To: Center City Revenue Finance Corporation (CCRFC) Board of Directors
From: DMC Staff
Date: November 10, 2026
RE: PILOT Program Update & Deadline Modification

Background:

The DMC has a long history of periodically reviewing its existing incentive programs to ensure they remain aligned with current priorities and market conditions. The CCRFC's goal in managing the PILOT program has consistently been to identify the shortest possible tax abatement term that still allows high-impact, challenging redevelopment projects to move forward and remain economically viable. Given the current realities of elevated construction costs, high local property taxes, and prevailing commercial rental rates, PILOT incentives remain necessary for many urban redevelopment projects to attract private debt and equity and compete with other investment opportunities.

The CCRFC approved an updated PILOT policy at its December 9, 2022, meeting. However, by late 2024, the program had generated an insufficient number of applications, and none of the projects approved under the revised policy had moved forward. In response, the CCRFC reverted to the previous PILOT policy in an effort to generate greater interest and encourage additional investment in Downtown and the urban core. In December 2024, the CCRFC readopted the former PILOT policy for a two-year period, effective through December 31, 2026. As that authorization period nears expiration, the policy must be reauthorized to ensure continued program availability and provide certainty for prospective developers and investors.

Recent PILOT Approvals:

Since January 1, 2025, the CCRFC approved eight PILOT applications. Of those eight projects, one is currently under construction, while the remaining seven are in the planning or pre-development stages. Notably, four of the eight approved PILOTs were approved within the past four months.

Approved	Project	Description	Budget	Term	Status
Oct. 2026	22 N. Front	175-unit apartment	$82M	20-year	Planned
Oct. 2026	Belle Mont Phase II	14-unit apartment	$2.7M	10-year	Planned
July 2026	185 Union	284-key hotel	$63M	20-year	Planned
July 2026	767 Kentucky	26-unit apartment	$2.9M	15-year	Planned
March 2026	675 S. Riverside	137-unit apartment	$26.5	15-year	Planned
March 2026	430 Monroe	21,680 sq building	$5.6M	10-year	Construction
July 2025	193 Pine	28-unit apartment	$3.7M	10-year	Planned
Jan 2025	Cooper & Central	277-unit multifamily & 125-key hotel	$137M	20-year	Planned

While approval of a PILOT by the CCRFC is the first key step and does not guarantee that a project will ultimately secure all necessary debt and equity financing or advance to construction, the eight projects approved since January 1, 2025, represent more than $323 million in proposed investment in commercial real estate development. Collectively, these projects would deliver more than 650 new apartment units and over 400 new or fully renovated hotel rooms.

Staff Recommendation:

Although momentum is building and interest in the PILOT program is moving in the right direction, substantially more investment in commercial property is needed to achieve our community's goals of addressing blight and vacancy, improving quality of life, strengthening the local tax base, and creating the density necessary to support viable public transit and sustainable neighborhood retail. Furthermore, investment in commercial property has yet to return to pre-COVID levels.

Staff recommends extending the current PILOT policy through December 31, 2028, or until such time as the CCRFC convenes a Policy Committee and considers a proposed replacement policy. This extension would provide continued certainty for developers and investors while allowing the CCRFC sufficient time to evaluate the program and consider potential policy changes.