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Framing the Issue

WHERE SHOULD WE BUILD THE ARENA?

Developers push for suburban sites, citizens group promotes downtown

By Rodney Berry

Existing facilities are not competitive

Local elected officials will make a decision soon that will shape the image, growth patterns and distinctiveness of our community for decades. They will decide where to build an arena (also referred to as a multi-purpose events/convention center). Leaders agree that the 60 year old Owensboro Sportscenter must be replaced, and Executive Inn managers acknowledge that the hotel's convention facilities are no longer competitive. Consequently, a multi-purpose facility that combines these two functions has worked itself to the top of the public projects wish list.

TIF can help finance public projects

When state government authorized tax increment financing (TIF) during the 2007 legislative session, Owensboro-Daviess County suddenly had another mechanism available to finance a \$50-60 million arena and other desired public projects. Through TIF, the state designates a district with an established baseline of taxes generated from it. As investments occur in the district, government

revenues increase from property, sales and occupational taxes, but a portion of the revenue that otherwise would be received by the state can be diverted to finance local public projects.

Appealing to developers and the state

It took little time for developers and community project advocates to realize that tax increment financing (TIF) was something significant. Developers can cluster hotel, office, retail, restaurant or residential projects in a designated district near the public facilities financed through TIF. That way public projects such as arenas, convention centers, stadiums, sports and recreation centers generate traffic that support the nearby private investments which helps developers lease their space.

A comparable arena/events center from another community.

The state sees it as a win-win opportunity, since without TIF, the projects are not likely to occur anyway and there would not be revenue to lose.

Two proposals under consideration

Now that David Hocker and Associates pulled out of the competition, two proposals are under consideration that will include a new arena/multi-purpose events center:

Gulfstream Development

This local real estate development group proposes an ambitious mixed-use development in the Highway 54 area near the future OMHS site.

Downtown Development Corporation

This volunteer citizens group is working with RBS Design on a conceptual site plan for the downtown area.

Details have not been made available, but both projects apparently will propose using the TIF tool:

Gulfstream will seek a signature TIF district (for projects of \$200 million or more) that would divert state taxes for 30 years to finance the arena and various public projects within the district. The signature TIF option is only available through December 31, 2007. A suburban (Highway 54) mixed-use project would likely include significantly more retail than a downtown project.

Downtown advocates will likely seek a standard 20-year TIF district (for projects between \$20 million and \$200 million) supplemented by a state grant and local government support to finance the arena and various public projects within the district. A downtown project would likely include more housing and entertainment-cultural components.

Decisions to make soon

Because an arena is a focal point of any plan, to obtain state approval of a signature TIF district by December 31, city and county officials will need to make a decision soon. Many planning, design, engineering, tenant and financing elements of the proposal need to be secured in order to be considered by the state TIF review committee by year-end.

Advocates for one of the two options may be positioning with gubernatorial candidates and leaders of the state legislature, but local officials will make the final recommendation.

Extensive public participation is warranted

Clearly, this decision will have a powerful visual and economic impact on our community. Some feel strongly that we should not turn our back on the downtown; others believe that the market forces of suburban growth should be accepted and supported.

We offer the following outline for public deliberation on this pivotal community decision. You may agree or disagree with various points; you may have other points to add to the list.

We encourage citizens from all walks of life to participate. Learn about the issues. Listen to all points of view. Consider what is in the community's best interest. Examine the tradeoffs. Come to an informed judgment. And share your views with elected officials and others in key positions of authority on this decision.

WHERE SHOULD WE BUILD THE ARENA?

THOSE WHO SUPPORT A SUBURBAN PROPOSAL MAY SAY...

- By using tax revenue that otherwise would go to state government, this is the best way to painlessly finance the arena and other public projects.
- To attract upscale retailers and out-of-town shoppers, we need to increase traffic to the stores by building a cluster of public projects nearby.
- A larger suburban project will help us regain a large portion of the retail sales we have lost in recent years to Evansville, Bowling Green and other markets.
- Retail shopping options play an important part in attracting professionals and executives to our community. Spouses are often influential and they prefer high quality, upscale, convenient retail stores.
- Retailers won't go downtown. They want to be on a first level with plenty of parking at their front door.
- Downtown development alternatives are too complex and expensive. Property is too expensive and parking must be decked. And there is not enough land to place tenants on the first floors.
- We cannot force retail into downtown. Downtown's future is with residences (overlooking the river) and restaurants.
- A suburban cluster of public projects combined with a "Lifestyle (retail) Center" would represent the largest investment, create the greatest number of jobs, expand the tax base, and generate the most revenue from the TIF district.

