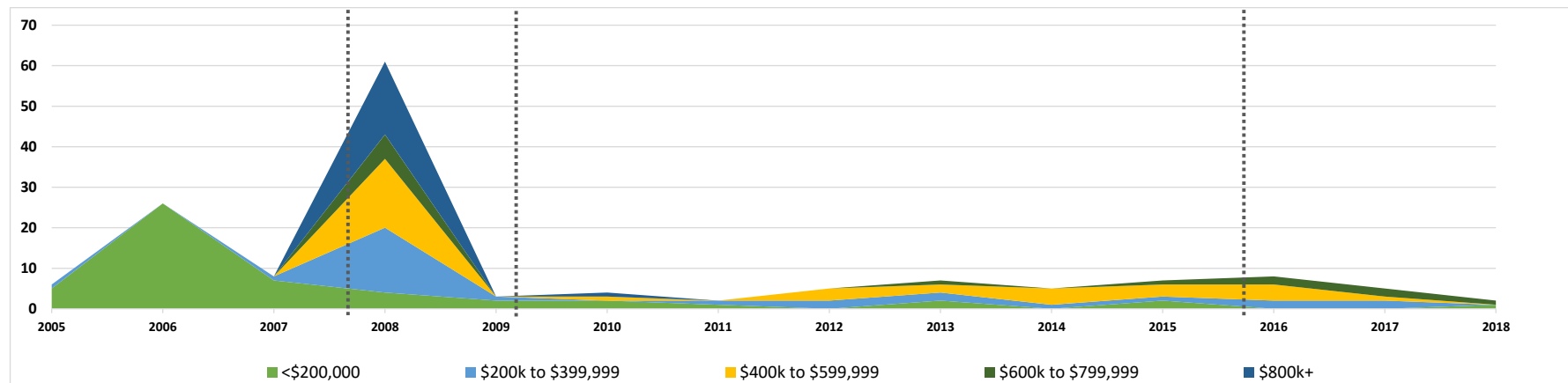
SOURCE: Noell Consulting Group, DQNews



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

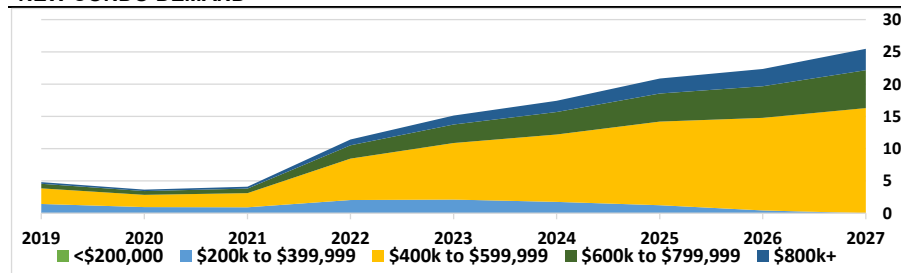
Exhibit 59
Intown Covington New Condo Absorption Price Distribution

INTOWN COVINGTON NEW CONDO SALES



The chart above illustrates the number of Intown Covington new condo sales per year by price point. The chart below illustrates future demand depth for new condos by year and by price point. It is a visual representation of the data to the bottom right. As can be seen, condos hit a pre-Recession peak around 2008 before falling in 2009. The condo market has yet to recover, but NCG believes this will begin to change in 2022, as demand for intown urban product continues to climb. NCG believes the bulk of these new condo sales will be in the \$400,000 to \$600,000 range.

NEW CONDO DEMAND



PRICE RANGE	2019	2020	2021	2022	2023	2024	2025	2026	2027
<\$200,000	0	0	0	0	0	0	0	0	0
\$200k to \$399,999	1	1	1	2	2	2	1	0	0
\$400k to \$599,999	2	2	2	6	9	10	13	14	16
\$600k to \$799,999	1	1	1	2	3	3	4	5	6
\$800k+	0	0	0	1	1	2	2	3	3
TOTAL	5	4	4	11	15	17	21	22	25

PIPELINE	Units	Delivery	Price Range
3rd and Scott (Urban Sites)	16	1Q2019	TBD
Bradford Building	5	1Q2019	\$300,000 to \$500,000
Veranda @ The Views (just outside Intown Covington market)	18	2020	\$800,000 to \$2mil

SOURCE: Noell Consulting Group and Costar



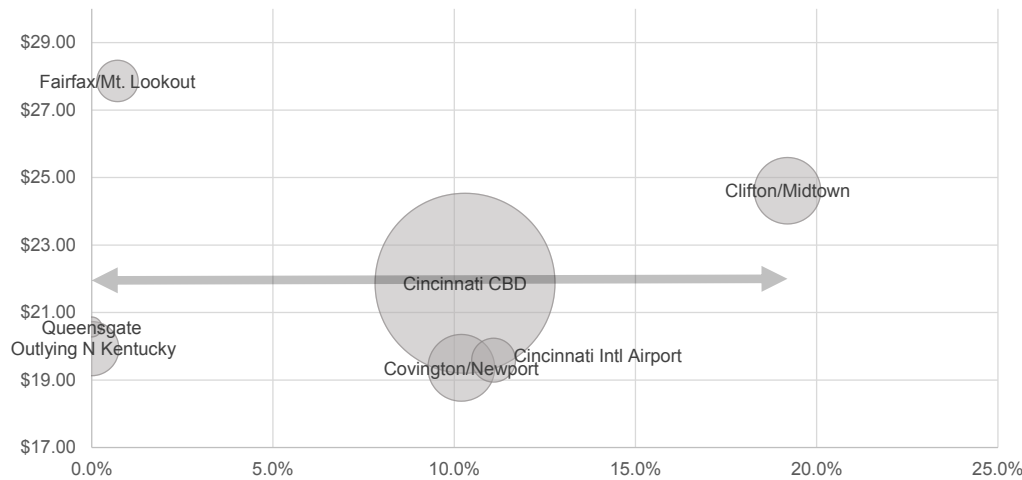
Office Analysis

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 60 Cincinnati Metro Select Submarkets Class A Office Market Summary

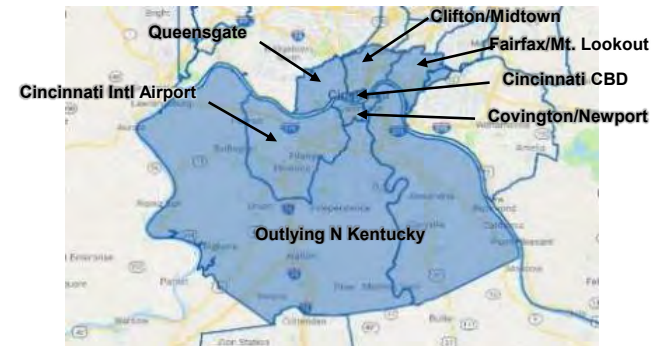
Office Market Snapshot

Vacancy vs Average Quoted Rents w/ Trend Line



The table below offers a summary of the Covington/Newport submarket, as well as surrounding submarkets including Cincinnati CBD, close Cincinnati suburbs and surrounding areas in Northern Kentucky. These markets represents 58% of the Cincinnati Metro office market, with the Cincinnati CBD representing over half of these submarkets combined.

As of the end of 2018, the Covington/Newport office market had a vacancy rate of 10.2%, on par with surrounding submarkets. The subject site, located in the Covington/Newport submarket, accounts for only 5.5% of the space in the surrounding area and has the lowest average rents. However, compared to other surrounding submarkets, Covington has experienced, on average, the highest annual growth rate. Of note, the Covington/Newport and Cincinnati Intl Airport submarkets account for nearly 50% of the absorption activity in the core over the past year.



Cincinnati Metro Select Submarkets Office Market Statistics

Office Market	Total Existing SF	Share of Market	Total Vacant SF	Current Vacancy Rate	Avg. Quoted Rates	Annual Rent Growth	12 Mo. Net Absorption	Share of Net Abs.	Fair Share Index of Abs.	U/C	12 Month Deliveries
Cincinnati CBD	11,890,925	38.7%	1,224,563	10.3%	\$21.87	1.7%	84,628	26.0%	0.7	0	0
Clifton/Midtown	1,661,217	5.4%	318,867	19.2%	\$24.61	2.0%	80,267	24.6%	4.6	0	55,000
Covington/Newport	1,677,625	5.5%	171,039	10.2%	\$19.36	2.2%	30,562	9.4%	1.7	0	0
Fairfax/Mt. Lookout	658,336	2.1%	4,682	0.7%	\$27.86	2.0%	1,661	0.5%	0.2	250,000	0
Outlying N Kentucky	1,111,920	3.6%	0	0.0%	\$19.93	1.8%	613	0.2%	0.1	0	0
Cincinnati Intl Airport	737,565	2.4%	81,768	11.1%	\$19.59	2.0%	128,235	39.3%	16.4	0	20,748
Queensgate	162,712	0.5%	0	0.0%	\$20.57	1.9%	0	0.0%	0.0	0	0
Totals	17,900,300	58.2%	1,800,919	10.1%	\$21.97	1.9%	325,966	56.6%	1.0	250,000	75,748
Cincinnati Metro Totals (all submarkets)	30,748,419	-	3,051,412	9.9%	\$22.39	1.8%	575,627	-	-	250,000	280,008

SOURCE: Noell Consulting Group, CoStar

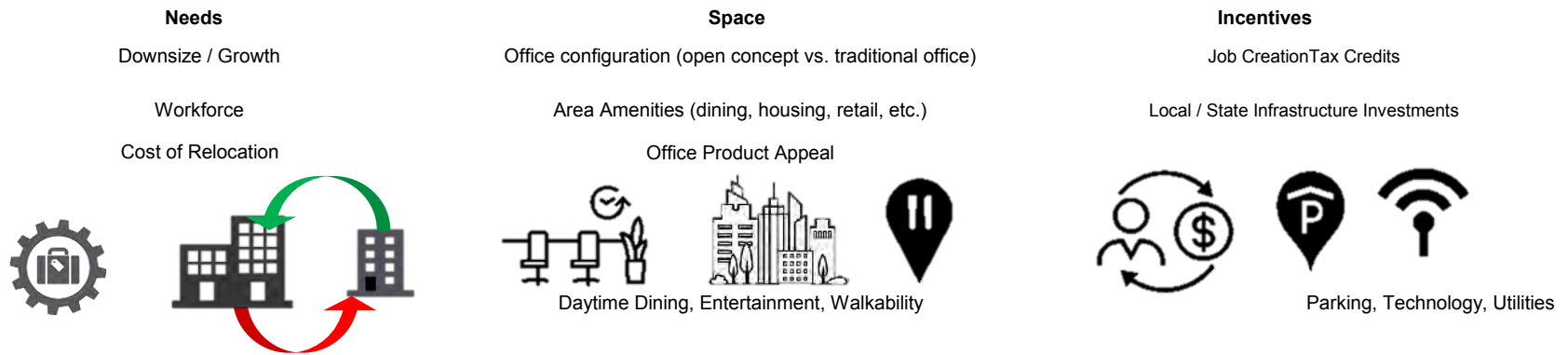


Exhibit 61

Cincinnati/N. Kentucky Metro Office Movement

Given the size of the IRS site, there is an opportunity to attract a large employer. Based on interviews with office brokers, NCG recommends investing in growing the areas amenities and workforce in attempts to attract employers to the CBD. Historically, Northern Kentucky has seen the impacts of large incentive packages in relocating large employers. We recommend a sustainable approach to attract business by improving community amenities and the lifestyle of Covington's CBD to ensure long term stability. Additionally, investment in workforce development will help position the Downtown area in attracting sustainable employers.

Relocation Motivators



Historic Relocation



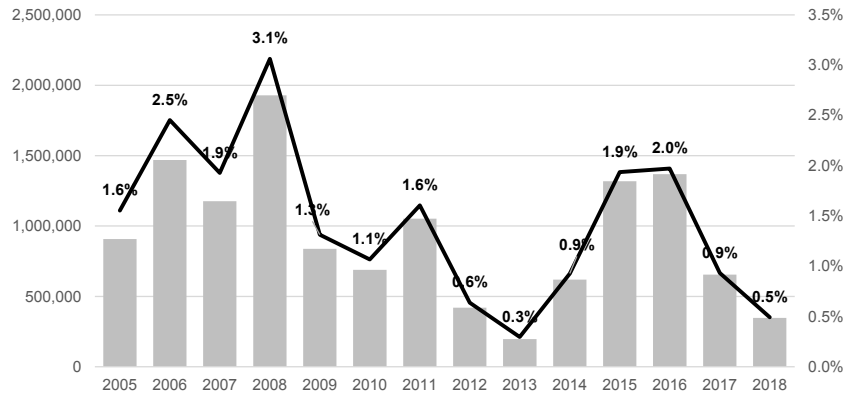
Source: NCG, CoStar



**Exhibit 62
Cincinnati Metro Class A Office Market Summary**

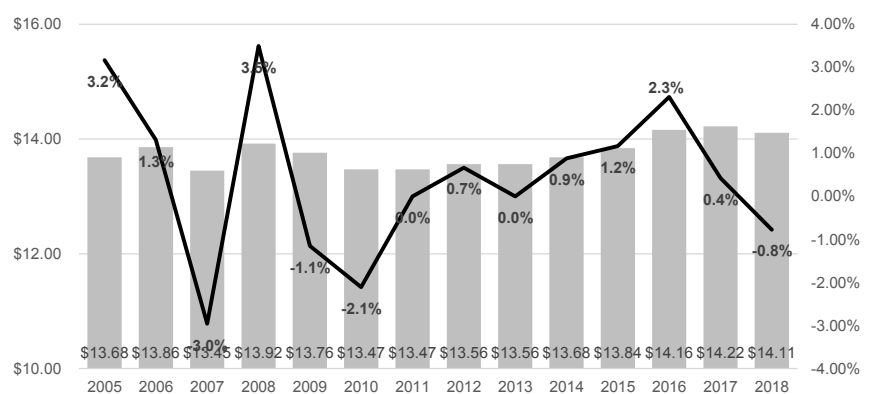
Cincinnati MSA Class A Office Deliveries

Tracking Class A Office Deliveries & Deliveries as % of Inventory

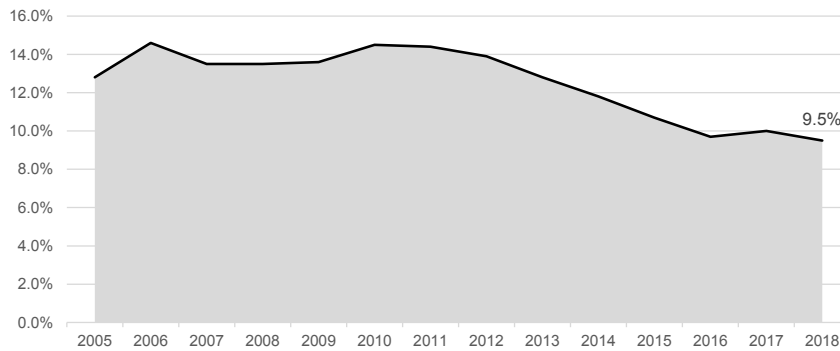


Cincinnati Metro Class A Office Rents

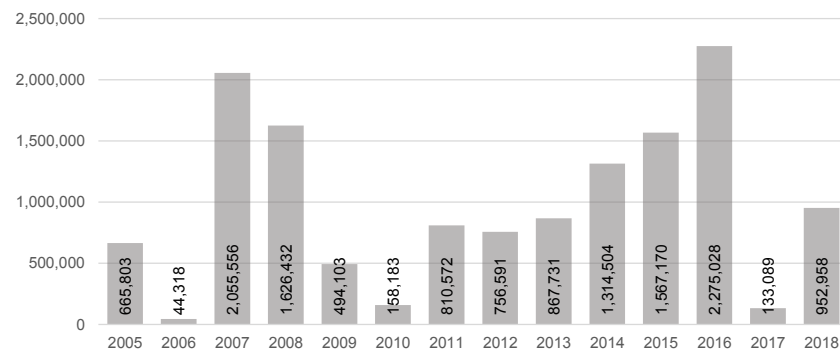
Tracking Class A Office Rents & Rent Growth



Cincinnati Metro Class A Office Vacancies



Cincinnati Metro Class A Net Office Absorption



Since the recession, the Cincinnati Class A office market has seen declining vacancies to the current rate of 9.5%, resulting in increasing rental rates, with the exception of slight declines in 2017 and 2018. A lack of new deliveries in 2017 and 2018 has resulted in low absorption, as well as limiting greater rate growth.

