



City Commission Meeting Highlights

Tuesday, October 6, 2015 at 5:30 p.m. at City Hall

Riverfront Project Phase I-B Options

After a presentation by City Manager Jeff Pederson and Paducah Riverfront Development Authority (PRDA) Executive Director Steve Doolittle, the Paducah Board of Commissioners discussed the options for moving forward on Phase I-B of the Riverfront Redevelopment Project. Phase I-B involves the completion of the park and the installation of the gangway and transient dock in addition to boater amenities such as fuel, power, sewer pump outs, and water. Base bids received for the project at the September 9 bid opening ranged from \$8.35 to \$8.90 million. The City has \$5.15 in grant funding for the project. Pederson says, "There has been a lot of time put into the examination of bids. Plus, there has been a lot of staff time spent looking at a range of options that exist."

The four main options presented at this meeting with estimated project costs based on the recent bid amounts are as follows:

1. Move forward with the project as bid (\$8.453 million—includes a fee for construction management);
2. Re-bid the project to finish only the park and none of the boating infrastructure components (\$4.927 million);
3. Re-bid the project to complete the transient dock and boating infrastructure, but the park components including the rock, soil, grass, sidewalks, lighting, and revetment would not be completed (\$3.83 million); or
4. Re-bid the project to complete the park, gangway, and only 100 feet of transient dock without amenities including fuel, utilities, sewer, and water (\$6.288 million).

On options 2 and 4, the City would forfeit the Boating Infrastructure Grant (BIG)*. Each of the four options has sub-options for a total of ten possible scenarios.

Much of the discussion involved the three deduction options for the current bid (under option 1). The three options are to remove 60 feet of transient dock, remove the center railing from the dock, and remove the wave attenuator from under the dock. Those three items would reduce the current base bid to \$7.91 million.

The Board of Commissioners decided to continue the project discussion next week with the awareness that a decision needs to be made soon since the bids opened September 9 will be valid only through November 6.

Pederson did provide information about possible financing for the project. He says the City had projected starting in the next fiscal year to issue a bond for the renovation of the former Executive Inn Showroom with an anticipated annual bond payment of approximately \$250,000. That payment amount would be enough to cover a bond to complete Phase I-B as designed if the City decided not to renovate the Showroom. Pederson also added that discussions are underway with the County to use a portion of the transient room tax, also known as the bed tax, to fund the relocation of the pavilion.

PRDA Chairman Bruce Brockenborough attended the meeting in support of the project. At PRDA's September 23 meeting, members unanimously approved a motion to request the Paducah Board of Commissioners to move forward with the Riverfront Phase I-B project as proposed and as bid. Brockenborough says, "Anything less than option 1 is not a real project." He adds, "We are talking about a strategy that is building regional tourism. There is a certain element of if you build it, they will come."

*Out of the \$5.15 million in total grant funding for the project, \$910,000 (plus the required match of \$320,000 for a total of \$1.23 million) is incorporated in the Boating Infrastructure Grant (BIG) from the U.S. Fish and Wildlife Service which expires in September 2016. If the City decides not to pursue building the boating infrastructure, the City will forfeit the BIG grant and must return the funding.

Property Tax Levy Remains the Same

The Paducah Board of Commissioners approved an ordinance setting the real estate and personal property taxes for fiscal year 2016. A property tax levy public hearing was held at the September 22 Commission meeting. The City's real estate tax levy will remain at 25.5 cents per \$100 assessed value. The City's Compensating Rate, the rate that would keep the revenue at the same amount as this year, is 24.7 cents per \$100 assessed value. Kentucky Revised (KRS) Statutes permits a city to adjust the



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rate upward by not more than 4 percent of the compensating rate. With the 25.5 cents, the City is taking an amount less than the 4 percent allowed by KRS. The rate of 25.5 cents is only slightly more than half of what the rate was more than twenty years ago in fiscal year 1995. At that time the real estate rate was 43.8 cents per \$100 assessed value. The revenue generated by the property tax is the City's second highest revenue source behind the payroll tax. Also on the property tax bill, residents may notice a change in the amount going to the school district in which they reside. Both districts voted to increase their tax rates. Recently, the Paducah Independent School District voted to increase its tax rate 2.9 cents to 80 cents per \$100 of assessed value.

Purchase of Land at 619 North 6th Street for Dome Pavilion (vote October 13)

The Paducah Board of Commissioners introduced an ordinance for the purchase of approximately 4.831 acres of vacant real estate located at 619 North 6th Street. The land, currently owned by P&L Railway, was appraised this year for \$315,000. P&L has agreed to sell the property for \$295,000. The property would be the new site for the dome pavilion since the pavilion's previous location is now the site for the planned Holiday Inn Paducah Riverfront. City Manager Jeff Pederson says the pavilion is being relocated "so that it can continue to provide convention capacity for the community for another ten years."

Quick Highlights

- Mayor Kaler read a proclamation proclaiming October 19-23 as National Business Women's Week.
- Mayor Kaler read a proclamation proclaiming October as National Arts & Humanities Month.
- Debbie Gentry appointed to the Board of Assessment Appeals.
- Municipal order approved to submit a request for grant funding in the amount of \$9,192 from the Area Development Fund for the purchase of office equipment for the Planning and Human Resources Departments. No local match is required.
- Municipal order approved to execute a Deed of Conveyance and all related documents for the acquisition of a small portion of 3311 Olivet Church Road as right-of-way and a permanent public drainage and utility easement for the Olivet Church Road Improvement Project.
- Municipal order approved for an indemnification and license agreement with Paducah Riverfront, LP. This agreement will allow the developer of the Holiday Inn Paducah Riverfront to proceed with the demolition of the concrete pad and foundation at 600 North 4th Street, the previous location for the dome pavilion. The demolition is expected to begin this month. Since the hotel loan has not closed at this time, the developer is agreeing to indemnify the City for damages to the property in the unlikely event the hotel project does not come to fruition.
- Ordinance approved for a payment to Commercial Marine & Industrial Heating & Air Conditioning Inc. in the amount of \$26,800 for the emergency replacement of the cooling tower at the Parks Services building located at 1400 H.C. Mathis Drive.
- Ordinance approved for a memorandum of agreement (MOA) between the City of Paducah and Paducah & Louisville Railway, Inc. for improvements at the existing railway crossing on Olivet Church Road as part of the Olivet Church Road Improvement Project. P&L is responsible for the work. The City will reimburse P&L \$196,381.81 with any overages the responsibility of P&L. The City will be responsible for all temporary railway flagging expenses.
- Ordinance approved for the purchase of one street sweeper from Stringfellow, Inc. in the amount of \$182,437.
- Ordinance approved for the purchase of one side loading refuse truck from McBride Mack, Inc. in the amount of \$258,732.
- Ordinance introduced (vote October 13) to accept the Port Security Grant Award in the amount of \$37,121 for the purchase of equipment to extend video surveillance coverage of the floodwall and downtown infrastructure. The grant requires a local match of \$12,374.
- Ordinance introduced (vote October 13) to amend Chapter 30 - Civil Emergencies of the Paducah Code of Ordinances to comply with State law (KRS 65.870). The amendment removes the requirement for all businesses displaying or selling any firearms, explosives, or ammunition to remove and securely lock up all such items following a proclamation of a state of civil emergency by the local government.
- Ordinance introduced (vote October 13) to amend Chapter 126-72 Homeless Shelters of the Paducah Code of Ordinances to comply with State law (KRS 65.870). The amendment replaces the sentence *Weapons are not permitted on the premises* with the sentence *Federal and State gun control laws shall be strictly enforced on the premises.*

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