■ Other _____

■ Other _____

■ Other _____

WHERE SHOULD WE BUILD THE ARENA?

THOSE WHO SUPPORT A DOWNTOWN PROPOSAL MAY SAY...

- We must curb urban sprawl and development into agricultural land and the flood plain. Rather than continue to expand costly public facilities and services, we should redevelop areas where this infrastructure already exists.
- The intent of the TIF legislation was to stimulate redevelopment, not to foster urban sprawl.
- There is nothing distinctive about suburban commercial centers. They all look alike. We have an opportunity to do something unique and special downtown and along our riverfront.
- Retailers could be attracted to downtown with creative design that addresses parking, visibility, accessibility and that maximizes the riverfront connection.
- Taxpayers (through the federal government) are investing \$50 million in riverfront improvements. Why would we want to turn our back on that? If we do, years from now, we will regret it and wonder how we could have let that happen.
- Traffic congestion is already an increasing problem in the Highway 54 area. The proposed development, the new hospital, plus an arena and other public projects would dramatically increase congestion on Highway 54.
- We have seen too many public buildings leave downtown. As a matter of policy, community/public projects, such as an arena, should always be built downtown if possible.
- If the arena (and the other major public projects) are built in the suburbs, it would be the deathblow for the Executive Inn and downtown.
- Other _____
- Other _____
- Other _____

DISCUSSION QUESTIONS

Which of these points do you agree or disagree with? Are there other points you can add?

Should local officials turn down an opportunity to generate millions of dollars per year to finance public projects through tax revenues that otherwise would be going to Frankfort?

Is a suburban mixed use project and TIF district the only way to finance the arena? What if there are other solid options: state funding, occupational, hotel or restaurant tax, etc.?

Is it possible to have the best of both worlds – support a suburban project but also step up efforts to do some things downtown?

If downtown is so important to community image and appeal, are we willing to sacrifice for a better downtown? Are we willing to pay higher taxes?

Can we shift some of the \$30 million earmarked for drainage projects to finance some of these community projects?

Once plans, renderings and financial summaries are available, why not allow the public to vote on the options? ...or at least share their views with officials?

What gives our community distinctiveness – the look and feel and offerings of our downtown or our suburban developments?

LEARN MORE

Gulfstream Development
2960 Fairview Drive
Owensboro, KY 42303
685-9007

Downtown Development Corporation
c/o Greater Owensboro Economic Development Corporation
200 East Third Street
Owensboro, KY
926-4339

City of Owensboro
101 East Fourth Street
Owensboro, KY 42303
687-8550

SHARE YOUR VIEWS

City of Owensboro

Mayor Tom Watson
Commissioner Cathy Armour
Commissioner Candance Brake
Commissioner David Johnson
Commissioner Al Mattingly
101 East Fourth Street
Owensboro, KY 42303
687-8550

Daviess County Fiscal Court

Judge-Executive Reid Haire
Commissioner Bruce Kunze
Commissioner Jim Lambert
Commissioner Mike Riney
Daviess County Courthouse
Owensboro, KY 42303
685-8424

Owensboro Metropolitan Planning Commission

Drew Kirkland, Chairman
Gary Noffsinger, Director
101 East Fourth Street
Owensboro, KY 42303
687-8650



SMITH-WERNER BUILDING HIGHLIGHTS MAIN STREET

A hearty salute to the Daviess County Fiscal Court for saving and restoring the Smith Werner Building on Main Street. With its ornate pressed metal façade now coming into focus through the preservation process, the building is sure to be a new landmark and a tribute to the craftsmanship that characterized the buildings of old Owensborough.

The county may not earn a financial return on its investment, but because the fiscal court stepped in, our Main Street and community image will be enhanced significantly. New businesses will fill the space with downtown workers and customers, and the project will inspire other property owners to maximize the potential of their buildings.

