

A person with dark hair and glasses is seen from the side, sitting at a dark metal table with a textured top. They are looking out over a river towards a large blue steel truss bridge. The background is filled with green trees and a clear sky. The overall scene is peaceful and contemplative.

A Publication of the Public Life Foundation of Owensboro

PUBLIC LIFE

September 2007 – Volume 4, Issue 10
Owensboro, Kentucky

Advocate

Framing the Issue

What now for downtown and the riverfront?

By Rodney Berry

With support from city government through tax increment financing, developers of Gateway Commons are moving forward with their \$390 million mixed use project off Highway 54 along the by-pass that will include a new arena and convention center.

What does that leave for downtown and the riverfront? What action steps can we, as a community, take to improve our downtown without these key anchors?

BACKGROUND

Seizing an opportunity

When state legislators expanded tax increment financing (TIF) in March 2007, cities and entrepreneurs across the Commonwealth responded with alacrity. Local developer David Hocker was the first to announce an intention to apply for a "Signature TIF." He proposed an ambitious mixed use commercial development off South Frederica Street that would also include several major public facilities: a new events center, ice arena, tennis complex and more. These public projects and the project infrastructure would have been financed through new tax revenues generated from a designated TIF district – taxes that otherwise would be going to Frankfort. The public projects purportedly would generate traffic to enhance the marketability of the commercial space.

Hocker out

When Hocker could not secure commitments from major retailers that were central to his proposal and timeframe, he abandoned the project, leaving Gulfstream Enterprises as the only other local firm gunning for a "Signature TIF."

Gulfstream in

Gulfstream proposes a \$390 million Gateway Commons project off Highway 54 along the U.S. 60 By-Pass: 630,000 square feet of retail space; 240,000 square feet of restaurants and office space; 115 condominiums; 116 apartments; a \$12 million 250-room hotel; a \$77 million 6,000-seat arena; and a \$50 million 130,000 square foot convention center. Developers estimate that the project would generate thousands of jobs.

City supports Gulfstream TIF exclusively

City government officials not only endorsed the Gulfstream proposal, they agreed to work with the firm on an exclusive basis for a year with regard to a TIF District. They adopted a Memorandum of Understanding followed by an ordinance on August 28 that sets forth the agreement.

The developers subsequently agreed to shorten the exclusivity clause in the agreements to allow the city to pursue another TIF district in the downtown area beginning January 1, 2008.

Gulfstream faces challenges

The Gulfstream proposal faces challenging hurdles: approval of the state TIF review board; confirmation of anchor tenants; completion of a feasibility study that will satisfy bond underwriters and prospective bond buyers. It may be many months before the feasibility of the Gulfstream project is determined.

Meanwhile, an opposition group, Citizens for Public Accountability, is challenging the legality of the ordinance adopted by city government that establishes the TIF district for Gulfstream.

The DDC plan

On a parallel track over recent months, a new Downtown Development Corporation (DCC) was meeting to develop a master plan for the downtown area. The DDC examined previous studies, met with stakeholders, secured a design firm, and released a plan that recommended:

What's happening around us**Bowling Green Downtown****Downtown Tax Increment Financing (TIF) Plan**

• Six Blocks, 40 acres	\$ 11 million
• Infrastructure	2 million
• Minor League Ballpark (4,000 seats)	18 million
• Parking Garage (790-car)	8 million
• Hotel	10 million
• Renovations	1.75 million
• BG Municipal Utilities Headquarters	3 million
• Residential	17.1 million
• Offices	6.75 million
• Retail	7.32 million
• Restaurants	3.125 million
• Performing Arts Center	28 million

Also ties to

- Circus Square Park
- Linkages between downtown with Western Kentucky University
- The Boulevards of Bowling Green
- Renovation of WKU's VanMeter Auditorium

Source: Daily News, April 4, 2007

Paducah Downtown

Downtown Paducah Website
(www.paducahdowntown.com) lists:

- 22 restaurants, coffeeshops, ice cream parlors, bakeries or candy shops
- 34 art galleries
- 6 museums
- 4 theaters and performing arts center

Louisville Downtown

The Louisville Downtown Management District recently announced a Downtown Housing Tour that features 2,000 units currently under construction in 22 projects with a total value of more than \$2 billion.

