



City Commission Meeting Highlights

Called Meeting, Tuesday, March 31, 2015 at 7 p.m. at City Hall

Establish Economic Development Incentive Guidelines

The Mayor and Commissioners approved a municipal order to establish policy and guidelines for providing economic incentives and infrastructure assistance to qualified projects locating or expanding within the boundaries of Paducah and McCracken County. One of the committees created following the 2013 National Citizen Survey in Paducah focused on the city's role in economic development. After many meetings and discussions with stakeholders including Paducah Economic Development (PED), this municipal order was created to replace one approved in 2013. City Manager Jeff Pederson says, "We sought to craft a more complete, a more prescriptive order." Pederson says this is a values-driven document that seeks to bring greater definition to the use of economic incentives and increased logic to the process. PED President Scott Darnell says the policy has five key provisions: 1) it stimulates investment rather than compensating investment; 2) it's performance-based; 3) it's a baseline to start an honest two-way discussion and negotiation with both sides feeling good about the deal; 4) it's flexible; and 5) it provides a framework to protect the public sector's investment. Darnell says, "It's a great document. It gives me the flexibility to be successful."

A portion of the policy states, "To encourage economic development, business expansion, and job creation, the use of financial assistance will be used to further the city's goal of population growth, long-term economic growth, and employment opportunities for its citizens. To achieve this objective, the City will, on a case-by-case basis, provide economic incentives as an inducement for qualified economic development." The policy outlines the criteria for economic incentives which include the types of industries, the minimum number of jobs to be created, the beginning salary threshold, and the minimum capital investment by the prospective industry. The municipal order also lists the various types of incentives that could be available and would be customized on a case-by-case basis. The incentive categories include city grants, infrastructure improvements, tax credits, real property, property tax exemptions, tax increment financing, fee waiver, and expedited plan review. Also in the municipal order is the required information from the industry which includes a review of the company's financial statement. The City Manager will review each proposal to determine if it meets the objectives of the city and that resources are available. If incentives are to be offered, a development agreement then will be drafted for approval by the City Commission.

Contract with Barbeque on the River, Inc.

The Mayor and Commissioners approved a municipal order for a two-year contract with Barbecue on the River, Inc. Commissioner Carol Gault abstained from the vote. The agreement outlines the City's in-kind support for the annual, charitable festival and BBQ's obligations to the City. City Manager Jeff Pederson says, "The City provides in excess of \$100,000 per year in in-kind support to make the festival possible. We are formally recognizing the important relationship between the City and BBQ." Pederson says the contract was drafted in complete consultation with BBQ. In the agreement, BBQ shall file the necessary permit for the festival and obtain the liability insurance, provide an annual presentation at a City Commission meeting, and provide to the Finance Department a financial statement for the most recently ended calendar year, a copy of I.R.S. Form 990, a confirmation of the organization's current, tax-exempt status, and a list of all participating organizations, their donation amounts, and the recipients. Each food vendor at the festival is required to donate a minimum of 20 percent of their net profits to their designated charity recipient. Also, the City shall have one ex-officio board member to serve on the BBQ board of directors.

Contract with Republic Services, Inc. for Recycling Services

City Manager Jeff Pederson discussed the contract that is being drafted between the City and Republic Services, Inc. for a recycling drop-off facility for the public at Republic's Transfer Station located at 829 Burnett Street in Paducah. Since the contract will be for an amount not to exceed \$20,000, Pederson will be able to sign the contract. Once the \$20,000 threshold is met, the City will initiate a procurement process. The agreement with Republic Services involves the City paying a fee for the transporting of recyclables to a processing facility. Republic will then process the items at no cost to the City.

Purchase of Property Located at 501 North 3rd Street



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The Mayor and Commissioners approved an ordinance for the purchase of property located at 501 North 3rd Street. The property will be purchased from Kentucky Holdings I, LLC in the amount of \$257,227.97. The 1.86-acre property is located adjacent to the City's floodwall. On the property is a building that once housed a nursing home. Paducah Riverfront Development Authority Executive Director Steve Doolittle says, "We are going to land bank this property and see if we can inspire some development there that's good for downtown."

Amendment of Agreement with the USACE for the Design of the Floodwall Project

The Mayor and Commissioners approved an ordinance to amend the design agreement approved in February 2013 with the U.S. Army Corps of Engineers (USACE) for projects to rehabilitate the floodwall. The 2013 agreement consisted of the Preconstruction Engineering and Design activities for the top priority project which is the rehabilitation of the floodwall pump stations. The development of the rehabilitation plans and specifications for the pump stations are underway. In this ordinance, the agreement is amended to include the remaining priority projects for Paducah's floodwall system. The next priorities are flap gates; seal closures; gate wells; T-wall, toe drain, water stops, and other miscellaneous items; a new pump station; and I-wall investigation, analysis, and remediation. This amended agreement estimates the total design costs associated with these projects at \$2.28 million. The City's obligation is 35% or \$798,674 which can be funded through in-kind services and funding from budget cycles. City Engineer-Public Works Director Rick Murphy says construction to rehabilitate the City's floodwall pump stations is expected to start in August 2017.

Background: In a 2010 feasibility report, USACE outlined projects to improve the reliability and restore the system performance of the City's floodwall. In 2012, the USACE Chief's report recommended to the U.S. Congress the implementation of the projects outlined in the feasibility report. Rehabilitating the floodwall is an approximately \$20 million endeavor which will involve several project phases. The 12.2-mile long floodwall was constructed between 1939 and 1949. For more information about the floodwall including a slide presentation from USACE, visit <http://paducahky.gov/paducah/floodwall>.

Quick Highlights

- Ordinance approved for a loan guaranty instrument with Regions Bank for the benefit of the Greater Paducah Economic Development Council (GPEDC). This loan guaranty for the outstanding balance of \$321,437.97 is related to the loan originally made by GPEDC in 2003 for a payment to the Kentucky Economic Development Finance Authority (KEDFA) for Information Age Park. If GPEDC made an immediate payment in 2003 to KEDFA, then the interest rate of the KEDFA loan would be reduced from eight to three percent. This loan with Regions Bank funded that immediate payment.
- Ordinance approved for an amendment to the City's contract with Pepsi for beverage service for all Paducah Parks Services facilities. The amendment allows Pepsi to purchase scoreboards directly with the City installing them.
- Ordinance approved accepting the bid of \$34,782 from Alert Alarm Systems of Paducah for the installation of security cameras throughout the Police Department property at 1400 Broadway.
- The City Commission meeting scheduled for April 7 may be cancelled due to Spring Break activities.

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