It is unfortunate that the former Walgreen’s Drug Store Building next door was not saved. Since it was razed, the lot has been used to park a few cars. Perhaps the Smith-Werner restoration will attract a developer to construct a carefully-designed complement to the Smith-Werner Building to fill out the corner and lift that property to a higher and better use.



MYSTERY FESTIVAL: WHODUNIT?

Well, we know whodunit: it was Zev Buffman, RiverPark Center’s hard charging CEO. Zev would be the first to acknowledge that it was a team effort, that the entire staff and hundreds of participants and volunteers chipped in to make the International Mystery Writer’s Festival first year so well-presented and received. Zev would make it clear that the sponsors made it all possible and that his friends in the industry spread the word and gave the event credibility.

But it was Zev’s idea. His vision. His initiative. And he deserves the credit.

Thank you, Zev, for another innovation. Another mark of distinction for RiverPark Center and the community that we are glad you now call home.

URBAN GARDEN WORTH REPLICATING



Citizens tend to become more engaged in public life when they feel part of a community, when they have a sense of place. The congregation of Saint Joseph and Paul Catholic Church is setting a fine example of community-building with their new parish hall on East Fourth Street across from the church. Tucked behind the parish hall and what’s left of the old school is a bounteous community garden that serves the church members and neighborhood.

Local food is an emphasis of environmentalists these days. Local foods are fresher, have more nutrients, taste better and support local growers. The preparation, care and harvesting of the garden bring people together in ways that build teamwork and camaraderie.

Because of higher cost, many low-income families rely on canned fruits and vegetables. It’s wonderful that, in this neighborhood, there is a healthy alternative.

MUSEUM POISED FOR BLUEGRASS MUSIC GROWTH



Despite the letdown when the International Bluegrass Music Association moved its headquarters, annual trade show, fan fest and awards show to Louisville (and now Nashville), Owensboro-Daviess County is still well-positioned to benefit from the increase in bluegrass music popularity.

A 2003 Simmons Research survey indicated that eight million

Americans purchased bluegrass music products – a 104 percent increase since 2000. Conservative projections for 2007 bump the number of U.S. bluegrass fans to well over 10 million, plus the many millions of fans worldwide.

The International Bluegrass Music Museum hosted its annual River of Music Party (ROMP) from June 21-23 with events at the RiverPark Center, museum and Yellow Creek Park. As appealing as the event already is, the host of a bluegrass radio show from Nashville reported to the Owensboro Rotary Club recently that, within a few years, ROMP could attract 45,000 fans.

A recent article on the museum was inserted in seven million newspapers through the *American Profile* magazine. Last month, *Southern Living* ran a feature on the museum. And a new Internet radio show was recently launched from the museum.

How can our community seize this opportunity? What needs to be done to accommodate a tourist attraction that brings 45,000 people to our community ever year? What kind of ongoing community support is appropriate to sustain the museum in its growing years?

Challenging topics for leaders, museum advocates and the public at-large.

CORRECTION AND COMMENT: ICE RINK SITE SELECTION

In my recent column on the ice rink site selection (*Public Life Advocate*, Volume 4, Issue 7), I incorrectly suggested that the process was flawed. The ice rink was included in the Rec Plex feasibility study. That study involved a citizen steering committee, public hearings, and the evaluation of more than a dozen sites based on extensive criteria. We would be well-served if all public projects were characterized by a comparable process. Far too often, the decisions over where to build public projects in Owensboro-Daviess County have been made by a handful of officials without any meaningful citizen participation or objective analysis of options.

However, there must have been concerns over the ice rink site selection process or there would not have been such opposition and indecision on the city commission. Perhaps it was because circumstances have changed since the Rec Plex committee was established nearly five years ago. Local developers have recently proposed including a double-sheet ice arena into major private investments. Kentucky now authorizes tax increment financing that allows us to divert more state taxes to finance local projects. And we now have a \$50 million riverfront improvement under construction.

Some have suggested that this warrants a re-examination of site options for all major public projects under consideration, including the ice rink and Rec Plex, so as to most effectively complement other projects and maximize the investment impact.

Rodney Berry, President
Public Life Foundation of Owensboro