- the acquisition and demolition of the Executive Inn
- Veteran's Boulevard (First Street) be extended through the hotel property to connect with First Street west of the hotel
- the extension of the riverfront improvements west from McConnell Plaza to the Sycamore Square condominiums
- the Executive Inn property (and perhaps other nearby tracts) be developed with a concentration of the following public and private investments:
 - ♦ a new multi-purpose events center
 - ♦ one or more hotels
 - ♦ parking garage and surface parking
 - ♦ riverfront condominiums
 - ♦ restaurants
 - ♦ specialty retail shops
 - ♦ minor league baseball stadium

The DDC concluded that funding for these projects could come from private investors and developers, state and federal government grants, tax increment financing (through a "blighted area" classification that is less ambitious than the Signature TIF), occupational tax, hotel tax, restaurant tax (would require state authorization and a local referendum) and more. Both city and county governments have expressed a commitment to downtown, but tax increases for that purpose have received lukewarm response.

The DDC went on to recommend that an authority be established to acquire downtown property, that incentives be developed for facade restoration and conversion of upper level space for downtown apartments and condominiums, that an arts and entertainment district be developed that builds upon the RiverPark Center, museums, Fridays after Five, festivals and more.

The DDC was not charged with the responsibility of attracting a developer for purposes of making a TIF district proposal for the downtown. DDC officials recommend that a strong public sector investment be followed by incremental requests for proposals from developers connected with specific sites.

Complementary efforts

The Greater Owensboro Chamber of Commerce and Economic Development Corporation (EDC) endorsed the Gulfstream proposal. EDC offered many of the same recommendations as the DDC, but the agency also suggested an urban village theme for downtown, a boutique hotel, recruitment of corporate headquarters, enhancements to the courthouse square and more.

The City of Owensboro's federally funded Community Development program and state funded Main Street program is working together to develop a user-friendly electronic database of downtown properties. The Main Street manager is attempting to mobilize downtown property owners and tenants for visual enhancements, business development, joint promotions and more.

Meanwhile, the city continues to implement the federally funded Riverfront Master Plan. A new English Park boat launch facility is under construction, to be followed by the installation of a retaining wall and Smother's Park expansion that will get underway in the spring.

County government is completing an impressive restoration of the Smith-Werner Building facade and is moving forward with a parking ga-

rage in conjunction with Audubon Area Community Services. County officials have expressed a preference for a downtown arena and convention center over the Highway 54 option.

The Owensboro Metropolitan Planning Commission adopted an "Overlay District" along Veteran's Boulevard (First Street) to restrict new first floor uses to those that are accessible to the public and thematically complementary. OMPC has also opposed the rezoning of the Gateway Commons property because, officials claim, the project is incompatible with the goals set forth in the agency's Comprehensive Plan that has already been adopted by city and county government.

Downtown Design Standards are in place, adopted in the 1980s by city and county government as a guide for building restoration. The guidelines have facilitated several quality improvements, but building owners are not obligated to comply.

Where do we go from here?

- How can we pool these efforts? How do we fund and prioritize initiatives?
- What can we learn from the past? How can we make sure that our downtown lands the corporate headquarters of the next Texas Gas Transmission, Southern Star Central Gas Pipeline, U.S. Bank Mortgage or Atmos Energy?
- As a matter of policy, should all major public buildings (e.g., public library, post office, Social Security office, OMU) be located downtown?
- How can we instill high standards of design in architecture, urban plazas and public buildings? Should there be an architectural theme that characterizes our downtown and community?
- What needs to be done to bring vitality and street life back to downtown?
- What can be built that will successfully complement the \$50 million taxpayer investment along the riverfront?
- What investments can still occur without the anchors of an arena and convention center?
- What might there be a market for downtown in terms of office, housing, retail and entertainment?
- Do we incorporate the Executive Inn in downtown/riverfront planning or should the property be acquired and incorporated into a new development plan?
- Assuming that Gulfstream's Gateway Commons project moves forward, where does that leave downtown Owensboro?

10 Areas of Focus Toward a Downtown Transformation

Discuss each section, add you own ideas, and rank the importance you place on each step suggested.
(1 – oppose strongly 2 – oppose somewhat 3 – no opinion 4 – support somewhat 5 – support strongly)

[Click here to fill out the form online at http://riverfront.plfo.org/](http://riverfront.plfo.org/)

1. Downtown Management, Planning and Research

- ___ Sustain a professional downtown organization with ample staff and resources.
- ___ Complete and regularly update a user-friendly downtown property inventory.
- ___ Complete an analysis of development potential to substantiate for developers and investors the demand for office, retail, restaurants, entertainment, hotel and residential projects.
- ___ Involve the community in designing a Riverfront Development Plan to complement the \$50 million Riverfront Master Plan.
- ___ Develop a tenant plan for downtown to identify target businesses, uses and optional locations.
- ___ _____
- ___ _____