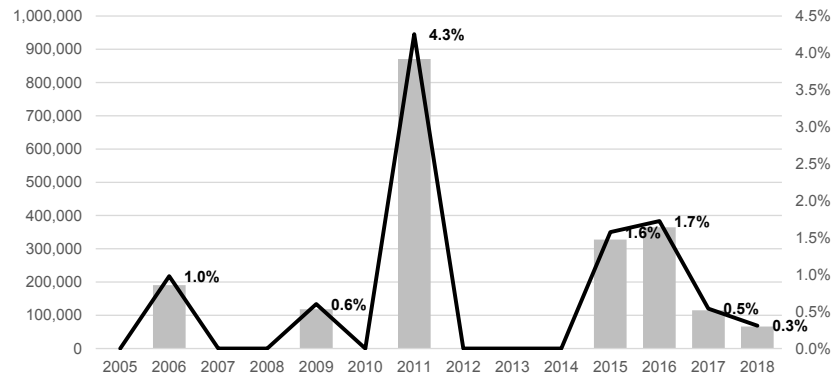
Source: NCG, CoStar



**Exhibit 63
Tri-City Intown Core Class A Office Market Summary**

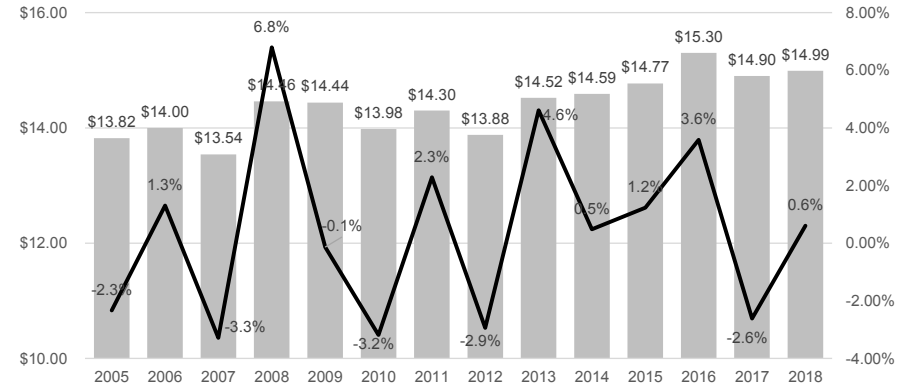
Tri-City Intown Core Class A Office Deliveries

Tracking Class A Office Deliveries & Deliveries as % of Inventory

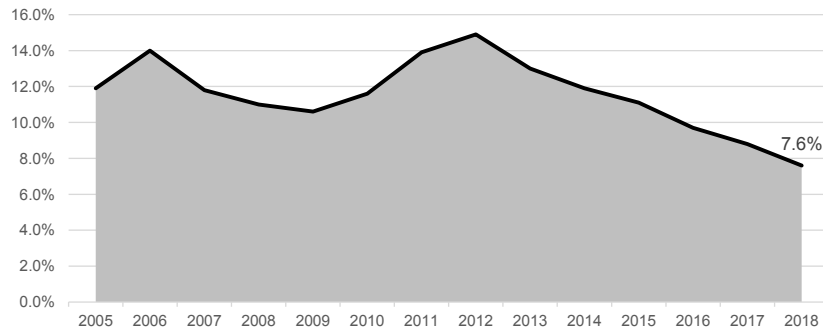


Tri-City Intown Core Class A Office Rents

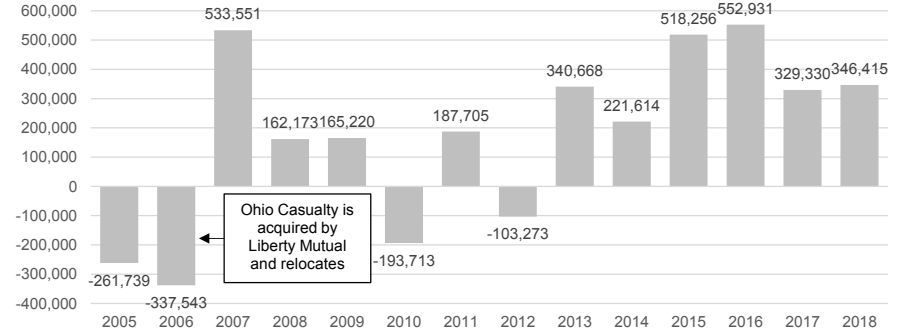
Tracking Class A Office Rents & Rent Growth



Tri-City Intown Core Class A Office Vacancies



Tri-City Intown Core Class A Net Office Absorption



The Tri-City Intown Core represents the intown areas of Cincinnati, Newport and Covington. This area has seen very few office deliveries since 2011, when the Great American Tower in downtown Cincinnati delivered. Two smaller deliveries occurred in 2015 (84.51 Building) and 2016.

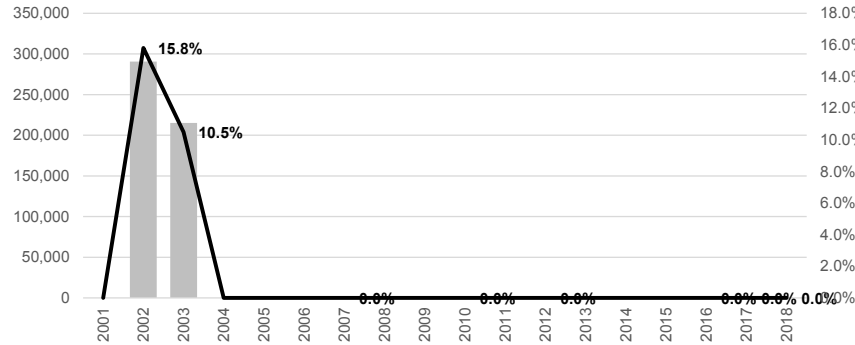
As expected with few deliveries, vacancy rates have also been declining since 2012. As a result of new product and low vacancies, office rents have risen since 2012.

Source: NCG, CoStar

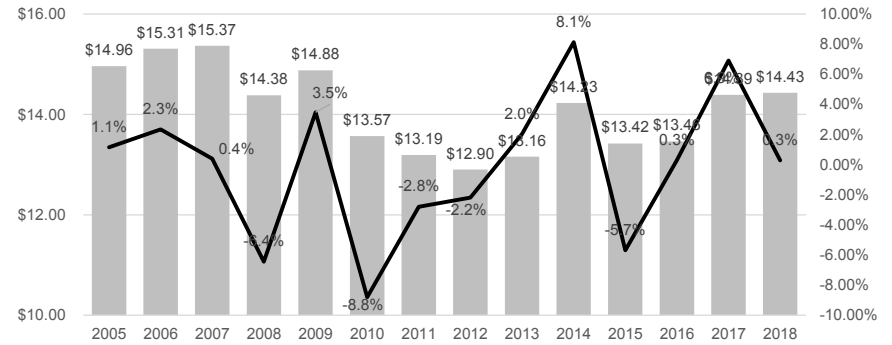


**Exhibit 64
Downtown Covington Class A Office Market Summary**

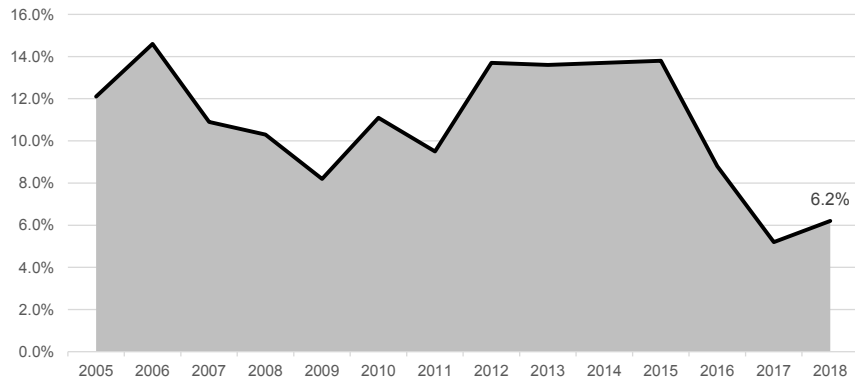
Downtown Covington Core Class A Office Deliveries
Tracking Class A Office Deliveries & Deliveries as % of Inventory



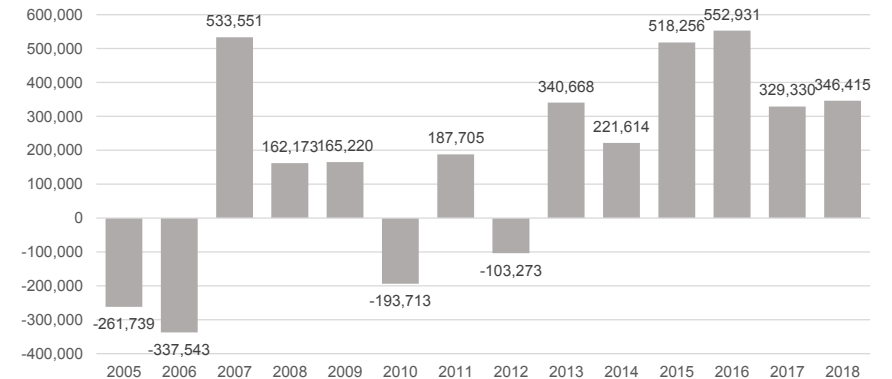
Downtown Covington Core Class A Office Rents
Tracking Class A Office Rents & Rent Growth



Downtown Covington Core Class A Office Vacancies



Downtown Covington Core Class A Net Office Absorption



The Downtown Covington submarket has not seen new deliveries since 2003. Much of the office product in Downtown Covington is older, high rise office buildings that have experienced trouble leasing and staying full. In fact, one tower is in the process of being converted to apartments.

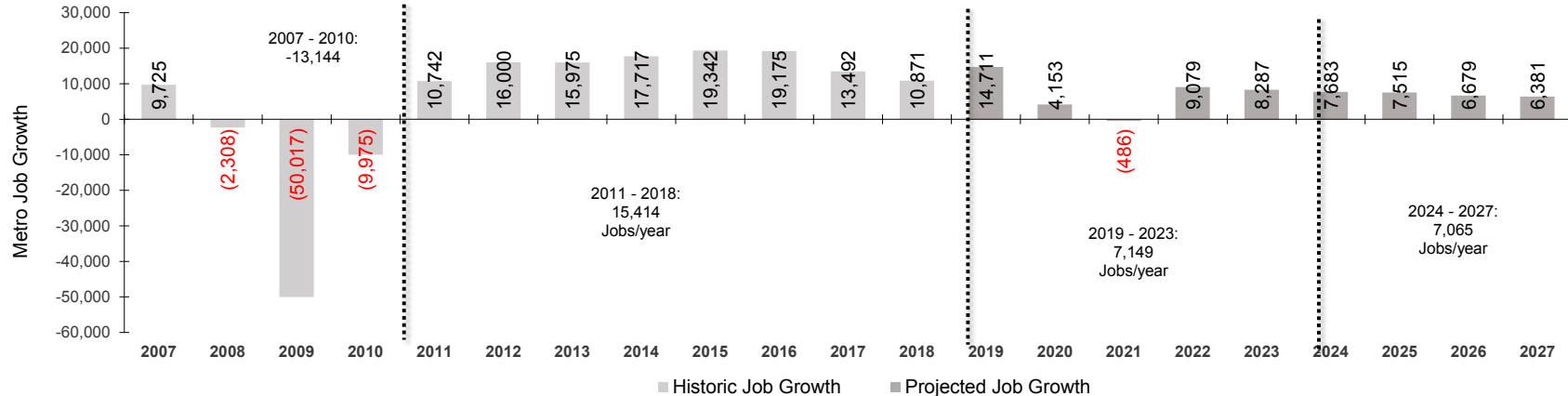
Due to a lack of demand and lack of appropriate product, Downtown Covington has historically seen high vacancies, though with a decline beginning in 2015 resulting in the current vacancy rate of 6.2%.

Source: NCG, CoStar



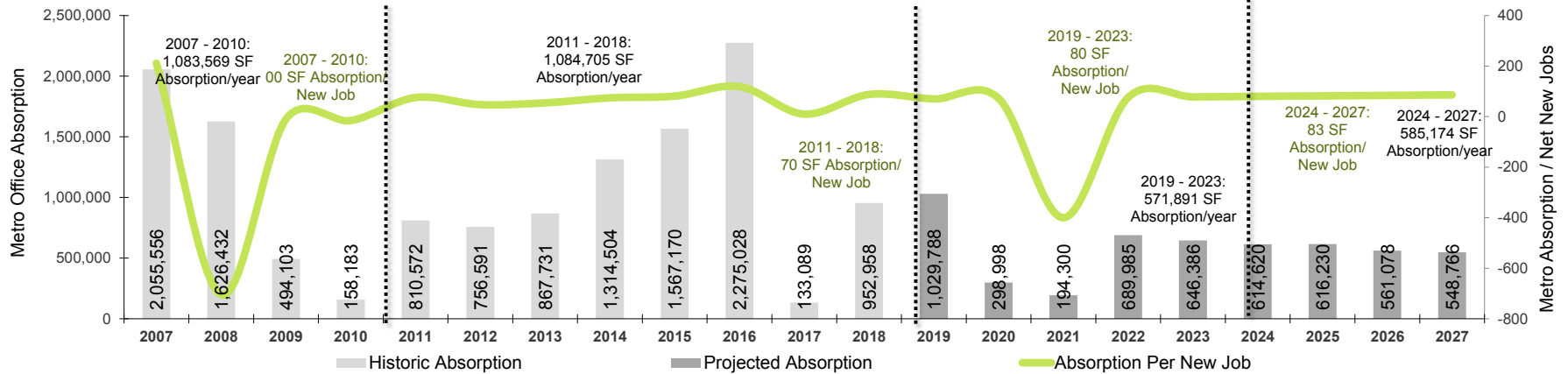
Exhibit 65
Historic and Projected Job Growth to Office Absorption Relationship in Cincinnati MSA Metro

Cincinnati MSA Metro Job Growth



Consistently strong job growth since the recession has led to strong net absorption of Class A office space within the Cincinnati Metro, with the exception of a strong dip in 2017. Net absorption per net new job, tracked by the green line in the graph below, has remained relatively consistent, averaging 70 SF per net new job. Moving forward, with a slow down in job growth, we project this ratio to climb to 80 SF absorbed per net job. Although job growth will be negative in 2021, the market will not nose dive due to one year of negative job growth, however it will slow down. NCG expects Class A office absorption to remain consistent, albeit slightly lower compared to previous years, matching the lower job growth numbers.

Cincinnati MSA Metro Class A Office Absorption

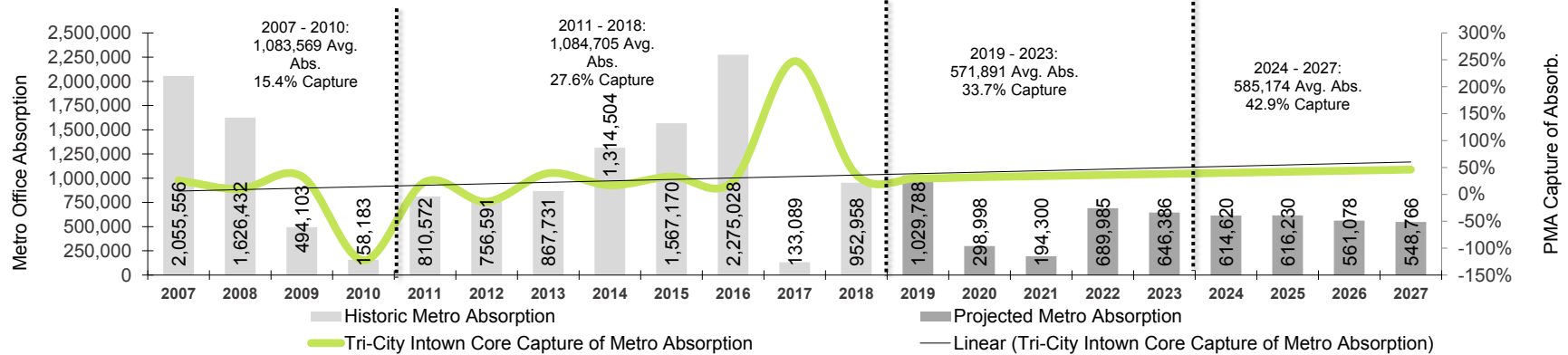


SOURCE: Noell Consulting Group, Costar and Economy.com | Moody's Analytics



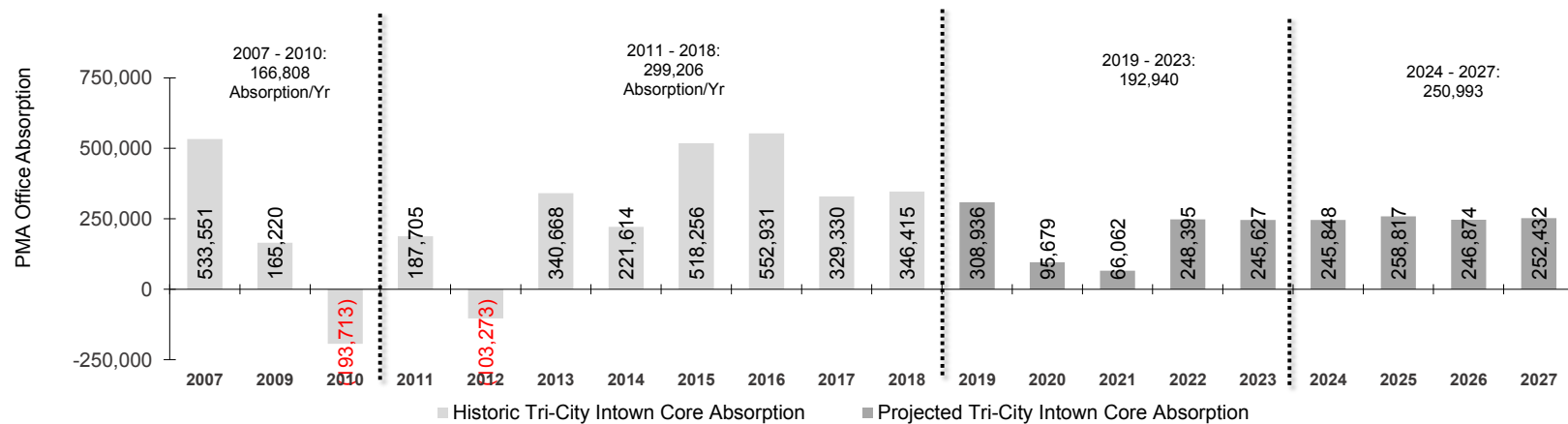
Exhibit 66
Tri-City Intown Core Capture of Cincinnati MSA Class A Office Absorption

Cincinnati MSA Class A Office Absorption & Tri-City Intown Core Capture



Since 2007, the Tri-City Intown Core has captured increasingly more of Cincinnati MSA office absorption, with an average capture of 27.6%. NCG projects the Tri-City Core will capture an increasing amount of metro absorption, as employers look to locate near employees and in urban areas that attract employees.

