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# news release

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**FOR IMMEDIATE RELEASE**

## **Ark Encounter Receives State Approval for Tax Rebates:**

**Economic impact study gives themed attraction high marks**

**PETERSBURG, Ky., May 19, 2011** – This afternoon, the Tourism Development Finance Authority of Kentucky unanimously approved the application of the Ark Encounter LLC to receive a rebate of sales tax that is to be collected when the attraction opens in Grant County. Based on evaluating a 3-month study, the Authority determined that the project exceeds the criteria established by the state’s Tourism Development Act and thus qualifies to receive a sales tax rebate that Kentucky offers as an incentive for prospective tourist attractions to build in the state.

The Authority today approved the analysis conducted by the independent research group Hunden Strategic Partners. HSP was commissioned by the state to determine how much money tourists would spend at the future Ark Encounter and whether the attraction would have a net positive economic impact for Kentucky even after the rebates are factored in.

The report’s executive summary presented the bottom line of the likelihood of success: “Overall, the Project scores high on nearly all the critical success factors,” adding that “the Project meets all criteria identified by the Kentucky Tourism Development Act.”

The Tourism Authority determined that the Ark Encounter is eligible to receive a sales tax rebate from the sale of tickets, food, and resources at the Ark Encounter for 10 years. The performance-based incentive allows the Ark Encounter to recover up to 25% of its construction costs if it meets attendance and sales projections. The remaining sales tax that is kept by the state plus other taxes collected (e.g., income taxes of citizens employed at the attraction and at businesses created by the Ark, plus sales tax collected by those businesses) will have a net positive impact for the state. If the Ark Encounter was not built in Kentucky, those millions of dollars in potential revenue would go to another state. The Tourism Development Act offers impressive financial incentives through rebates without taking existing money out of the state’s coffers.

- more -

## Ark Encounter Receives State Approval for Tax Rebates, page 2

Hunden Strategic Partners specializes in conducting what is called a “fiscal impact analysis” as it studies a potential tourism project. An economic impact study rather than a feasibility study, the HSP analysis presented two Ark Encounter scenarios and the possible results of each: Scenario A, in which the Ark Encounter will present biblical events from the Old Testament that would exclude the creation account of origins; and Scenario B, in which the project would be similar in content to Answers in Genesis’s Creation Museum and its teachings from the first chapters of the book of Genesis. The Ark Encounter satisfies Scenario A, for it will be an attraction that starts with Noah’s Flood and then continues through the rest of the Old Testament.

The HSP analysis noted that if the Ark Encounter follows Scenario A, then it:

- benefits from a theme (the Bible) which has “perhaps one of the largest built-in audiences in the U.S.”; very conservatively, HSP predicts 1.2 million visitors from outside the state in the first year; AiG’s own 2009 feasibility study mirrors that estimate (1.6 million visitors coming from both outside Kentucky and inside).
- could have an expected impact to the state of \$119 million (e.g., from sales tax, income tax, etc.) over ten years; after the rebate is factored in, the Ark Encounter will generate an estimated \$64.6 million in taxes for the state over 10 years.
- will see (among many benefits): guests filling about 600,000 room nights per year at area hotels, see the hiring of over 3,000 people at the attraction and also at tourism-related business that will be created by the Ark Encounter, etc.

Mike Zovath, Senior Vice-President of Answers in Genesis and head of the team that built the successful Creation Museum in Boone County, further noted: “This Ark project will be great for Williamstown, Grant County, and Kentucky. It will bring much-needed revenue and jobs to the Commonwealth. I am satisfied with the HSP analysis because it confirms what we have believed for some time: the Ark Encounter is a viable and worthwhile project.”

The Ark Encounter is a one-of-a-kind historical themed attraction. In an entertaining and educational way, it will present a number of themes from the Old Testament, centered on a full-size, all-wood Ark. The attraction also includes a walled city, a first-century Middle Eastern village, a tower of Babel, a large petting zoo, and other attractions. A nationwide feasibility study commissioned by Answers in Genesis in 2009 estimated that the Ark Encounter could draw over 1.6 million visitors the first year.

The Ark Encounter is scheduled to open in spring 2014 on about 800 acres off I-75 in Grant County, Kentucky, south of Cincinnati, Ohio. Groundbreaking is tentatively planned for late August 2011. The for-profit Ark Encounter will be privately funded, with an estimated cost of almost \$150 million. A non-profit subsidiary of Answers in Genesis will be a member of the LLC and manage the project. See [www.ArkEncounter.com](http://www.ArkEncounter.com)

-30-

**Note to Editors:** To obtain additional information, or for interview requests, please contact Melany Ethridge of A. Larry Ross Communications at 972.267.1111 or via e-mail at [melany@alarryross.com](mailto:melany@alarryross.com).

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