2. Legal-Development Mechanism

- ___ Establish a downtown tax increment financing (TIF) district.
- ___ Establish or empower a public-private city-county entity with resources or access to resources in order to option/acquire strategically important downtown properties and spearhead a downtown redevelopment program.
- ___ Acquire the Executive Inn and as many other strategically important downtown properties as possible.
- ___ _____
- ___ _____



3. Investment Incentives*

- ___ Develop incentives for property owners to restore building facades in a manner that is architecturally compatible with the Downtown Design Guidelines.
- ___ Develop incentives for property owners to rehabilitate interiors to enhance the appeal of the space to prospective tenants: first floor retail, services and restaurants; upper floor offices and residential.
- ___ Develop incentives to attract appealing new construction.
- ___ Design an incentive package to facilitate improvements to the Executive Inn hotel and convention facilities.
- ___ _____
- ___ _____



* Incentives could include: infrastructure, land donation or subsidy, low-interest loans, tax abatement, parking, maintenance of public space, design services, etc.

4. Public Sector Improvements

- ___ Develop a plan to increase clustered, convenient public parking through additional parking lots and parking garages. In so doing, attempt to reduce street front parking lots that dilute pedestrian vitality.
- ___ Develop a plan to divert U.S. Highway 60 traffic through downtown to Fourth and Fifth Streets in order to “soften” traffic on Main Street (Second Street) so that the sidewalks and storefronts are more pedestrian friendly.
- ___ Relocate the state building and/or state building parking lot and develop the property to maximize the river view and planned riverfront improvements.
- ___ Appeal to OMU, cable and telephone companies to incrementally place utilities underground downtown and along Frederica Street and install decorative light fixtures.
- ___ Relocate and incorporate the Tourist Commission Hall of Fame into an outdoor exhibit on the new riverfront.
- ___ Place hanging baskets on utility poles downtown and along Frederica Street.
- ___ Enhance the appeal of the courthouse lawn as an active civic space by creating plazas, seating, fountains, kiosks, vendors, etc.
- ___ Explore converting Yellowbanks Island to a park.
- ___ Establish a downtown shuttle service.
- ___ Create more landscaped medians and maintain the ones we have – when possible, through a public-private partnership.
- ___ Coordinate the design of street furniture, street signs, light posts, bus stops, etc.
- ___ _____
- ___ _____



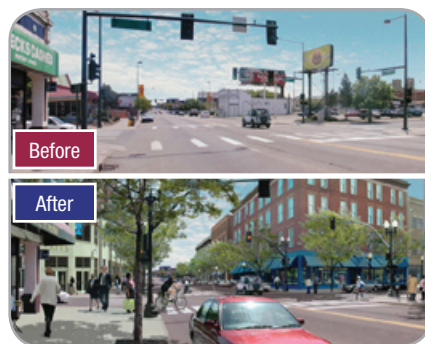
5. Aesthetic Improvements (private sector)

- ___ Encourage building owners to restore their facades and/or rehabilitate their property.
- ___ Strengthen Downtown Design Standards with the power of enforcement.
- ___ Encourage building owners/tenants to plant flowers in window boxes.
- ___ Develop consistent decorative signage for downtown businesses.
- ___ Add more public art that celebrates downtown history. For example: Col. Joseph Hamilton Daviess, Abraham Owen, Bill Smothers, Josiah Henson, flatboaters, Native Americans, buffalo trail and more.
- ___ Replace less appealing first floor uses (e.g., wholesale, storage, private offices) with uses that attract and serve the public (e.g., food and drink, specialty retail, services)
- ___ Install lights that outline architectural features of old buildings.



6. New Construction

- ___ Identify, secure and prioritize major development sites, prepare development objections and solicit proposals from developers for office, retail, entertainment or residential projects.
- ___ Develop a systematic plan for infill development that features compatible architecture and uses.
- ___ Explore developing new projects or leasing air rights above surface parking. For example: offices and/or apartments above the First Baptist Church (former Anderson's) parking lot.
- ___ Partner with the Bring Back Baseball committee to build an outdoor stadium for minor league baseball, concerts, festivals and exhibitions.
- ___ Attract an IMAX Theater downtown (perhaps in partnership with the Owensboro Museum of Science and History).
- ___ Establish a policy that major public building projects be considered for downtown before suburban sites are considered.
- ___ If authorized by state government and approved by local voters, attract a casino for downtown Owensboro.
- ___ Encourage Owensboro Public Schools to build a new elementary school for the downtown area.
- ___ Construct a year-round Farmer's Market facility in the downtown area.