Tri-City Intown Core Class A Office Absorption

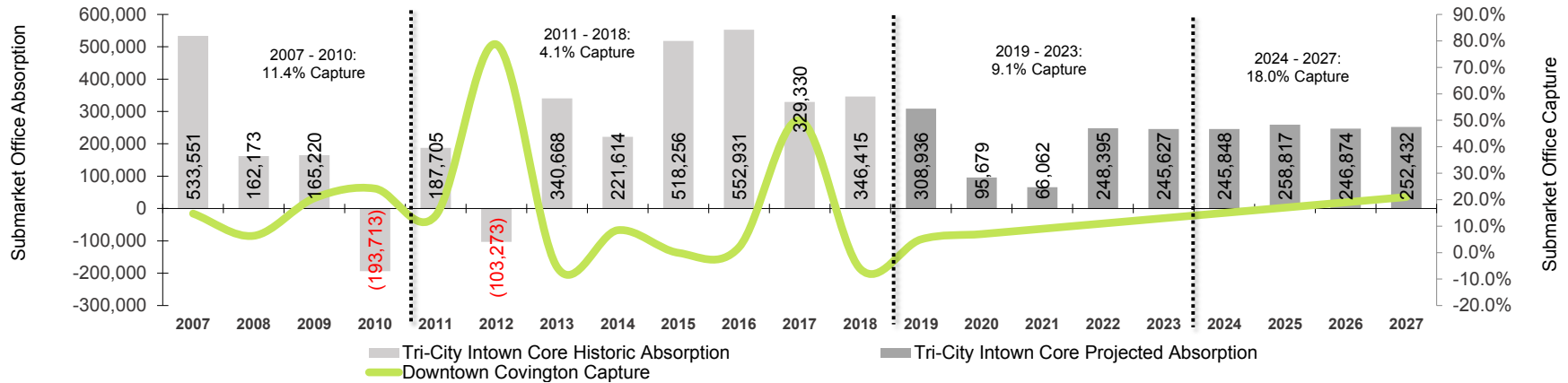


SOURCE: Noell Consulting Group and Costar



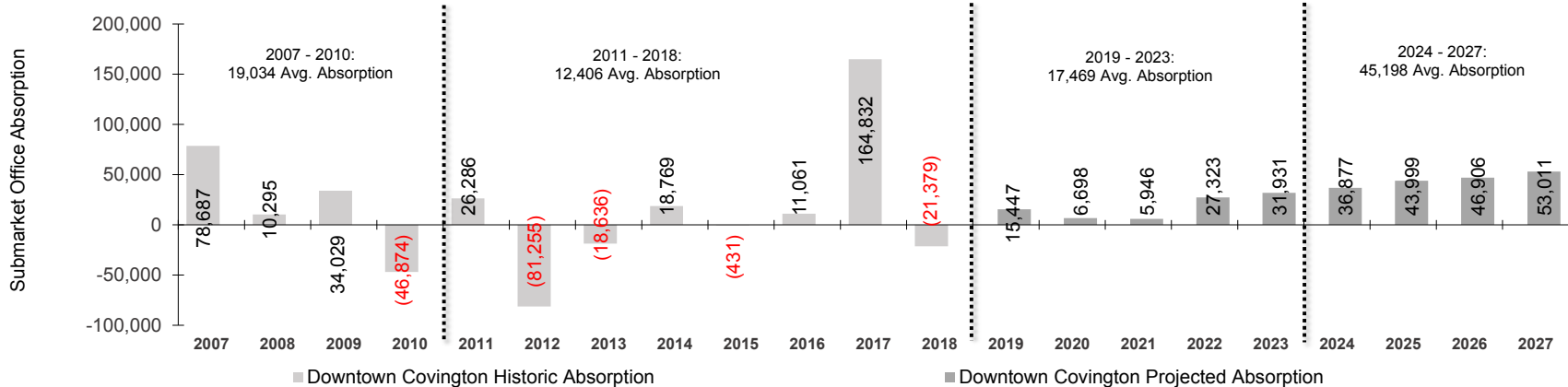
Exhibit 67
Downtown Covington Capture of Tri-City Intown Core Class A Office Absorption

Tri-City Intown Core Class A Apartment Absorption & Downtown Covington Capture



Year by year capture varies, but Downtown Covington has captured an average of 4.1% of Tri-City office absorption between 2011 and 2018. Moving forward, NCG expects this capture to increase to 9% between 2019 and 2023 equating to an average annual absorption of 17,500 SF and to 18% from 2024-2027 equating to an average annual absorption 45,000 SF.

Downtown Covington Class A Office Absorption



SOURCE: Noell Consulting Group and Costar



CITY OF COVINGTON, KY MARKET ANALYSIS

Exhibit 68

Estimated Subject Site Office Demand for Class A Office Space, 2019-2023

	Average			2019 - 2023 Projections					2024 - 2027 Projections					Avg& Totals	Avg& Totals
	2017	2018	2013-2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	'19 - '23	'24 - '27	
Cincinnati MSA Employment Growth	13,492	10,871	16,119	14,711	4,153	-486	9,079	8,287	7,683	7,515	6,679	6,381	7,149	7,065	
Cincinnati MSA Class A Office Absorption	133,089	952,958	1,248,550	1,029,788	298,998	194,300	689,985	646,386	614,620	616,230	561,078	548,766	571,891	585,174	
Office SF/Net New Employee	9.9	87.7	77.5	70.0	72.0	-400.0	76.0	78.0	80.0	82.0	84.0	86.0	80.0	82.8	
Tri-City Intown Core Class A Office Absorption	329,330	346,415	393,709	308,936	95,679	66,062	248,395	245,627	245,848	258,817	246,874	252,432	192,940	250,993	
Tri-City Intown Core Capture of MSA	247%	36%	31.5%	30.0%	32.0%	34.0%	36.0%	38.0%	40.0%	42.0%	44.0%	46.0%	33.7%	42.9%	
Downtown Covington Class A Office Absorption	164,832	-21,379	34,570	15,447	6,698	5,946	27,323	31,931	36,877	43,999	46,906	53,011	17,469	45,198	
Downtown Covington Capture of Tri-City Intown Core	50%	-6%	8.8%	5.0%	7.0%	9.0%	11.0%	13.0%	15.0%	17.0%	19.0%	21.0%	9.1%	18.0%	
Total Demand (Absorption Projections)				2019	2020	2021	2022	2023	2024	2025	2026	2027	'19 - '23	'24 - '27	
Downtown Covington Net Demand Potential				15,447	6,698	5,946	27,323	31,931	36,877	43,999	46,906	53,011	87,345	180,793	
Space Expected to Deliver & Lease				0	0	0	0	0	0	0	0	0	0	0	
Over / Under Supply				15,447	6,698	5,946	27,323	31,931	36,877	43,999	46,906	53,011	87,345	180,793	
Vacancy				Current Vacancy: 127,999	112,552	105,855	99,909	72,586	40,654	3,777	-40,222	-87,128	-140,139	86,311	-65,928
Vacancy Rate				Current Vacancy Rate: 6.2%	6.3%	5.9%	5.6%	4.1%	2.3%	0.2%	0.2%	0.2%	0.2%	4.8%	0.2%
Annual Turnover in the Tri-City Intown and Airport Market				2019	2020	2021	2022	2023	2024	2025	2026	2027	'19 - '23	'24 - '27	
Vacant Space in Tri-City Intown and Airport Market				1,830,975	1,735,295	1,669,233	1,420,839	1,175,212	929,364	670,548	423,673	171,241	1,566,311	548,706	
Average Gross Absorption in Market (2010-2018)				1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	
Total Available Competitive Space				2,938,409	2,842,730	2,776,668	2,528,273	2,282,646	2,036,798	1,777,982	1,531,107	1,278,675	2,673,745	1,656,141	
Subject Site Estimated Space Available				-	-	-	80,000	46,033	24,141	11,169	4,256	1,186	-	-	
Total Available Space w/ Subject Property				-	-	-	2,608,273	2,328,679	2,060,940	1,789,151	1,535,363	1,279,861	-	-	
Fair Share Capture				-	-	-	3%	2%	1%	1%	0%	0%	-	-	
Fair Share Capture Market Analysis				2019	2020	2021	2022	2023	2024	2025	2026	2027	'19 - '23	'24 - '27	
Fair Share Absorption Capture of Subject Site							40%	40%	40%	40%	40%	40%	40%	40%	
Subject Site Estimated Absorption Capture (SF)							10,929	12,773	14,751	17,600	18,762	21,204	23,702	72,317	
Subject Site Capture of Turnover							3%	2%	1%	1%	0%	0%	3%	1%	
Subject Site Estimated Turnover Capture (SF)							33,967	21,892	12,972	6,913	3,070	1,026	55,859	23,982	
Fair Share Total Capture of Subject Site							44,896	34,664	27,723	24,513	21,832	22,231	79,560	96,299	

Based on statistical analysis of absorption trends at the Metro, Tri-City intown core, and Downtown Covington submarket levels, we project modest fundamental demand for Downtown Covington and the subject site over the next five years. This exhibit rolls up data explored in the previous exhibits and highlights the subject site's potential capture of net absorption. In addition to this capture of net absorption, which NCG views as the natural growth of the local market, the subject site has the opportunity to capture a fair share of Class A tenant turnover within the larger Tri-City Intown and Airport market. We believe the subject site, with newer formatted office space located within a highly amenitized mixed-use development is positioned to readily absorb around 176,000 SF of Class A office space based on conventional market activity between 2022 and 2027. There is approximately 2-3 million SF naturally turning over in the Tri-City and Airport market and Downtown Covington can expect approximately 1-3% fair share capture. This demand mostly captures relocations of current office tenants, rather than growth in the Downtown market, and would be supplemental to any key anchor from out of market that might be lured to the project.

Fair share assumes subject site 1 of 5 office towers competing for demand in Downtown Covington, and then doubled to account for newer formatted space.

Source: Noell Consulting Group based on data from Moody's Analytics and CoStar.



CITY OF COVINGTON, KY MARKET ANALYSIS

Exhibit 69
Office Comparables



Property Name	Address	Floors	Size	Rent*	Vacancy Rate
Covington					
1 River center I	50 E River center Blvd	19	255,000	\$15.50	34.0%
2 River center II	100 E River center Blvd	16	215,000	\$15.25	6.5%
3 Gateway Center	333 Scott St	9	306,000	\$14.50	2.6%
4 Doctor's Building	33 E 7th St	4	15,120	\$10.75	13.0%
5 Republic Bank Building	535 Madison Ave	6	26,000	\$14.00	13.1%
6 Mutual Building	629 Madison Ave	3	22,500	\$12.00	6.5%
Cincinnati					
7 302 West Third	302 W 3rd St	9	178,000	\$20.00	19.9%
8 312 Elm St	312 Elm St	26	385,000	\$13.00	26.0%
9 15th & Vine (OTR)	1425-1437 Vine Street	5	55,000	\$27.75	5.8%
10 Meiners Building (OTR)	1500 Vine St	5	13,300	\$25.50	5.8%
11 Freedom Center (The Banks)	50 E. Freedom Way	4	6,600	\$12.50	5.8%
Newport					
12 Watertower Square	601 Washington Ave	4	86,500	\$10.10	34.7%
13 Broering Building	515 Monmouth	3	23,500	\$14.00	11.8%
14 One River center Place	300 Daven Cowens Dr	10	180,000	\$15.13	6.5%

* Rents are adjusted to net w/o CAM/ pass-throughs

* Vacancies are adjusted to market avg for proposed/buildings in lease-up

A combination of existing, recently delivered, and proposed projects in multiple nearby markets were included to price position the subject site.

Source: NCG, CoStar



CITY OF COVINGTON, KY MARKET ANALYSIS

Exhibit 70

Cincinnati Metro Intown Office Product Overview

Traditional Office Tower

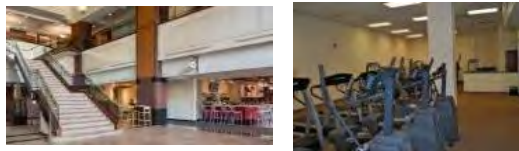


The Tri-City area has fewer new Class A offices. Larger office product availability in Covington and Newport is typically dated office towers built in the 1980s/1990s. Large floor plates. Have historically struggled with high vacancies.

Newer Class A Typical Rents	\$25.00
Older Class A Typical Rents	\$12.50 - \$16.50
Typical Floor	13,000 - 30,000 SF

Features

- Covered Parking
- Ground Floor Retail, restaurant space, large amenity offering (fitness center, café)
- Large, indivisible floor plates, large lobby



Source: NCG, CoStar

Adaptive Reuse

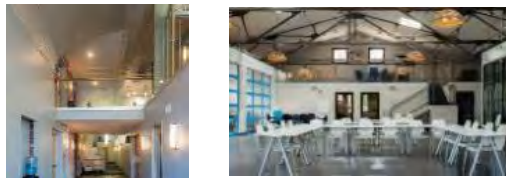


The Cincinnati area is rich with historic buildings. Smaller, adaptive reuse buildings tend to fill the gap between dated office towers and new builds. Competitive to office tower rents, these offices tend to lack substantial amenities but attract smaller businesses and start-ups.

Typical Rents	\$9.00 - \$16.00
Typical Floor	4,000 - 7,000 SF

Features

- Little to no parking, often surface or street
- Ground floor retail, some residential mixed use
- Unique floor plates w/ limited flexibility, small/no lobby



New, Creative Office

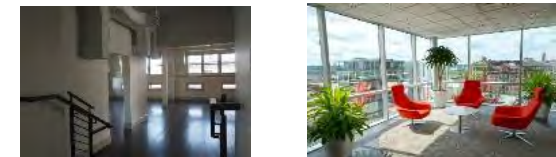


While Covington and Newport lack new office product, Cincinnati has new, creative office product. With the highest office rents, Over-the-Rhine offers new office space featuring attractive amenities intermingled with historic buildings.

Typical Rents	\$20.00 - \$30.00
Typical Floor	11,000 - 16,000 SF

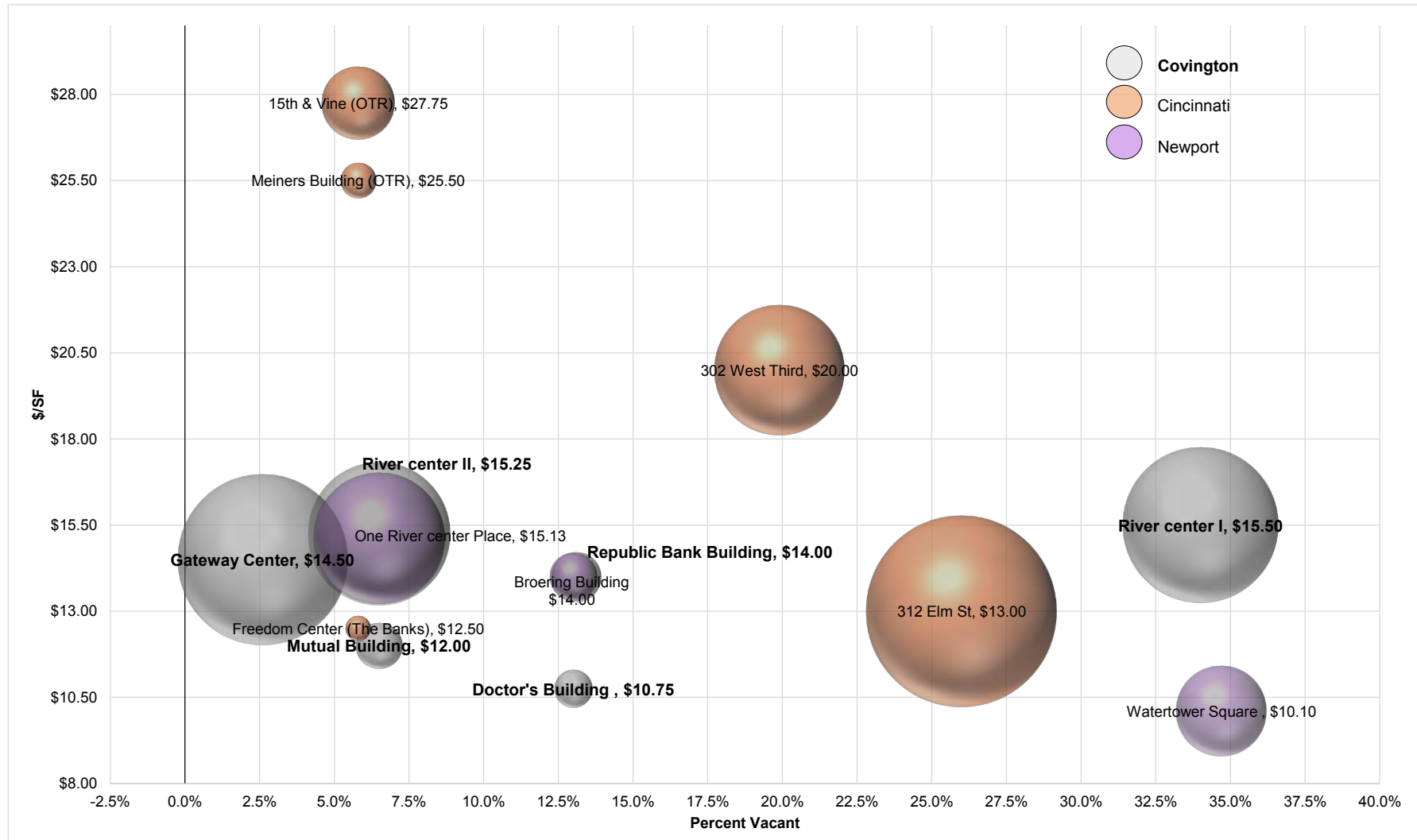
Features

- Some structured parking
- Ground floor retail, some restaurant space, smaller but well executed modern amenities (coffee cart, rooftop)
- Creative, Loft space; many open space, co-working set ups, flexible use of space



CITY OF COVINGTON, KY MARKET ANALYSIS

Exhibit 71
Office Comparables



Source: NCG, CoStar

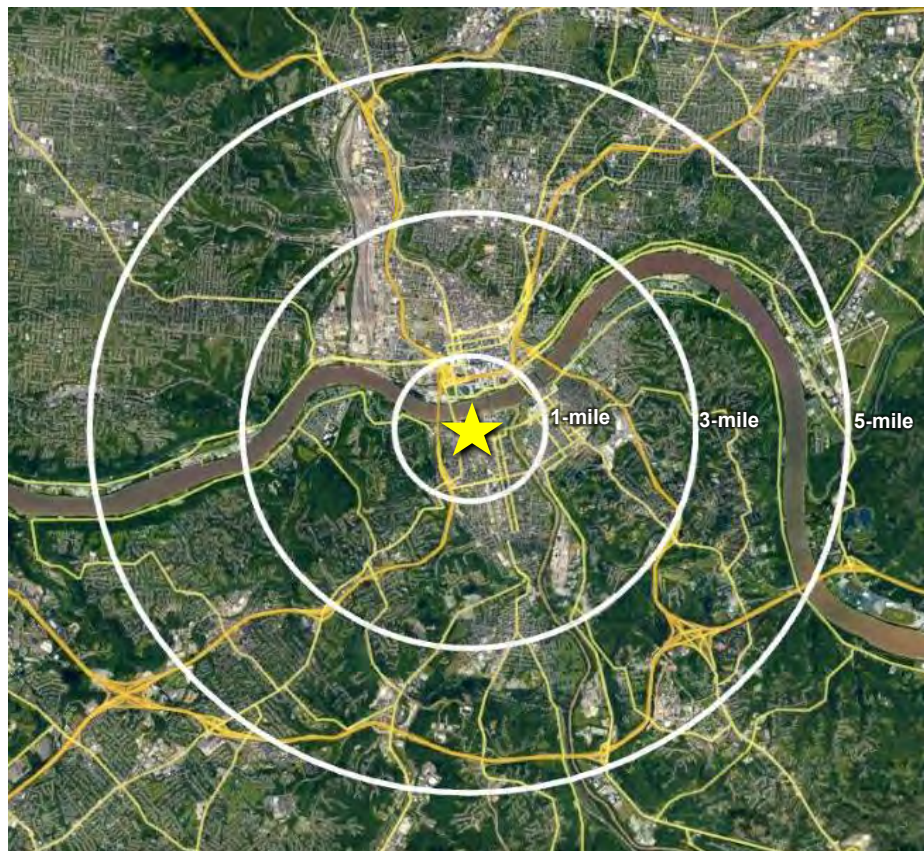


Retail Analysis

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 72
Demographic Statistics by Radius from the Subject Site

