



CITY OF EVANSVILLE

OFFICE OF THE MAYOR
JONATHAN WEINZAPFEL

NEWS RELEASE

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Memorandum of Understanding Reached on Downtown Hotel Project

(EVANSVILLE, Ind.) – December 16, 2011 – Evansville Mayor Jonathan Weinzapfel announced today that the Kunkel Hotel Group and negotiators working on behalf of the Evansville Redevelopment Commission (“ERC”) have reached a written understanding to bring a new convention headquarters hotel to downtown Evansville.

At its regularly scheduled meeting on December 6, 2011, the ERC approved a resolution to enter into negotiations with the Kunkel Hotel Group, and directed its negotiation team, including Rob Hunden of Hunden Strategic Partners, LLC of Chicago and the law firm of Barnes & Thornburg, to report back regarding the status of those negotiations at the next regularly-scheduled ERC meeting, which will be next Tuesday, December 20.

The understanding, consisting of a memorandum executed today by Ben Kunkel and recommended to the ERC by the negotiators, sets forth the incentives package and development terms to create the new hotel on the site of the former parking garage located on Walnut St. between Martin Luther King, Jr. Blvd. and Sixth St. Although the MOU is not legally binding on either party, it does outline a set of incentive loans valued at \$8 million, which are in line with the incentive package included in the request for proposals and with the incentive package generally approved by the City Council by resolution last January.

“We believed from the beginning of this process that a convention hotel in Downtown Evansville – supporting and supported by the Ford Center and The Centre – not only is necessary for the economic well-being of our community, but is also obtainable. The MOU is a giant step forward in making this proposed convention hotel a reality. For all intents and purposes, it is a bridge to our future,” said Mayor Weinzapfel.

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Funding for the incentives is already on deposit with the Evansville Bond Bank, and the loans will be supported only by commitments from the developer and the revenue collected in the Downtown TIF fund. The incentives are not a burden on the general property taxpayer nor a general obligation of the City of Evansville. The City Council will be asked to reaffirm its commitment to the hotel development, based upon the MOU, at its meeting on Monday, December 19.

The negotiating team will now begin work on the complete development agreement and related legal documents.