7. Renovation/Restoration

- ___ Identify and prioritize existing buildings that have architectural or historic significance.
- ___ Provide free or reduced-price renderings and cost estimates to demonstrate to property owners the potential appeal and return on investment of their improved properties.
- ___ Enhance the effectiveness of the adopted Downtown Design Standards by making the guidelines mandatory or tying incentives to them.
- ___ Systematically approach property owners about improving their properties consistent with a downtown plan.
- ___ Enable Preservation Alliance (or another appropriate entity) to secure façade easements to facilitate and coordinate restoration.



8. Business Development

- ___ Identify and solicit for the downtown area businesses from out of town that do not yet have an Owensboro presence. For example: Ruth Chris Steakhouse, Rafferty's, Joe's Crab Shack, Men's Warehouse, Old Spaghetti Factory, Maker's Mark Lounge, Schnitzelbank Restaurant, Carmichael Bookstore, Baxter Avenue Theaters, Mariah's, Hadley Pottery, Heine Brothers Coffee, Whole Foods Market, floating restaurant, misc. office tenants, etc.
- ___ Identify and solicit for the downtown area local businesses that do not yet have a downtown presence. For example: Moonlite Bar-B-Q, The Earle, Excursions, Big Dipper, Reid's Orchard, Starbucks Coffee, seafood restaurant, misc. service tenants, etc.
- ___ Identify and solicit for the downtown area local corporations that could move their headquarters or branch offices to downtown. For example: Modern Welding, BellSouth (AT&T) Engineering, MPD, OMHS, banks, etc.
- ___ Identify space within the downtown area (public parks, green space, plazas and sidewalks) that could be leased for cafes, retail, vendors, kiosks, etc.
- ___ Relocate a private dinner club (or start a new one) on the top floor of a new riverfront office or mixed use building.
- ___ Cluster restaurants and night spots in a central area within walking distance and with river views.
- ___ Attract and permanently dock an Owensboro riverboat that features a restaurant, tours, party rooms and more.
- ___ Add a downtown food court.
- ___ Involve local homebuilders in developing a housing plan for the downtown and surrounding neighborhoods: upper floor conversions, new townhouses, industrial and warehouse building conversions to loft apartments, new mid-rises, etc.



9. Promotion

- ___ Establish consistent hours of operation among downtown businesses.
- ___ Pool resources for joint promotional events (e.g., sidewalk sales).
- ___ Install directories on sidewalks.
- ___ Expand noon-hour concerts on the riverfront.
- ___ Encourage musicians to perform on street corners for tips at select times.
- ___ Revitalize the “trolley hop” program, walking tours, carriage rides, etc.
- ___ Establish a downtown Owensboro web site that lists merchants, special events, festivals, promotions, information and renderings of the Riverfront Master Plan, history, architectural tour, property information, buildings and space for sale or rent, etc.
- ___ Downtown map/tri-fold, web site, links, tours, coffeetable book, walking tour, banners, lights that outline architectural features of old buildings, seminar – how to make the most of festivals.
- ___ _____
- ___ _____



10. Funding

Finance downtown projects and ongoing efforts to improve the area through:

- ___ city and county government
- ___ voluntary contributions from individuals, businesses and foundations
- ___ grants from federal government
- ___ grants from state government
- ___ increase in local occupational taxes
- ___ new restaurant tax
- ___ increase in hotel taxes
- ___ tax increment financing
- ___ _____
- ___ _____



“Owensboro must pledge itself to an intensive campaign to recreate a downtown with character and attractiveness, a true meeting place for the region’s people and visitors from afar. Developing a fully accessible, lively waterfront must be a top priority.”

Neal Peirce, Syndicated Columnist
1991 series on Owensboro-Daviess County

Your Results

Mark all those that received a "5" and then select your top 10 favorite ideas:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

Who should be in charge of following up and implementing this idea?

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

If we are to have an effective environmental policy, downtowns are important.

If we are to have an effective transportation policy, downtowns are important.

If we are to have meaningful historic preservation, downtowns are important.

If we want Smart Growth, downtowns are not only important but also irreplaceable.

If a local official wants to claim the treasured mantle of fiscal responsibility, downtown revitalization is imperative.

If new businesses, innovative businesses, and creative businesses are going to be fostered and encouraged, a community will need a downtown where that can take place.

If we are to have buildings with meaning, buildings with value, buildings with values, they will be downtown.

If we are to have public places of public expression, we need a downtown.

If a community is going to embrace diversity instead of hiding from it, celebrate diversity instead of denying it, then that has to take place downtown, it ain't gonna happen anywhere else.

Donovan Rypkema
Journal of American Planning Association
Winter 2003

Share your views: letters@plfo.org