POPULATION	1-Mile	3-Mile	5-Mile
2024 Projection	14,861	131,268	279,754
2019 Estimate	14,565	128,957	275,665
2010 Census	14,146	124,524	270,496
Growth 2019-2024	2.03%	1.79%	1.27%
Growth 2010-2019	2.96%	3.56%	1.91%
Average Age	37.1	36	35.4
POPULATION BY RACE	1-Mile	3-Mile	5-Mile
White	10,624	91,760	181,531
Black	2,383	28,333	73,800
Am. Indian & Alaskan	36	379	663
Asian	297	2,133	6,821
Hawaiian & Pacific Island	27	104	315
Other	601	2,330	4,420
HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2019 Avg Household Income	\$70,916	\$68,090	\$70,811
2019 Med Household Income	\$42,610	\$44,400	\$44,542
2024 Projection	7,128	58,710	120,619
2019 Estimate	6,921	57,163	118,291
2010 Census	6,546	54,254	114,636
Growth 2019 - 2024	2.99%	2.71%	1.97%
Growth 2010 - 2019	5.73%	5.36%	1.91%
Owner Occupied	1,825	22,298	50,906
Renter Occupied	5,096	34,685	67,385
HOUSING	1-Mile	3-Mile	5-Mile
Median Home Value	\$376,956	\$267,246	\$210,360
Median Year Built	2004	2001	1997
Average Household Size	2.80	2.90	2.90
HOUSEHOLDS BY INCOME (2017)	1-Mile	3-Mile	5-Mile
<\$25,000	2,195	17,809	37,125
\$25,000 - \$50,000	1,653	13,261	27,211
\$50,000 - \$75,000	1,064	8,842	17,727
\$75,000 - \$100,000	634	5,683	11,511
\$100,000 - \$125,000	433	3,829	7,596
\$125,000 - \$150,000	279	2,547	5,189
\$150,000 - \$200,000	260	2,433	5,244
\$200,000+	403	2,759	6,689



Shown on the left is basic demographic information within 1 mile, 3 miles and 5 miles from the subject site. The area within the 1-mile includes the Covington and Cincinnati downtowns and also enjoys the highest projected growth rate for 2019-2024. The area within 3-miles includes intown Cincinnati and intown Covington. This area has seen the highest historic growth rate from 2010 to 2019 and has a slightly higher median household income. However, the further out from the downtown areas, the lower the median home value.

SOURCE: Noell Consulting Group, CoStar, US Census



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 73
Estimating the Local Trade Area



After interviewing proprietors and retail brokers in Covington and surrounding areas, along with examining demonstrated trade areas from existing tenants (such as pharmacies and grocery stores) we researched a local retail trade area approximately 1 miles in radius from the project site (5 minute drive).

Then, adjusting for competitive retail and natural market boundaries such as the Interstate and defining roadways, as well as considering a typical walkshed of 1/4 mile, the resulting local trade area can be seen on the image below and subsequent exhibits. The waterways and highway serve as natural boundaries in the downtown Covington area. In discussions with brokers and locals, MLK was also determined to be a dividing line. Below MLK is a strip of retail including Kroger and CVS, which represents more suburban retailers, as opposed to the local shops north of MLK. Most of the local trade area is walkable and what isn't would be approximately a 5 minute uber ride.

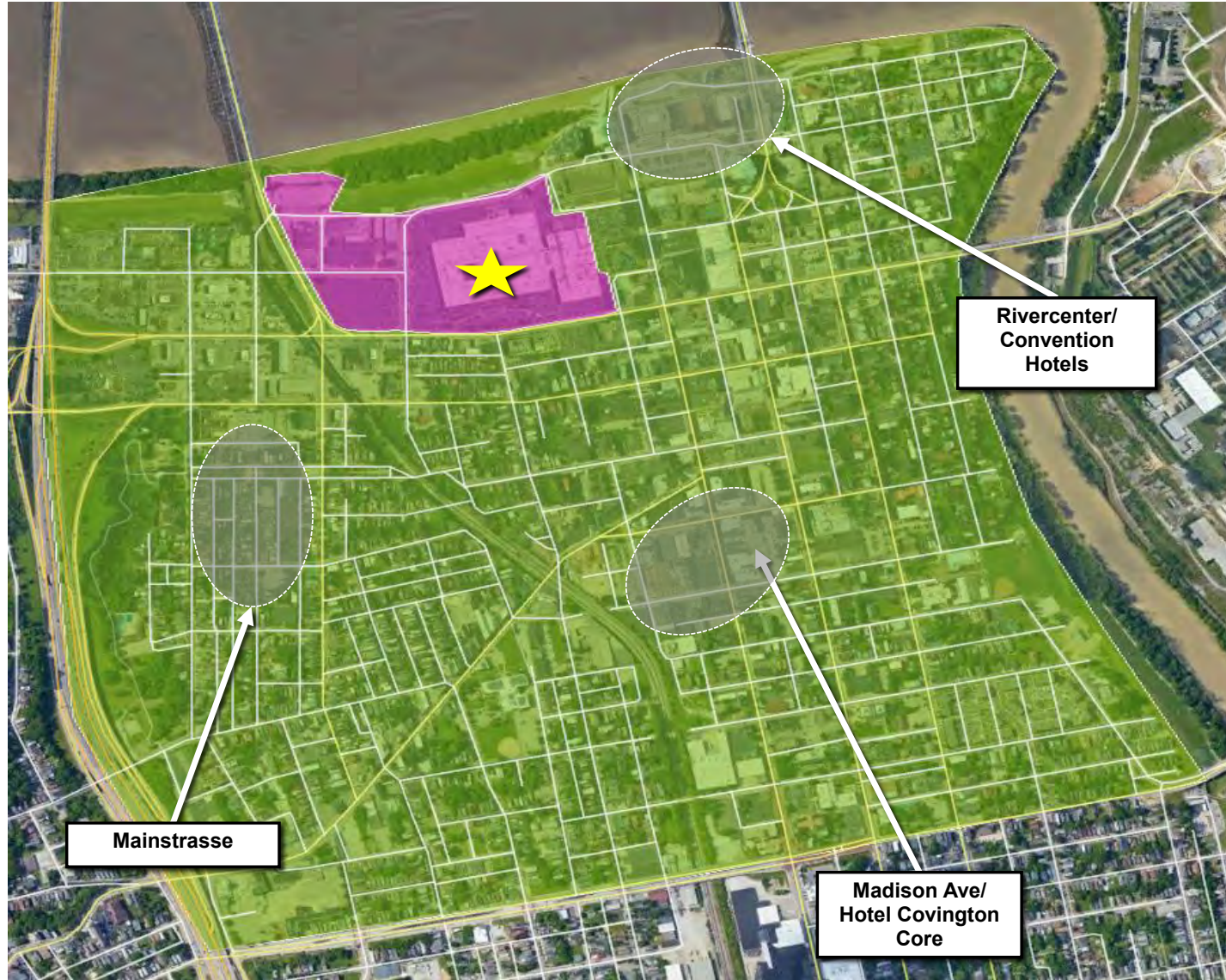


SOURCE: Noell Consulting Group, Google Earth, Walkscore.com



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 74
Existing and Planned Competing Commercial Cores Within the Local Trade Area



NCG believes there are three competing commercial cores within our defined local trade area as shown below. These cores include the River center/Convention Center hotels core, Mainstrasse community and the Madison Avenue/Hotel Covington core. The result is a fair share capture of demand for the subject site of 1/3 or 33% - based purely on the number of competing cores and centers.

SOURCE: Noell Consulting Group, Google Earth

BOA



Exhibit 75

Proximity and Connection of the Subject Site to Jobs

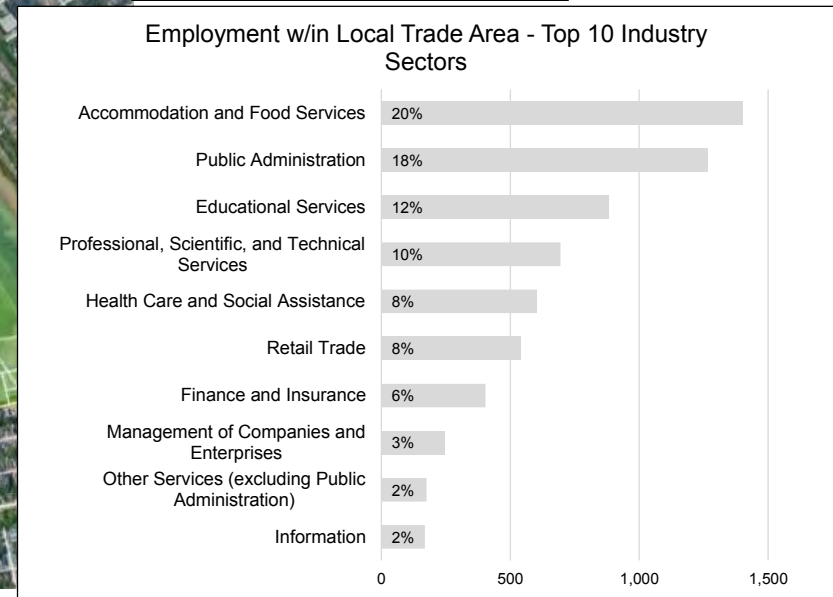
2015 : Density Jobs within the Local Trade Area



Total All Jobs		
	2015	
	Count	Share
Total All Jobs	7,632	100.0%

Worker Age		
	2015	
	Count	Share
Age 29 or younger	1,715	22.5%
Age 30 to 54	4,326	56.7%
Age 55 or older	1,591	20.8%

Earnings		
	2015	
	Count	Share
\$1,250 per month or less	1,809	23.7%
\$1,251 to \$3,333 per month	2,719	35.6%
More than \$3,333 per month	3,104	40.7%



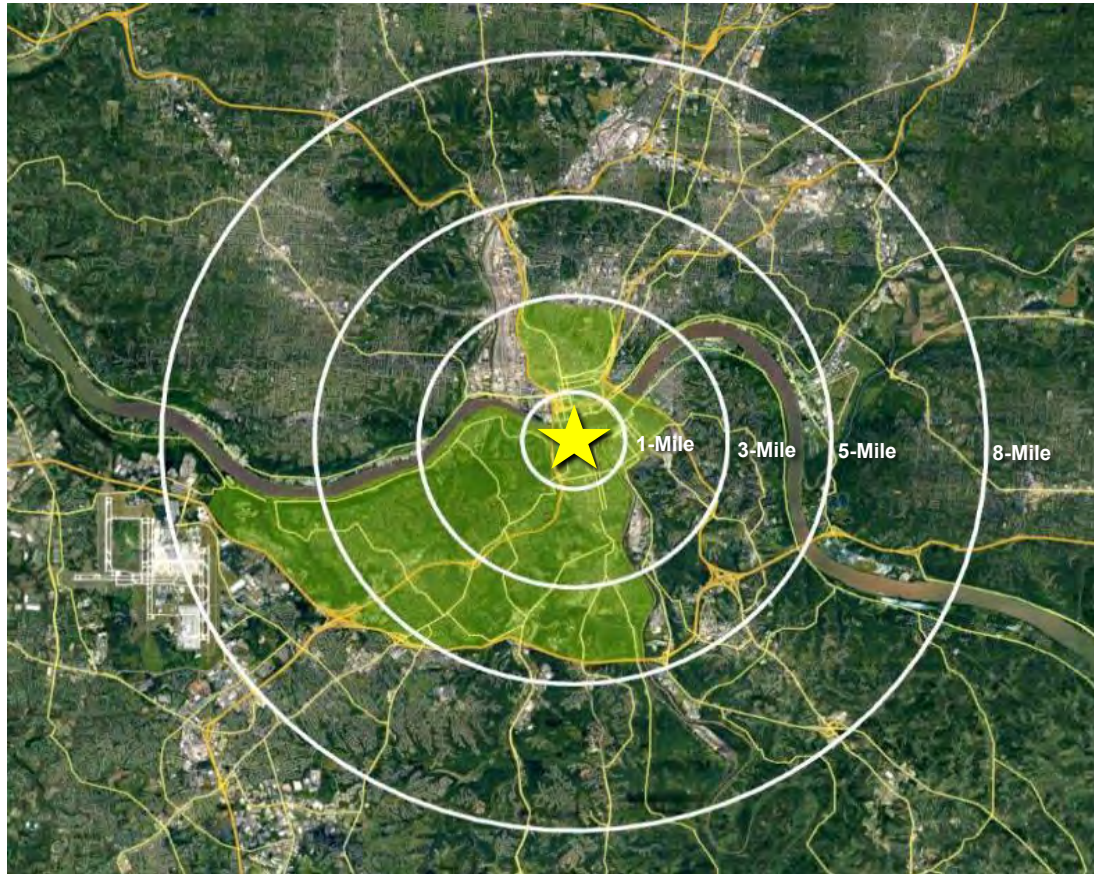
The map above shows the concentration of jobs within the local retail trade area. Within this local trade area, there are over 7,500 jobs, with just over 40% earning above \$40,000 annually and the majority of workers are aged 30 to 54. As can be seen in earlier exhibits, the subject property is located near jobs in Downtown Covington and Downtown Cincinnati is a quick drive over the bridge.

SOURCE: Noell Consulting Group, Google Maps, US Census, OntheMap

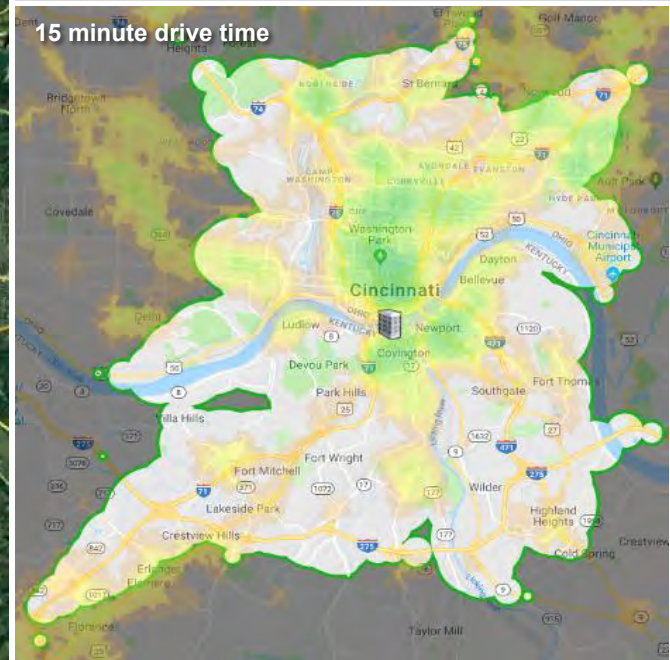


CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 76
Regional Trade Area Definition



After interviewing proprietors and retail brokers in the Covington core, we defined a regional trade area that is as large as a 15-minute drive time with light weekend traffic. Using natural barriers and information from local proprietors and brokers, NCG created a custom retail trade area, which can be seen in green on the map to the left. Additionally, this audience was then cut to just those aged 25-65 and earning \$50k+, the reported demographics of the majority of the destination diners.

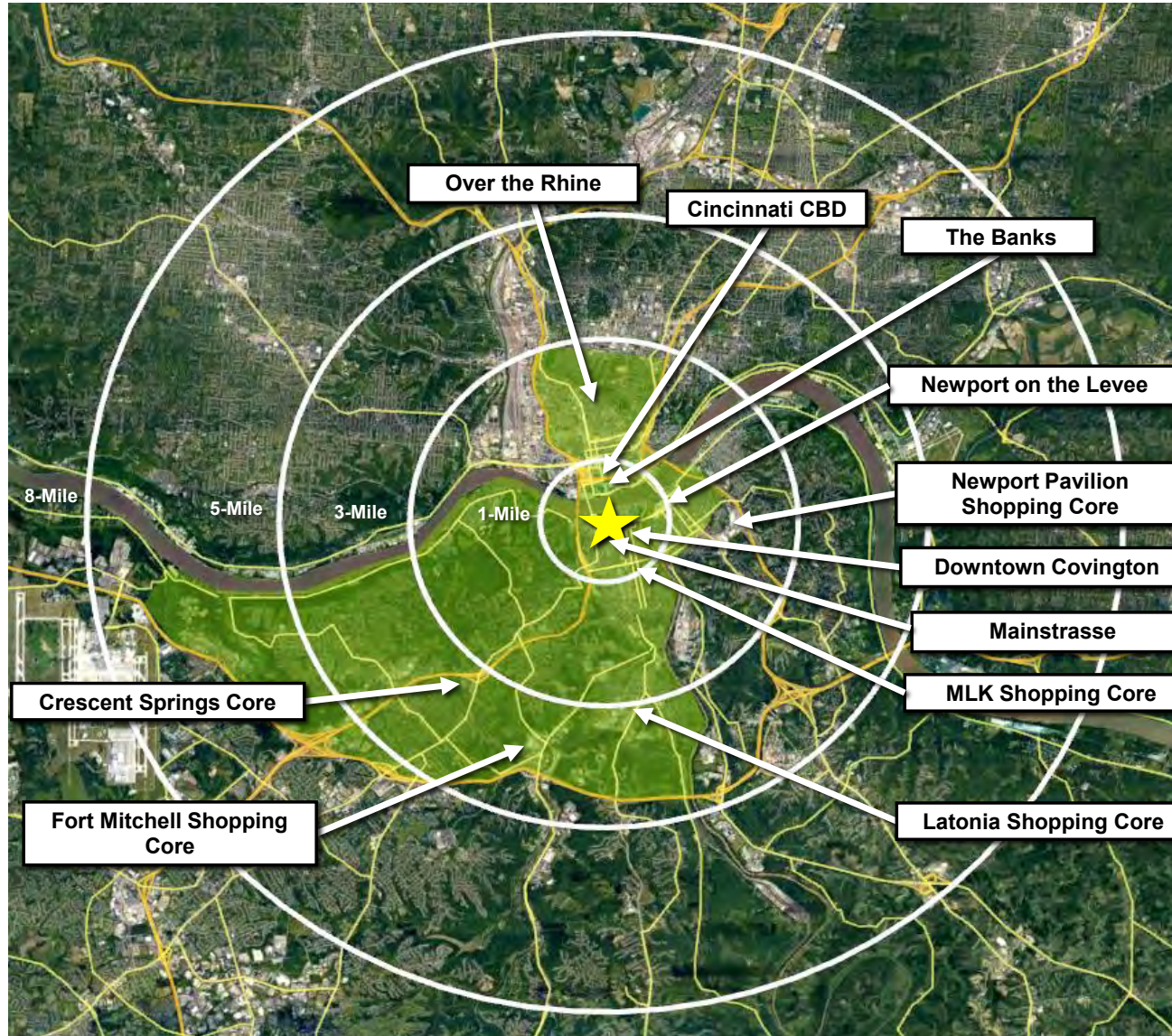


SOURCE: Noell Consulting Group, Walkscore.com



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 77
Existing and Planned Competing Commercial Cores Within the Regional Trade Area








This map shows shopping destinations in the regional trade area. NCG believes there are eleven competing commercial cores within our defined regional trade area. The result is a fair share capture of demand for the subject site 1/11 or 9% - based purely on the number of competing cores.

SOURCE: Noell Consulting Group, Google Earth



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 78
Matrix of Retail Demand Sources For the Subject Site

	Existing Local Population	Future Local Population Growth 2019 - 2024	Regional Destination Shoppers/ Diners	Local Employees	Hotel Guests/Convention Attendees
Example Picture					
Description	A local trade area population of 7,075 with a median household income of \$43,600. Primarily living in single family detached product within Intown Covington.	Primarily in new apartment communities and new townhome communities. Estimated at approximately 1,400 residents over the next five years and with est. HH incomes of \$54,000.	Approx. 46,0009 people age 25 - 65 with HH incomes of \$50k+ from throughout the region (15-20 min drivetime) to visit the new "hot spots". Including people from Over the Rhine, Evanston, Fort Wright and Highland Heights.	3,100 employees earning \$40K+ working within the trade area and on the subject site, shopping/dining during their commute or on lunch breaks.	Approximately 530,000 guests per year (based on the 1,463 rooms within walking distance, at 70% occupancy and 1.4 guests per occupied night).
Expenditure Categories	All	All	Destination type retailers, restaurants (mostly full service but some limited as well), drinking establishments.	Full and limited service restaurants and drinking establishments both during commute, lunchtime, and happy hour/dinner, along with some retail shopping (mostly grocery or convenience).	Grocery stores, specialty food stores, health/personal care, office supplies, full-service restaurants, limited-service eating places and drinking places are typically frequented by hotel guests.
Estimated Mix of Total Demand	36%	9%	11%	2%	42%
Estimated Mix of Rest./Bar Demand	18%	5%	12%	2%	63%
Estimated Mix of Retail (Dry goods) Demand	51%	13%	7%	3%	3%

SOURCE: Noell Consulting Group

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 79

Estimated Retail Demand from the Local Trade Area Today

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Non- Regional Ctrs ²	Sales in Non-Reg Ctrs	% Local Sales ²	Est. Sales/ SF	Capture Rate of Trade Area ³	Subject Site Core Capture	Mix By Store Categories
	<i>2019 Population</i>	<i>7,075</i>	<i>Median HH Income</i>	<i>\$43,596</i>					
Furniture and Home Furnishings	\$2,048,189	\$289	35%	\$693,471	77%			735	2%
Furniture Stores	\$1,258,045	\$178	30%	\$377,413.50	75%	\$203	33%	461	
Home Furnishing Stores	\$790,144	\$112	40%	\$316,058	80%	\$304	33%	274	
Electronics & Appliance Stores	\$1,761,811	\$249	20%	\$352,362	20%	\$481	33%	48	0%
Bldg Mats., Garden Equip & Supply	\$5,528,946	\$781	30%	\$1,658,684	83%			2,108	6%
Bldg Materials & Supply Stores	\$4,745,646	\$671	30%	\$1,423,694	80%	\$203	33%	1,853	
Lawn & Garden Equipment	\$783,300	\$111	30%	\$234,990	100%	\$304	33%	255	
Food & Beverage Stores	\$14,405,207	\$2,036	94%	\$13,595,409	81%			8,043	24%
Grocery Stores	\$12,684,416	\$1,793	95%	\$12,050,195	80%	\$455	33%	6,992	
Specialty Food Stores	\$447,687	\$63	75%	\$335,765	80%	\$251	33%	353	
Beer, Wine & Liquor Stores	\$1,273,104	\$180	95%	\$1,209,449	90%	\$515	33%	698	
Health & Personal Care	\$6,820,637	\$964	90%	\$6,138,573	80%	\$595	33%	2,722	8%
Clothing & Clothing Accessories	\$5,293,763	\$748	20%	\$1,058,753	60%			554	2%
Clothing Stores	\$3,751,525	\$530	20%	\$750,305	60%	\$373	33%	398	
Shoe Stores	\$636,170	\$90	20%	\$127,234	60%	\$267	33%	95	
Jewelry, Luggage & Leather Goods	\$906,068	\$128	20%	\$181,214	60%	\$586	33%	61	
Sporting Gds, Hobby, Book & Music	\$1,363,630	\$193	21%	\$291,670	60%			227	1%
Sporting Goods, Hobby, Musical Inst	\$1,174,190	\$166	20%	\$234,838	60%	\$254	33%	183	
Book & Music Stores	\$189,440	\$27	30%	\$56,832	60%	\$260	33%	43	
General Merch. Stores	\$13,543,038	\$1,914	54%	\$7,265,053	86%			8,176	25%
Department Stores (Incl. Jr. and Disc.)	\$2,869,232	\$406	30%	\$860,770	60%	\$300	33%	568	
Warehouse Clubs and Superstores	\$10,673,806	\$1,509	60%	\$6,404,284	90%	\$250	33%	7,608	
Miscellaneous Store Retailers	\$2,294,544	\$324	63%	\$1,440,333	84%			1,773	5%
Florists	\$94,387	\$13	100%	\$94,387	100%	\$294	33%	106	
Office Supplies, Stationery & Gifts	\$459,026	\$65	30%	\$137,708	95%	\$263	33%	164	
Used Merchandise Stores	\$408,900	\$58	100%	\$408,900	95%	\$263	33%	488	
Other Miscellaneous Store Retailers	\$1,332,231	\$188	60%	\$799,339	75%	\$195	33%	1,015	
Food Service & Drinking Places	\$14,628,531	\$2,067.64	92%	\$13,447,659	63%			8,581	26%
Full-Service Restaurants	\$6,588,263	\$931	90%	\$5,929,437	60%	\$400	33%	2,932	
Limited-Service Eating Places	\$5,220,453	\$738	90%	\$4,698,408	65%	\$259	33%	3,896	
Special Food Services	\$1,238,623	\$175	100%	\$1,238,623	70%	\$260	33%	1,100	
Drinking/Snack Places	\$1,581,192	\$223	100%	\$1,581,192	60%	\$480	33%	652	
TOTAL	\$67,688,296	\$9,567	68%	\$45,941,968	75%	\$334		32,967	

1 Based on data obtained from Claritas.

2 Estimates via NCG based on ICSC data. Excludes shopping at local establishments outside the area while on destination trips/vacations/near workplace.

3 Assumes subject site is 1 of 3 major cores in the local trade area.

SOURCE: Noell Consulting Group, Claritas, Inc.



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 80

Estimated Retail Demand from the New Population Growth in the Trade Area 2019 - 2024

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Non-Regional Ctrs ²	Sales in Non-Reg Ctrs	% Local Sales ²	Local Sales in Non-Reg Ctrs	Capture Rate of Core ³	Subject Site Core Capture	Mix By Store Categories
<i>2019 - 2024 Population Growth:</i>		<i>1,409</i>	<i>Median HH Income \$54k Est.</i>						
Furniture and Home Furnishings	\$505,198.26	\$359	35%	\$171,049	77%	\$132,185		181	2%
Furniture Stores	\$310,304	\$220	30%	\$93,091.33	75%	\$69,818.5	33%	114	
Home Furnishing Stores	\$194,894	\$138	40%	\$77,958	80%	\$62,366	33%	68	
Electronics & Appliance Stores	\$434,561	\$308	20%	\$86,912	20%	\$17,382	33%	12	0%
Bldg Mats., Garden Equip & Supply	\$1,363,748	\$968	30%	\$409,124	83%	\$338,892		520	6%
Bldg Materials & Supply Stores	\$1,170,542	\$831	30%	\$351,163	80%	\$280,930	33%	457	
Lawn & Garden Equipment	\$193,206	\$137	30%	\$57,962	100%	\$57,962	33%	63	
Food & Beverage Stores	\$3,553,132	\$2,522	94%	\$3,353,390	81%	\$2,712,544		1,984	24%
Grocery Stores	\$3,128,688	\$2,221	95%	\$2,972,254	80%	\$2,377,803	33%	1,725	
Specialty Food Stores	\$110,425	\$78	75%	\$82,819	80%	\$66,255	33%	87	
Beer, Wine & Liquor Stores	\$314,019	\$223	95%	\$298,318	90%	\$268,486	33%	172	
Health & Personal Care	\$1,682,352	\$1,194	90%	\$1,514,116	80%	\$1,211,293	33%	671	8%
Clothing & Clothing Accessories	\$1,305,739	\$927	20%	\$261,148	60%	\$156,689		137	2%
Clothing Stores	\$925,336	\$657	20%	\$185,067	60%	\$111,040	33%	98	
Shoe Stores	\$156,915	\$111	20%	\$31,383	60%	\$18,830	33%	23	
Jewelry, Luggage & Leather Goods	\$223,487	\$159	20%	\$44,697	60%	\$26,818	33%	15	
Sporting Gds, Hobby, Book & Music	\$336,348	\$239	21%	\$71,942	60%	\$43,165		56	1%
Sporting Goods, Hobby, Musical Inst	\$289,621	\$206	20%	\$57,924	60%	\$34,755	33%	45	
Book & Music Stores	\$46,727	\$33	30%	\$14,018	60%	\$8,411	33%	11	
General Merch. Stores	\$3,340,473	\$2,371	54%	\$1,791,970	86%	\$1,549,078		2,017	25%
Department Stores (Incl. Jr. and Disc.)	\$707,714	\$502	30%	\$212,314	60%	\$127,388	33%	140	
Warehouse Clubs and Superstores	\$2,632,759	\$1,869	60%	\$1,579,655	90%	\$1,421,690	33%	1,877	
Miscellaneous Store Retailers	\$565,963	\$402	63%	\$355,267	84%	\$299,235		437	5%
Florists	\$23,281	\$17	100%	\$23,281	100%	\$23,281	33%	26	
Office Supplies, Stationery & Gifts	\$113,222	\$80	30%	\$33,966	95%	\$32,268	33%	41	
Used Merchandise Stores	\$100,858	\$72	100%	\$100,858	95%	\$95,815	33%	120	
Other Miscellaneous Store Retailers	\$328,603	\$233	60%	\$197,162	75%	\$147,871	33%	250	
Food Service & Drinking Places	\$3,608,216.07	\$2,561	92%	\$3,316,947	63%	\$2,078,664		2,116	26%
Full-Service Restaurants	\$1,625,035	\$1,153	90%	\$1,462,532	60%	\$877,519	33%	723	
Limited-Service Eating Places	\$1,287,656	\$914	90%	\$1,158,891	65%	\$753,279	33%	961	
Special Food Services	\$305,514	\$217	100%	\$305,514	70%	\$213,860	33%	271	
Drinking/Snack Places	\$390,011	\$277	100%	\$390,011	60%	\$234,006	33%	161	
TOTAL	\$16,695,729.53	\$11,849	68%	\$11,331,866	75%	\$8,539,128		8,131	

1 Based on data obtained from Claritas.

2 Estimates via NCG based on ICSC data. Excludes shopping at local establishments outside the area while on destination trips/vacations/near workplace.

3 Assumes subject site is 1 of 3 major cores in the local trade area.

SOURCE: Noell Consulting Group, Claritas, Inc.



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 81 Estimated Retail Demand from Additional Non-Local Sources

Regional Destination Demand

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Non- Regional (Mall) Ctrs ²	Sales in Non- Reg (Mall) Ctrs	% Dest. Sales ²	Dest. Sales in Non-Reg Ctrs	Est. Sales/ SF	Capture Rate of Core ³	Subject Site Capture
		45,887	*Population 25 - 65 w/ HH Incomes \$50k+, living in regional trade area. From Claritas, Inc.						
Home Furnishing Stores	\$6,347,171	\$138	40%	\$2,538,868	20%	\$507,774	\$304	9%	152
Specialty Food Stores	\$3,596,238	\$78	75%	\$2,697,178	20%	\$539,436	\$251	9%	195
Clothing Stores	\$30,135,735	\$657	20%	\$6,027,147	40%	\$2,410,859	\$373	9%	587
Shoe Stores	\$5,110,309	\$111	20%	\$1,022,062	40%	\$408,825	\$267	9%	139
Jewelry, Luggage & Leather Goods	\$7,278,380	\$159	20%	\$1,455,676	40%	\$582,270	\$294	9%	180
Department Stores (Incl. Jr. and Disc.)	\$23,048,337	\$502	30%	\$6,914,501	40%	\$2,765,800.49	\$300	9%	838
Warehouse Clubs and Superstores	\$85,741,927	\$1,869	60%	\$51,445,156	10%	\$5,144,515.64	\$250	9%	1,871
Office Supplies, Stationery & Gifts	\$3,687,323	\$80	30%	\$1,106,197	5%	\$55,310	\$263	9%	19
Used Merchandise Stores	\$3,284,665	\$72	100%	\$3,284,665	5%	\$164,233	\$263	9%	57
Other Miscellaneous Store Retailers	\$10,701,717	\$233	60%	\$6,421,030	25%	\$1,605,258	\$195	9%	748
Full-Service Restaurants	\$52,923,050	\$1,153	90%	\$47,630,745	35%	\$16,670,761	\$400	9%	3,785
Limited-Service Restaurants	\$41,935,529	\$914	90%	\$37,741,976	10%	\$3,774,198	\$259	9%	1,326
Drinking/Snack Places	\$12,701,603	\$277	100%	\$12,701,603	25%	\$3,175,401	\$480	9%	601
TOTAL									10,500

Local Employee Demand

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% Sales To/From or While at Work ²	Est. Sales Near Work	Est. Sales/ SF	Capture Rate of Core ⁴	Subject Site Capture
		3,104	*Local Employees earning \$40K+, working in within the local trade area. Retail exp. same as new growth.				
Grocery Stores	\$6,892,440	\$2,221	11%	\$758,168	\$455	33%	550
Specialty Food Stores	\$243,264	\$78	5%	\$12,163	\$251	33%	16
Beer, Wine & Liquor Stores	\$691,777.48	\$223	5%	\$34,589	\$515	33%	22
Health & Personal Care	\$3,706,188	\$1,194	13%	\$481,804	\$595	33%	267
Florists	\$51,288	\$17	5%	\$2,564	\$294	33%	3
Office Supplies, Stationery & Gifts	\$249,425	\$80	5%	\$12,471	\$263	33%	16
Full-Service Restaurants	\$3,579,921	\$1,153	13%	\$465,390	\$400	33%	384
Limited-Service Eating Places	\$2,836,682	\$914	15%	\$425,502	\$259	33%	543
Drinking/Snack Places	\$859,186	\$277	5%	\$42,959	\$260	33%	55
TOTAL							1,855

1. Based on data obtained from Claritas.
2. Estimates via NCG based on ICSC data.
3. Assumes Subject Site is 1 of 11 primary destinations for shoppers within the Regional Trade Area
4. Assumes Subject Site is 1 of 3 core in local trade area

SOURCE: Noell Consulting Group, ICSC, Claritas

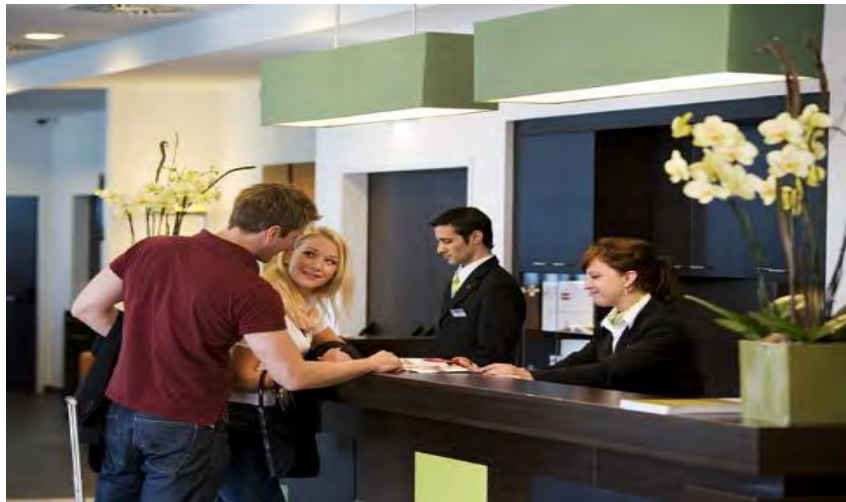


CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 82 Estimated Retail Demand from Additional Non-Local Sources

Hotel Guests/Convention Attendees within Walking Distance

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita Per Day	Dest. Sales in Non-Reg Ctrs	Est. Sales/ SF	Capture Rate of Core ²	Local Capture
		530,043	Annual Room Night Guests			
Grocery Stores	\$6,590,992	\$12.43	\$6,590,992	\$455	33%	4,780
Specialty Food Stores	\$332,320	\$0.63	\$332,320	\$251	33%	437
Health & Personal Care	\$5,062,992	\$9.55	\$5,062,992	\$595	33%	2,806
Office Supplies, Stationery & Gifts	\$340,737	\$0.64	\$340,737	\$263	33%	428
Full-Service Restaurants	\$18,339,372	\$34.60	\$18,339,372	\$400	33%	15,115
Limited-Service Eating Places	\$9,687,918	\$18.28	\$9,687,918	\$259	33%	12,358
Drinking/Snack Places	\$2,934,316	\$5.54	\$2,934,316	\$480	33%	2,017
TOTAL	\$30,961,607	\$81.67				37,942



1. Based on data obtained from CSL International for convention goers at NKYCC.
2. Assumes capture of majority of hotel guests spending while intown.

SOURCE: Noell Consulting Group, ICSC, Claritas



**CITY OF COVINGTON, KY
IRS SITE MARKET ANALYSIS**

Exhibit 83
Summary of Estimated Retail Demand (By Source) and Supply By Store Type

Store Type (Excl. General Merch. & Gas)	Existing Population in Local Trade Area	New Population Growth in Local Trade Area (2019 - 2024)	Evening & Weekend Regional Destination	Local Employees	Hotel Guests	Combined Demand From All Sources	Typical Store SF	Market Depth For Adequate Store Size
Furniture and Home Furnishings	735	181	152	0	0	1,068		0
Furniture Stores	461	114	0	0	0	574	7,696	0
Home Furnishing Stores	274	68	152	0	0	494	4,214	0
Electronics & Appliance Stores	48	12	0	0	0	60	6,577	0
Bldg Mats., Garden Equip & Supply	2,108	520	0	0	0	2,628		0
Bldg Materials & Supply Stores	1,853	457	0	0	0	2,310	6,561	0
Lawn & Garden Equipment	255	63	0	0	0	318	4,200	0
Food & Beverage Stores	8,043	1,984	195	588	5,217	16,028		14,046
Grocery Stores	6,992	1,725	0	550	4,780	14,046	40,000	14,046
Specialty Food Stores	353	87	195	16	437	1,089	1,988	0
Beer, Wine & Liquor Stores	698	172	0	22	0	892	3,196	0
Health & Personal Care	2,722	671	0	267	2,806	6,466	12,544	0
Clothing & Clothing Accessories	554	137	907	0	0	1,598		0
Clothing Stores	398	98	587	0	0	1,084	3,500	0
Shoe Stores	95	23	139	0	0	257	2,950	0
Jewelry, Luggage & Leather Goods	61	15	180	0	0	256	1,494	0
Sporting Gds, Hobby, Book & Music	227	56	0	0	0	283		0
Sporting Goods, Hobby, Musical Inst	183	45	0	0	0	229	2,713	0
Book & Music Stores	43	11	0	0	0	54	2,674	0
General Merch. Stores	8,176	2,017	2,709	0	0	12,902		0
Department Stores (Incl. Jr. and Disc.)	568	140	838	0	0	1,546	30,000	0
Warehouse Clubs and Superstores	7,608	1,877	1,871	0	0	11,356	80,000	0
Miscellaneous Store Retailers	1,773	437	824	19	428	3,482		2,013
Florists	106	26	-	3	0	135	1,424	0
Office Supplies, Stationery & Gifts	164	41	19	16	428	668	3,578	0
Used Merchandise Stores	488	120	57	0	0	665	2,500	0
Other Miscellaneous Store Retailers	1,015	250	748	0	0	2,013	2,000	2,013
Food Service & Drinking Places	8,581	2,116	5,713	981	29,490	46,881		45,509
Full-Service Restaurants	2,932	723	3,785	384	15,115	22,939	3,212	22,939
Limited-Service Eating Places	3,896	961	1,326	543	12,358	19,084	2,400	19,084
Special Food Services	1,100	271	0	0	0	1,372	2,000	0
Drinking/Snack Places	652	161	601	55	2,017	3,486	1,800	3,486
TOTAL	32,967	8,131	10,500	1,855	37,942	91,395		61,568

SOURCE: Noell Consulting Group, Claritas, Inc.



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 84
Small Service-Oriented Office & Retail Space Demand, 2019

Industry Code	Industry Code Description	County Firms Less Than 19 Emps	County Wide SF	County Wide Approx. SF Per Capita	Local Firms Less Than 19 Emps	Approx. SF Per Capita	Potential Unmet Demand	Average Tenant Size	Supportable Store Capture, Subject Site
Typical Office Users							31,537		10,684
531	Real Estate	99	108,565	0.66	25	0.80	0	2,500	0
532	Rental and Leasing Services	20	38,652	0.24	4	0.16	1,944	2,250	0
523	Securities, Financial Investments	51	43,748	0.27	12	0.57	0	2,500	0
524	Insurance Carriers and Related Act.	80	83,833	0.51	16	0.52	0	2,500	0
5414	Specialized Design Services	14	14,525	0.04	11	0.51	0	2,500	0
6115	Technical and Trade Schools	2	5,075	0.03	0	0.00	807	3,500	0
6116	Other Schools and Instruction	20	29,500	0.18	6	0.36	0	3,500	0
6211	Office of Physicians	74	163,369	1.00	10	0.36	16,693	2,000	8,346
6212	Office of Dentists	51	73,545	0.45	11	0.59	0	2,000	0
6213	Office of Other Health Practitioners	51	56,382	0.34	7	0.16	4,675	2,000	2,337
6214	Outpatient Care Centers	17	41,327	0.25	6	0.37	0	2,000	0
6215	Medical and Diagnostic Laboratories	6	3,850	0.02	2	0.00	612	2,500	0
6216	Home Health Care Services	4	10,033	0.06	0	0.00	1,595	2,500	0
8122	Death Care Services	18	27,355	0.17	2	0.08	2,248	4,000	0
52231	Mortgage and Non Mortgage Loan Brokers	1	438	0.00	0	0.00	70	2,000	0
54111	Offices of Lawyers	102	110,436	0.17	58	2.10	0	2,500	0
54194	Veterinary Services	11	23,618	0.14	1	0.10	1,217	2,000	0
541211	Offices of CPAs	22	30,060	0.09	6	0.36	0	2,500	0
541213	Tax Preparation Services	17	19,420	0.12	3	0.13	0	2,000	0
541380	Testing Laboratories	4	4,200	0.03	1	0.02	230	2,000	0
541519	Computer Related Services	7	9,111	0.06	0	0.00	1,448	2,000	0
Typical Retail Users							21,734		3,831
5172	Wireless Telecommunication Carriers	4	10,800	0.07	0	0.00	1,717	1,500	0
6244	Child Day Care Facilities	31	231,540	1.41	9	1.34	1,929	4,900	0
8123	Dry Cleaning and Laundry Services	14	22,680	0.14	3	0.13	230	1,500	0
52211	Commercial Banking	53	198,253	1.21	10	0.91	7,663	3,000	3,831
52212	Savings Institutions	4	28,200	0.17	2	0.21	0	3,000	0
52213	Credit Unions	3	12,825	0.08	1	0.00	2,039	3,000	0
71394	Fitness and Other Rec. Centers	15	59,625	0.36	3	0.13	6,102	4,000	0
81211	Hair, Nail, and Skin Care Services	29	86,088	0.52	8	0.67	0	1,500	0
81219	Other Personal Services	6	39,825	0.24	1	0.16	2,055	1,500	0
Total, Office and Retail Users			1,586,879	9.04	218	10.74	75,006		14,515

1. Assumes Subject Site is 1 of 3 main destinations for services within the local trade area.

SOURCE: Noell Consulting Group, US Census for Cuyahoga County and ZIP Codes 44141, 44233, 44286.



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 85

Estimated Movie Theatre and Bowling Center Demand at the Subject Site

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of US Indoor Movie Screens	38,159	38,201	38,605	38,902	38,974	39,056	39,368	39,356	39,411	39,579	39,651
Total US Population	295,560,549	298,362,973	301,290,332	304,059,724	306,770,000	309,330,000	315,091,138	318,857,056	320,220,000	323,640,000	325,700,000
Population Per Screen Ratio	7,746	7,810	7,804	7,816	7,871	7,920	8,004	8,102	8,125	8,177	8,214
Total US Box Office Gross Sales (In Mil., Inf. Adj.)	\$11,968	\$11,485	\$11,961	\$11,226	\$10,831	\$11,693	\$11,298	\$10,683	\$11,287	\$11,372	\$11,091
US Average Per Capita Movie Exp.	\$40	\$38	\$40	\$37	\$35	\$38	\$36	\$34	\$35	\$35	\$34
US Average Per Capita Retail Exp.	\$13,263	\$12,942	\$11,777	\$12,345	\$13,160	\$13,697	\$14,092	\$14,538	\$14,738	\$14,940	\$15,145
Avg. US Movie Ticket Cost	\$6.88	\$7.18	\$7.50	\$7.89	\$7.93	\$7.96	\$8.13	\$8.17	\$8.43	\$8.65	\$8.97
Total US Box Office Admissions (millions)	1,405	1,341	1,413	1,339	1,283	1,362	1,344	1,268	1,339	1,314	1,236
Total US Admissions Per Screen	36,809	35,112	36,594	34,422	32,919	34,860	34,129	32,224	33,973	33,199	31,172

Market Sizing - Theater Demand	
Avg. 2012 - 2017 Pop. Per Screen	8,090
Avg. 2012 - 2017 Per Capita Movie Exp.	\$35.27
Avg. 2012 - 2017 Box Office Admissions (Bill.)	1,310
Avg. 2012 - 2017 Admissions Per Screen	33,260
2019 Regional Trade Area Population	118,572
2019 Trade Area Avg. Per Capita Retail Exp.	\$13,607
Per Capita Exp. Increase From US Avg.	-10%
2019 Trade Area Est. Movie Exp/Capita	\$30.60
Total Trade Area Population Movie Exp.	\$3,627,738
Est. Study Area Resident Supported Ticket Sales	404,430
Est. Screens Based on US Avg. Admis/Screen	12.2
Est. Movie Screens Demanded Pop/Screen	14.7
Average Screen Demand	13.4

Existing Theater Supply In Trade Area	
AMC Newport on the Levee	20
Total Screens in Trade Area	20
Total Unmet Screen Demand	-6.6

Future Screen Demand In Trade Area (2024)	
Estimated Population	120,507
Total Unmet Screen Demand	-6.4



Theater Summary

With the existing supply of screen inventory already in the regional trade area, it is unlikely that the subject site will be able to attract a movie theatre. The existing theatre is in Newport on the Levee and does good numbers. The center is being bought by North American Properties, which has plans to renovate the center, making it further unlikely that the area will be able to support another movie theatre.

Bowling Summary

Today, one older bowling center exists in the trade area, Axis Alley. Based on this and a negative unmet demand, we believe there is limited potential to attract an additional bowling center to the subject site. It is likely that either the bowling alley in Newport on the Levee isn't doing well or it is able to pull from a larger trade area.

Market Sizing - Bowling Alley Demand	
Population, 2017 (US)	325,700,000
2017 Bowling Centers (# of Commercial Est.)	3,696
Estimated Bowling Centers Per Person	88,122
2017 US Average Bowling Center Revenue	\$ 1,028,139
Population, 2019 (Regional Trade Area)	118,572
2019 Trade Area Avg. Per Capita Retail Exp.	\$13,607
Per Capita Exp. Increase From US Avg.	-10%
Req. Persons to Support Bowling Center in Trade Area	-867,895
Number of Potential Bowling Centers Supported	(0.14)

Existing Bowling Center Supply In Trade Area	
Axis Alley	1
Total Bowling Centers in Trade Area	1
Total Unmet Bowling Center Demand	-1.1

Future Center Demand In Trade Area (2024)	
Estimated Population	120,507
Total Unmet Bowling Center Demand	-1.1



SOURCE: Noell Consulting Group based on data obtained from the US Census Bureau County Business Patterns and Claritas, Nat. Assoc. of Theatre Owners, The-Numbers, Box Office Mojo, an IBIS



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 86 Distillery Growth and Opportunity

National	2012	2013	2014	2015	2016	2017	Growth ('12-'17)
National Craft Spirit Sales Volume (9L Case)	2,470	3,120	3,880	4,930	5,842	7,160	19%
National Craft Spirit Sales Value (\$ Billions)	1.0	1.3	1.8	2.4	3.0	3.7	24%

Kentucky	2012	2013	2014	2015	2016	Annual % Growth ('12-'16)
Number of Distilleries	20	23	30	36	43	17%
Employees (NAICS 31214)	3260	3594	4003	4144	4297	6%
Annual Payroll	\$131,328,000	\$150,002,000	\$158,480,000	\$205,248,000	\$210,148,000	10%
Average Annual Pay per Job	\$56,123	\$66,022	\$64,528	\$67,963	\$68,743	4%
Average Paid Employees/Distillery	163	156	133	115	100	-9%



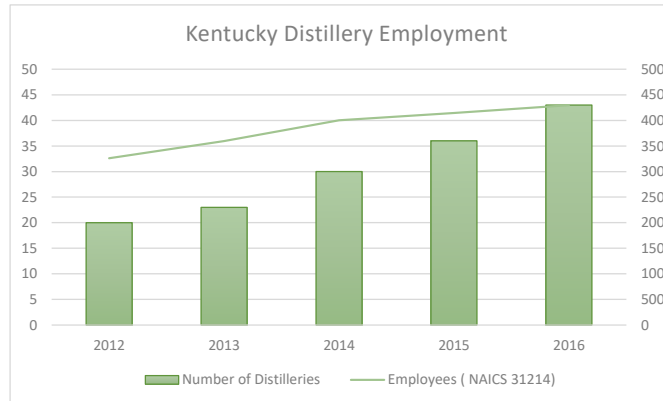
Distillery Summary

Nationally, distilleries have seen significant growth growing from 2,470 in 2012 to over 7,000 in 2017. Kentucky, historically known for its bourbon production, has enjoyed this growth as well doubling in number of distilleries from 2012 to 2016. This growth has translated to a 10% annual increase in annual payroll and a 4% annual increase in annual salaries for distillery employees. On trend with Kentucky growth, Northern Kentucky has seen the addition of New Riff Distillery in Newport Kentucky.

While the initial investment in distilleries ranges based on size and production level, New Riff's initial investment was just under \$20 million. In considering the direct, indirect, and induced economic impact in Kentucky, distilleries provide more than payroll and employment benefits. With the popularity of Kentucky's Bourbon Trail, distilleries have invested in expansions to include tasting rooms and venue space. New Riff has followed this trend by including event space and tasting rooms and attracts around 35,000 visitors and tourists annually through events and distillery visitors.

With growth in craft distilleries, avg employment/distillery has seen an annual decrease as many new distilleries are craft operations. For example, in 2012 of the 20 distilleries, 7 of these employed less than 20 people. New Riff is a craft distillery and is estimated to employ over 30 people.

Based on this analysis, a distillery on the IRS site could initially average between 20 and 50 employees and attract around 30,000 visitors annually.



Total Annual Economic Impact in Kentucky		
	\$	%
Direct Effect	\$6,269,161,733	80%
Indirect Effect	\$1,195,153,371	15%
Induced Effect	\$383,656,471	5%
Total	\$7,847,971,575	100%

* Based on 2014 data using IMPLAN



New Riff Est. 2014
Whiskey/Gin Distillery
Newport, Kentucky
Initial Investment
Distillery \$18 Million
Whiskey Campus \$11 Million

Production 7,500 bottles/yr
Annual Visitors 30,000-40,000












Features	SF
Barrel Storage	173,000
Distribution Center/Office	32,100
Storage	10,600
Event Space (2)	200-275 People
Private Tasting Room	NA

SOURCE: Noell Consulting Group based on data obtained from the US Census Bureau County Business Patterns and Claritas, Kentucky Distillers Association, American Craft Spirits Association

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 87
Summary of Recommended Commercial Uses at the Subject Site By Store/Tenant Type

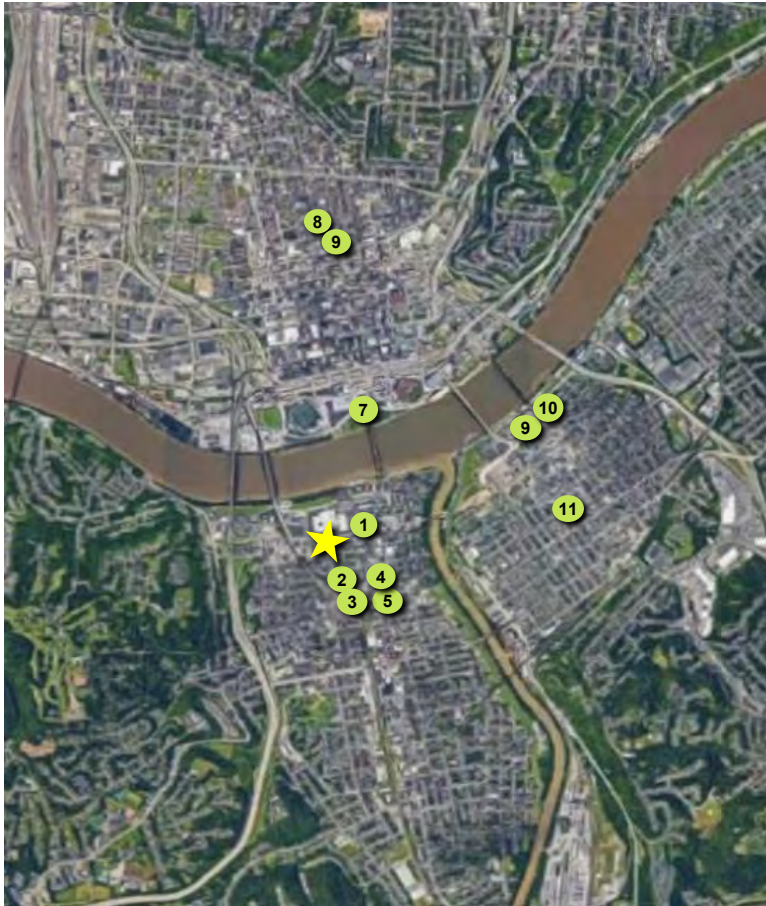
Store Type	Potential Subject Site SF	Est. Lease Rate (NNN)	Justification / Comments	Potential Tenant Examples
Retail Store Types				
Grocery Store	14,046	\$15.00	Support exists for nearly just over 12,000 SF from the local trade area, which could be a smaller format grocery, such as a small Trader Joe's or a local market, such as Atlanta's Savi Urban Market and Provisions.	 
Used merchandise Stores & Other Miscellaneous Store Retailers, Plus Home Furnishings	2,013	\$20.00	Smaller retailers, such as local shop Handzy, are good additions to a restaurant core. Smaller lifestyle shops round out an afternoon or evening - shopping, dinner, drinks. Look for a local shop, such as a Handzy.	 
Full-Service Restaurants	22,939	\$25.00	Positive demand for approximately 5 full-service restaurants. Focus on local tenants or existing Cincinnati/Kentucky chains looking for another location. Consider a popular Chef, who is looking to open a new concept.	
Limited-Service Eating Places	19,084	\$20.00	Positive demand for 6-8 limited-service restaurants. Look to round out downtown options, with crowd pleasing restaurants offerings, such as burgers and salads.	  <i>Feeling Good, It's Slyme Time!</i>
Drinking/Snack Places	3,486	\$28.00	Positive demand for two drinking/snack places (coffee shops, smoothie shops, etc.) Ideal for local tenants with Cincinnati/Northern Kentucky following.	 
TOTAL RETAIL	61,568	\$21.18		
Local Service/Professional Office Space				
Physician, Dentist, Outpatient	8,346	\$18.00	A combination of nearly 14,500 SF of local population and daytime employee servicing uses currently under served in the trade area. Consider a small doctors office out of St. Elizabeth's, a local doctor or national chain bank.	Doc in the box - local healthcare outpatient center
Office of Other Health Practitioners	2,337	\$20.00		Eye doc - yelp, in newish space
Commercial Banking	3,831	\$20.00		BOA, Chase
TOTAL SERVICE	14,515	\$18.85		
TOTAL	76,083	\$20.73	*These lease rates assume the subject site is able to offer market rate TI s (\$30/SF - likely \$50+/SF for the full-service) and pass thrus (\$6-\$8/SF).	

SOURCE: Noell Consulting Group



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 88
Retail Comparables



Property Name	Address	Retail Floors	Size	Rent*	Vacancy Rate
Covington					
1 Gateway Center	333 Scott St	1	1,700	\$15.00	2.0%
2 Duveneck Square	43 W 7th St	1	3,500	\$26.50	2.6%
3 Road iD Building	35 W 8th St	1	2,000	\$15.00	2.0%
4 German National Bank	611 Madison Ave	2	2,600	\$12.50	13.1%
5 713 Madison Ave	713 Madison Ave	1	3,700	\$9.50	25.0%
Cincinnati					
6 Freedom Center (The Banks)	50 E Freedom Way	1	80,000	\$28.00	9.8%
7 Meiners Building (OTR)	1500 Vine St	1	2,800	\$30.00	2.6%
8 1812 Race St (OTR)	1812 Race St	1	675	\$18.00	2.6%
Newport					
9 Newport on the Levee	1 Levee Way	2	86,500	\$22.00	2.0%
10 AQUA on the Levee	100 Aqua Way	1	7,900	\$26.00	2.0%
11 342 Monmouth St	342 Monmouth St	1	2,200	\$11.00	2.0%

* Rents are adjusted to net w/o CAM/ pass-throughs

* Vacancies are adjusted to market avg for proposed/buildings in lease-up

A combination of existing, recently delivered, and proposed projects in multiple nearby markets were included to price position the subject site.

Source: NCG, CoStar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 89
Retail Product

Large, Anchor Tenants



Large retail destinations depending on high visitor sustainably often offer lower rents for large, anchor tenants. Often include variety of uses along with anchor tenants. Have a risk of high vacancies if the area is not attracting enough foot traffic.

Typical Rents	\$10.00 - \$15.00
Typical Space	10,000 - 30,000 SF
TI Build Out	\$15 / SF

Features

- Covered Parking
- Part of a larger, planned development

Smaller Spaces / Storefronts



Smaller retail space often intertwined with office and residential use. Ground floor retail commonly dependent on an area's attraction. Adaptive reuse supported by new investment/spark to area development. Varying rents dependent on district.

Typical Rents	\$15 - \$24.00
Typical Space	1,500 - 2,500 SF
TI Build Out	\$30 / SF

Features

- Little to no parking, often surface or street
- Commonly mixed-use with renovation timing dependent on market appeal
- Traditional retail uses

Food & Beverage



Food & Beverage space often have the highest rents and TI due to use. Space can vary depending on area and service level.

Typical Rents	\$25.00 - \$35.00
Typical Space	2,000 - 5,000 SF
TI Build Out	\$100 / SF

Features

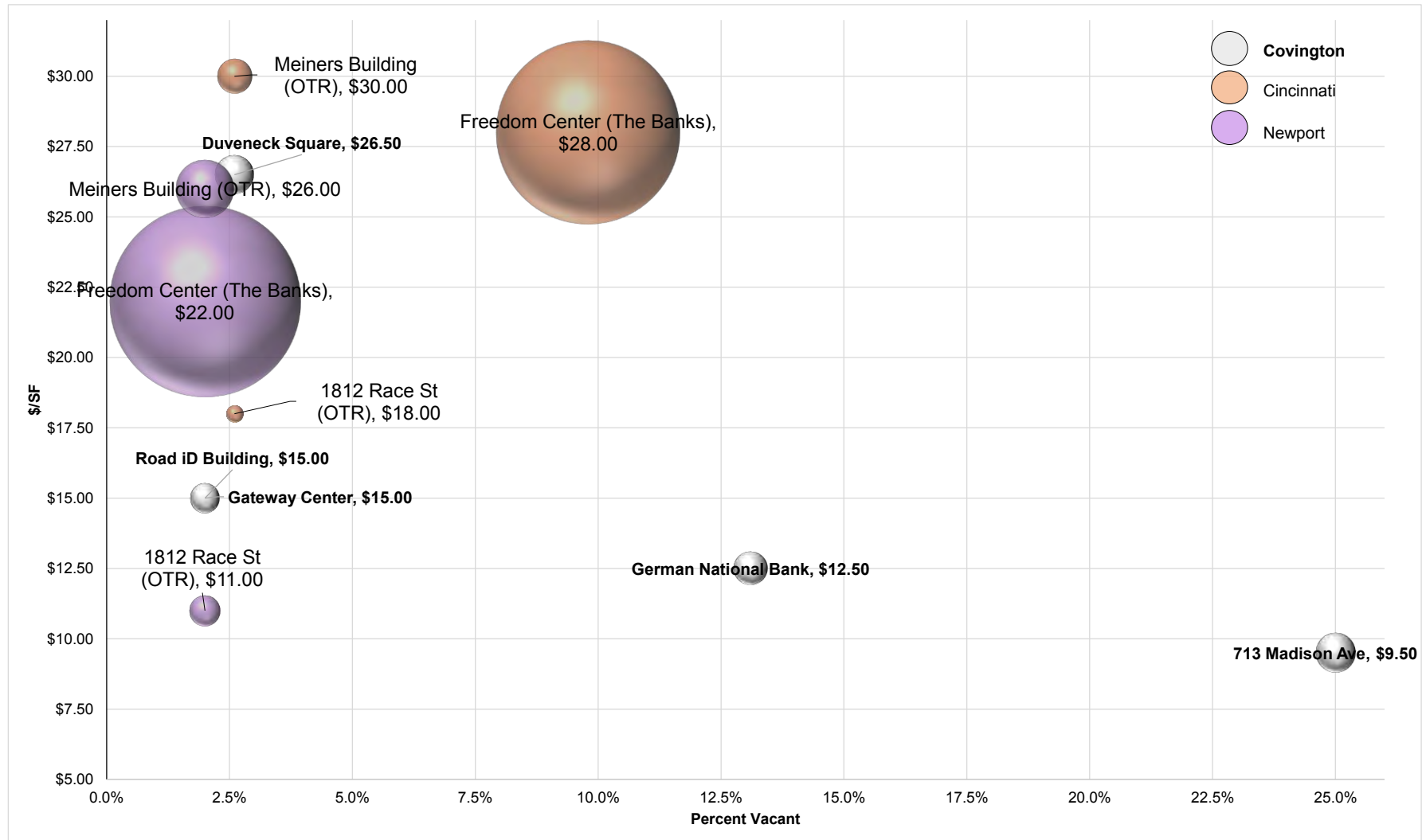
- Some structured parking
- Often serve as an amenity of office/residential development
- Flexible floorplates w/ opportunity for custom build-out

Source: NCG, CoStar



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 90
Retail Comparables



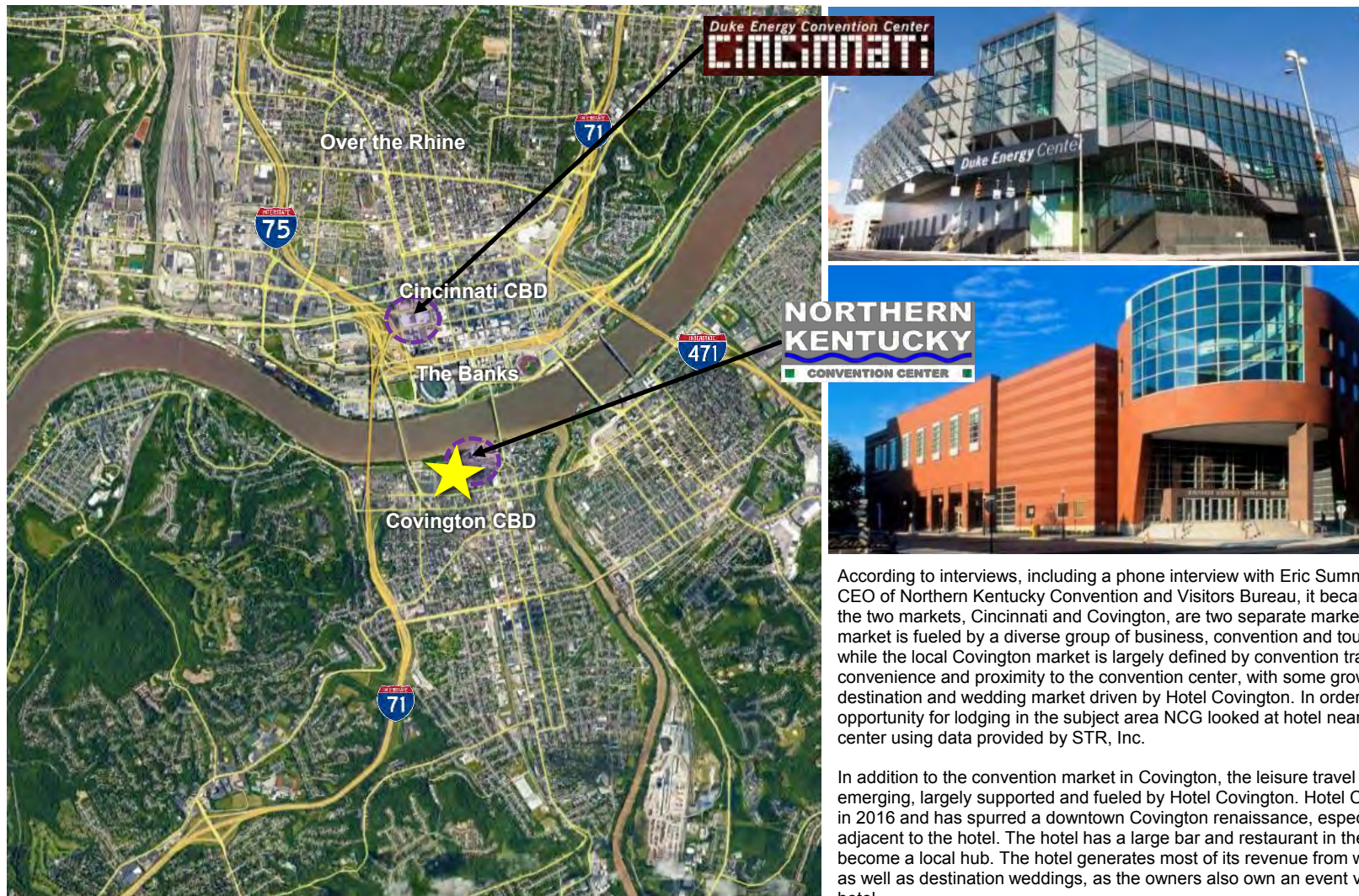
Source: NCG, CoStar



Hotel Analysis

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 91 Introduction to Local Hospitality Market



According to interviews, including a phone interview with Eric Summe, President and CEO of Northern Kentucky Convention and Visitors Bureau, it became apparent that the two markets, Cincinnati and Covington, are two separate markets. The Cincinnati market is fueled by a diverse group of business, convention and tourism travelers, while the local Covington market is largely defined by convention travelers seeking convenience and proximity to the convention center, with some growth in the weekend destination and wedding market driven by Hotel Covington. In order to assess the opportunity for lodging in the subject area NCG looked at hotel near each convention center using data provided by STR, Inc.

In addition to the convention market in Covington, the leisure travel market is new and emerging, largely supported and fueled by Hotel Covington. Hotel Covington opened in 2016 and has spurred a downtown Covington renaissance, especially in the areas adjacent to the hotel. The hotel has a large bar and restaurant in the lobby, which has become a local hub. The hotel generates most of its revenue from weekend visitors, as well as destination weddings, as the owners also own an event venue next door to hotel.

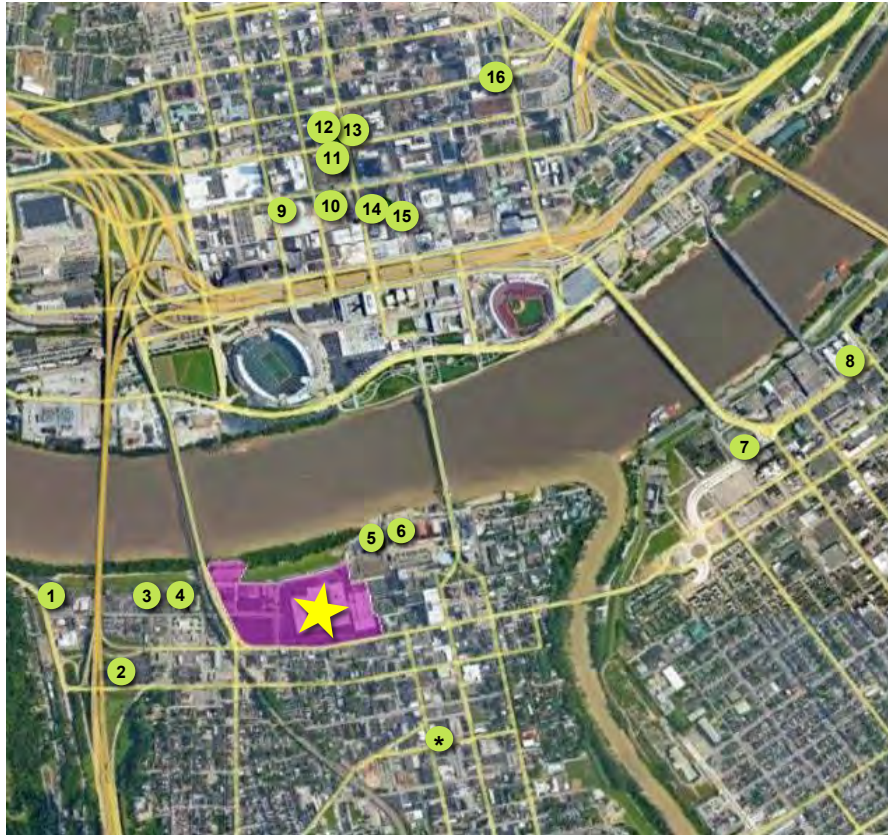
SOURCE: Noell Consulting Group, Google Earth, Cushman & Wakefield: U.S. Lodging Industry Overview



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 92

Map of Selected Cincinnati and Covington/Newport Hotels



In order to assess the opportunity for lodging at the subject site NCG utilized data from 8 area hotels in Downtown Covington and 8 hotels in Downtown Cincinnati to gauge market trends and conditions.

Covington/Newport

	Establishment	Class	Open Date	Rooms	Flag
1	Best Western Plus Cincinnati Riverfront Downtown Area	Upper Midscale Class	Jan-1997	127	
2	Radisson Hotel Cincinnati Riverfront	Upscale Class	Nov-1972	220	
3	Holiday Inn Cincinnati Riverfront	Upper Midscale Class	May-1969	155	
4	Courtyard Cincinnati Covington	Upscale Class	Oct-1999	194	
5	Marriott Cincinnati at River center	Upper Upscale Class	May-1999	321	
6	Embassy Suites by Hilton Cincinnati River center	Upper Upscale Class	Jun-1990	227	
7	Hampton Inn & Suites Newport Cincinnati	Upper Midscale Class	Dec-2016	122	
8	aloft Hotel Newport On The Levee	Upscale Class	Jan-2017	144	
*	Hotel Covington	Independent	Sep-2016	114	

Cincinnati

	Establishment	Class	Open Date	Rooms	Flag
9	Hyatt Regency Cincinnati	Upper Upscale Class	May-1984	491	
10	Hilton Cincinnati Netherland Plaza	Upper Upscale Class	BOA, Chase	561	
11	The Cincinnati Hotel, Curio Collection by Hilton	Upper Upscale Class	Jan-1900	148	
12	Homewood Suites by Hilton Cincinnati Downtown	Upscale Class	Apr-2015	105	
13	Hampton Inn Cincinnati Downtown	Upper Midscale Class	Mar-2015	144	
14	The Westin Cincinnati	Upper Upscale Class	Jun-1982	456	
15	Renaissance Cincinnati Downtown Hotel	Upper Upscale Class	Jul-2014	323	
16	Holiday Inn & Suites Cincinnati Downtown	Upper Midscale Class	Dec-2016	117	

SOURCE: Noell Consulting Group, Google Earth, & STR, Inc.



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 93

Performance of the Downtown Hotels in Covington/Newport and Cincinnati



This exhibit presents the data gathered from the comps shown in the previous exhibit. Downtown Covington/Newport hotel demand has been consistent since 2012, growing at an average rate of 4.3% from 2012 to 2018 and 6.4% from 2016 to 2018. The increase in 2017 is likely due to the increase in supply associated with the opening of the Hampton Inn. From 2012 to 2018, ADR (Average Daily Rate) saw a 0.8% average annual growth and RevPAR (revenue per available room, calculated as occupancy multiplied by ADR) saw an average annual increase of 1.9%.

Downtown Cincinnati hotel demand has fluctuated since 2012 with an average annual demand growth of 6.3%, which is the same average annual growth of supply in the same time period. From 2012 to 2018, ADR (Average Daily Rate) saw a 2.5% average annual growth and RevPAR (revenue per available room, calculated as occupancy multiplied by ADR) saw an average annual increase of 2.5%.

Both markets have occupancy rates over 70%, which is seen as a market ripe for new hotels. Downtown Cincinnati has a large pipeline, however the only planned hotel for the Downtown Covington/Newport submarket is a new hotel at Newport on the Levee.

Downtown Covington/Newport Hotels

Year	Supply	% Change	Demand	% Change	Occupancy	% Change	ADR	% Change	RevPAR	% Change
2012	462,820	-	306,635	-	66.3%	-	\$123.91	-	\$82.09	-
2013	462,820	0.0%	313,960	2.4%	67.8%	2.4%	\$130.31	5.2%	\$88.40	7.7%
2014	462,820	0.0%	320,560	2.1%	69.3%	2.1%	\$130.03	-0.2%	\$90.06	1.9%
2015	462,820	0.0%	326,681	1.9%	70.6%	1.9%	\$131.28	1.0%	\$92.66	2.9%
2016	466,602	0.8%	328,850	0.7%	70.5%	-0.2%	\$133.99	2.1%	\$94.44	1.9%
2017	554,774	18.9%	388,628	18.2%	70.1%	-0.6%	\$131.70	-1.7%	\$92.26	-2.3%
2018	551,150	-0.7%	390,590	0.5%	70.9%	1.2%	\$129.61	-1.6%	\$91.85	-0.4%
Avg Annual % Change (*12-'18)		3.2%		4.3%		1.1%		0.8%		1.9%
YTD December 2017	554,774	-	388,628	-	70.1%	-	\$131.70	-	\$92.26	-
YTD December 2018	551,150	-0.7%	390,590	0.5%	70.9%	1.2%	\$129.61	-1.6%	\$91.85	-0.4%

Downtown Cincinnati Hotels

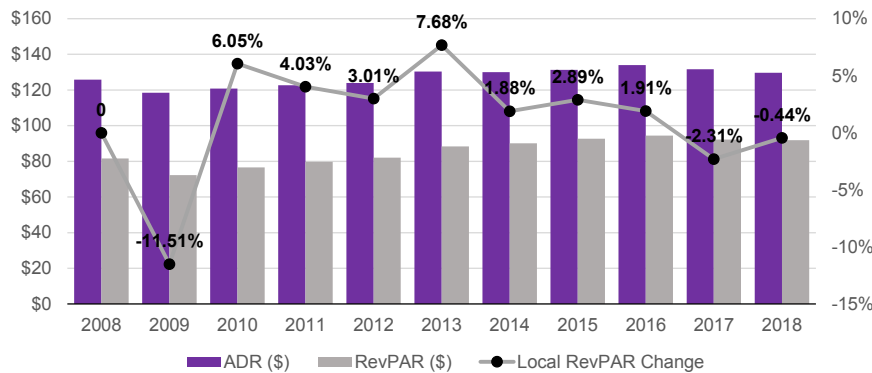
Year	Supply	% Change	Demand	% Change	Occupancy	% Change	ADR	% Change	RevPAR	% Change
2012	601,885	-	423,378	-	70.3%	-	\$139.45	-	\$98.09	-
2013	602,805	0.2%	416,574	-1.6%	69.1%	-1.8%	\$146.24	4.9%	\$101.06	3.0%
2014	663,142	10.0%	426,088	2.3%	64.3%	-7.0%	\$153.10	4.7%	\$98.37	-2.7%
2015	794,544	19.8%	522,662	22.7%	65.8%	2.4%	\$158.46	3.5%	\$104.24	6.0%
2016	816,117	2.7%	574,106	9.8%	70.3%	6.9%	\$161.91	2.2%	\$113.90	9.3%
2017	855,195	4.8%	577,422	0.6%	67.5%	-4.0%	\$164.65	1.7%	\$111.17	-2.4%
2018	855,440	0.0%	599,508	3.8%	70.1%	3.8%	\$161.76	-1.8%	\$113.36	2.0%
Avg Annual % Change (*12-'18)		6.3%		6.3%		0.1%		2.5%		2.5%
YTD December 2017	855,195	-	577,422	-	67.5%	-	\$164.65	-	\$111.17	-
YTD December 2018	855,440	0.0%	599,508	3.8%	70.1%	3.8%	\$161.76	-1.8%	\$113.36	2.0%

SOURCE: Noell Consulting Group, STR, Inc.

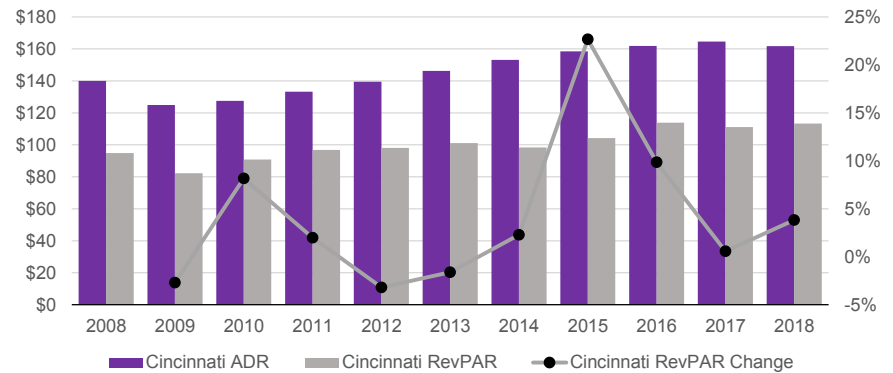
CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 94
Visualization of Local Market Trends and Comparison to National Trends

Covington/Newport ADR & RevPAR
Local Market Trends

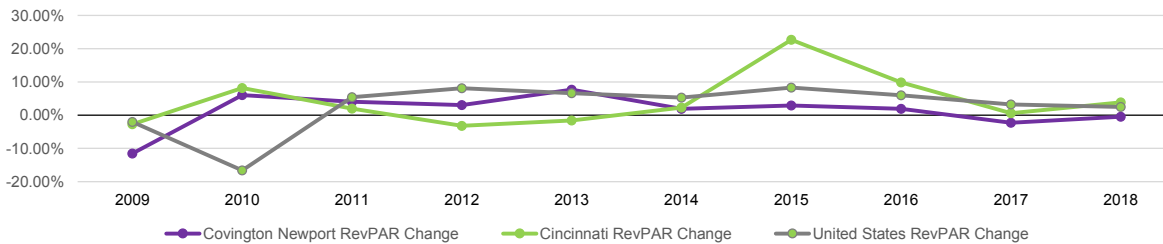


Cincinnati ADR & RevPAR
Local Market Trends



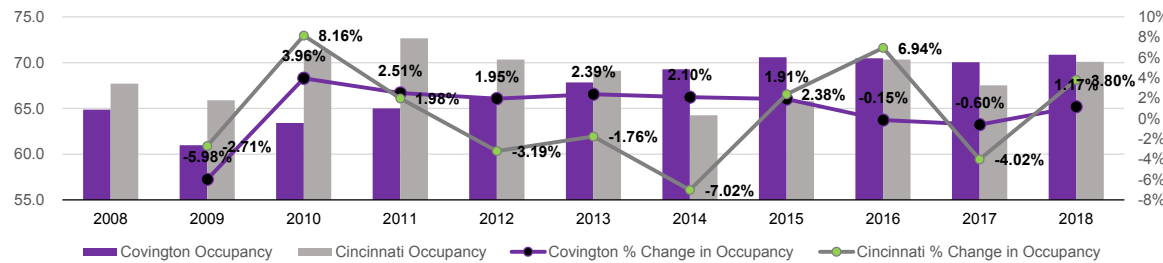
RevPAR Growth

Local Market vs Charleston vs United States



Occupancy

Local Market vs United States Trends



As can be seen to the left and above, Covington/Newport ADR and RevPAR has remained steady over the last ten years, while Cincinnati ADR and RevPAR have grown slightly. Additionally, while Covington/Newport occupancy rates have remained steady and risen slightly, Cincinnati has seen inconsistent occupancy levels in the past ten years.

SOURCE: Noell Consulting Group, CoStar

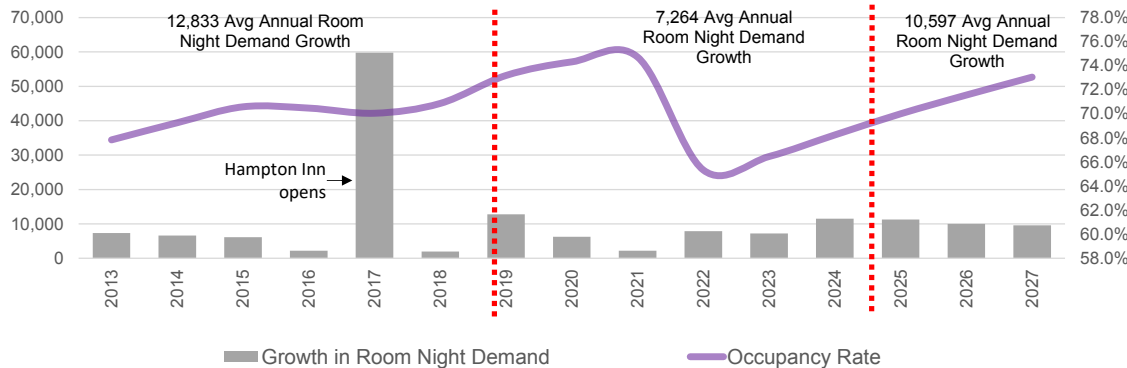


CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 95

Lodging Demand Analysis for Covington/Newport Competitive Service Set, 2012 - 2027

Demand	2012	2013	2014	2015	2016	2017	2018	Avg. '12-'18	2019	2020	2021	2022	2023	Avg. '19-'23	2024	2025	2026	2027	Avg. '24-'27
Employment Growth in the Metro ¹	16,000	15,975	17,717	19,342	19,175	13,492	10,871	16,082	14,711	4,153	-486	9,079	8,287	7,149	7,683	7,515	6,679	6,381	7,065
Total Room Nights Demanded	306,635	313,960	320,560	326,681	328,850	388,628	390,590	339,415	403,389	409,618	411,804	419,702	426,912	414,285	438,436	449,709	459,728	469,299	454,293
Growth in Room Night Demand	5,874	7,325	6,600	6,121	2,169	59,778	1,962	13,993	12,799	6,229	2,186	7,899	7,210	7,264	11,524	11,272	10,019	9,572	10,597
% Change in Room Nights Demanded	2.0%	2.4%	2.1%	1.9%	0.7%	18.2%	0.5%	4.6%	3.3%	1.5%	0.5%	1.9%	1.7%	1.9%	2.7%	2.6%	2.2%	2.1%	2.5%
New Room Nights Per New Job	0.37	0.46	0.37	0.32	0.11	4.43	0.18	0.87	0.87	1.50	-4.50	0.87	0.87	1.02	1.50	1.50	1.50	1.50	1.50
Total Room Nights Supplied (Existing)	462,820	462,820	462,820	462,820	466,602	554,774	551,150	489,115	551,150	551,150	551,150	551,150	551,150	551,150	551,150	551,150	551,150	551,150	551,150
Growth in Room Night Supply	0.0%	0.0%	0.0%	0.0%	0.8%	18.9%	-0.7%	2.7%											
Additional Room Nights from Planned Deliveries																			
Newport on the Levee New Hotel	250																		
									-	-	-	91,250	91,250		91,250	91,250	91,250	91,250	
									-	-	-	-	-		-	-	-	-	
Total Room Nights Supplied	462,820	462,820	462,820	462,820	466,602	554,774	551,150		551,150	551,150	551,150	642,400	642,400		642,400	642,400	642,400	642,400	
Occupancy Rate	66.3%	67.8%	69.3%	70.6%	70.5%	70.1%	70.9%		73.2%	74.3%	74.7%	65.3%	66.5%		68.2%	70.0%	71.6%	73.1%	
Excess Room Night Supply Over 65% Occupancy	5,802	13,127	19,727	25,848	25,559	28,025	32,343		69,448	79,031	82,394	3,296	14,388		32,117	49,459	64,874	79,599	
Supportable Rooms @ 65% Occupancy									190	217	226	9	39		88	136	178	218	



The demand above is for the Covington/Newport market. While the Cincinnati market is not included, there is a large pipeline in Cincinnati, which may present some softness in the Covington/Newport market, though historically, there has not been much crossover.





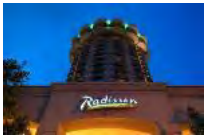

On the graph to the left, occupancy rates for the Downtown Covington/Newport market are shown with the purple line. It is important to note that the 2022 drop off is due to the planned Newport on the Levee hotel addition by North American Properties. Given planned supply, we don't foresee excess demand to the existing rooms until 2026 and 2027, at which time a 200-225 room hotel would find support.

SOURCE: Noell Consulting Group based on data obtained from Smith Travel Research and Moody's.



CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 96 Summary of Key Selected Hotels in the Market Area

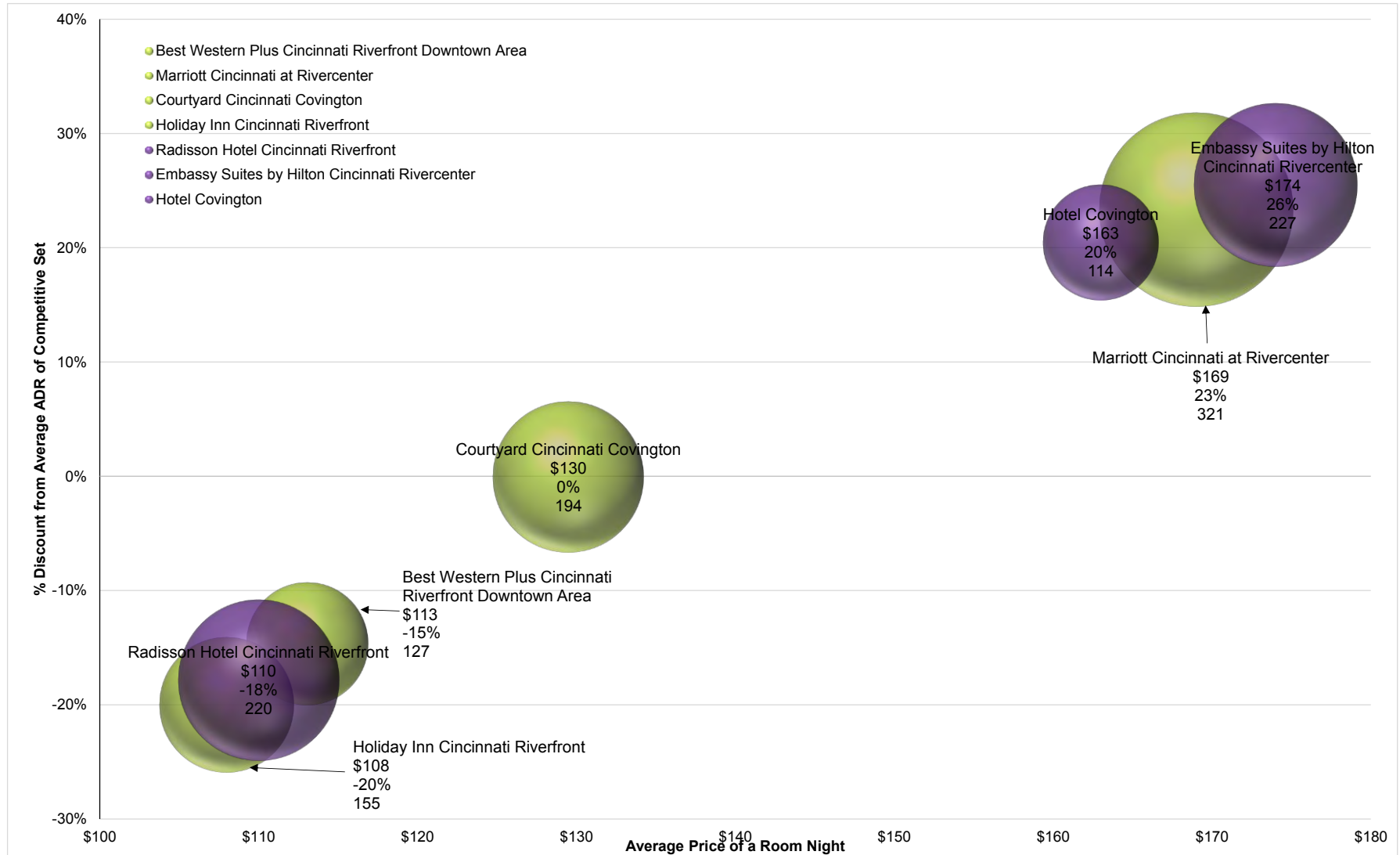
Hotel	Rooms	Type	Quoted Range*	Est. Quoted	Discount from Avg. ADR	Parking / Fees	Amenities	Comments
Best Western Plus Cincinnati Riverfront Downtown Area 	127	Upper Midscale Class	\$107 - \$119	\$113	-15%	Self-park Free	Breakfast; heated indoor pool; in room refrigerator, microwave and coffee/tea maker; fitness center; meeting space; laundry service	Older hotel, built in 1997, on the western side of I-71. A convenient hotel, less attractive to convention go-ers.
Marriott Cincinnati at Rivercenter 	321	Upper Upscale Class	\$149 - \$189	\$169	23%	Off-site, on-site and valet parking for \$28/day	Meeting space, event space, coffee maker in room, restaurant on premises, fitness center, indoor lap pool	Built in 1999 and renovated in Nov 2018, it is the only hotel to have a skybridge connecting to Northern Kentucky Convention Center.
Courtyard Cincinnati Covington 	194	Upscale Class	\$124 - \$135	\$130	0%	Self-park, \$10/day	Complementary shuttle, Starbucks bistro, fitness center, indoor pool, whirlpool, coin laundry	Built in 1999 and to the west of the subject property, this riverfront hotel is by the bridge and Hamburger Heaven with waterfront views.
Holiday Inn Cincinnati Riverfront 	155	Upper Midscale Class	\$101 - \$115	\$108	-20%	Self park Free	Business center, outdoor pool, fitness center, laundry on site, dry cleaning valet	The oldest hotel of the comp set, the Holiday Inn was built in 1969 and is next door to the Courtyard. It is a value hotel like the Radisson and Best Western.
Radisson Hotel Cincinnati Riverfront 	220	Upscale Class	\$101 - \$119	\$110	-18%	Self park Free	Meeting space, fitness center, indoor pool, 24hr corner pantry, dry cleaning valet, laundry service, coin laundry	Built in 1972, this hotel is next to I-71 and is also a value play alternative to more expensive convention hotels.
Embassy Suites by Hilton Cincinnati Rivercenter 	227	Upper Upscale Class	\$153 - \$195	\$174	26%	Self \$10, Valet \$26	Breakfast, evening reception with snacks and drinks, meeting space, ballroom, shuttle, laundry service, room service	Located across the street from the Convention Center and built in 1990, the Embassy Suites enjoys a slightly higher ADR than the Marriot, despite recent renovations and a skybridge.
Average Key Hotels in Market	207		\$123 - \$145	\$134				

*Rate ranges are based on a sample selection of quoted retail rates through March 2019 and interviews with hotel managers

SOURCE: Noell Consulting Group, STR, Inc.

CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

Exhibit 97
Hotel Comparables



Source: NCG, CoStar

