

PUBLIC LIFE *Advocate*

August 2008 — Volume 5, Issue 4
Owensboro, Kentucky

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ANALYSIS & COMMENTARY



Taking a look at current community development challenges

A dramatic downtown and riverfront transformation. An ambitious revival of Gateway Commons. A favorable environment for high-tech entrepreneurs. How we approach these and other initiatives will be pivotal in turning into reality the people's vision for an appealing, competitive 21st century community.

Proper downtown development hinges on properties

There appears to be strong community support for city-county government to buy the Executive Inn property and bring it into the downtown master plan. Nearby tracts owned by other parties should be secured as well.

Moreover, the state building site and the property on the south side of Veteran's Boulevard opposite Smother's Park could also prove to be key tracts for catalytic projects. Those sites should be acquired or held in friendly hands until developers can come up with projects consistent with the master plan.



Building public trust through transparency

In light of recent charges of illegal meetings by city and county officials, openness and transparency must characterize the downtown redevelopment initiative. There must be a strong sense of trust between city and county officials as well as between those officials and the public.

To achieve that trust, we encourage officials to improve internal and external communications and access to prompt legal advice to not only stay within the law, but to practice genuine openness and transparency.

Gulfstream proposal and urban sprawl

Citizens should be wary of any project that contributes to urban sprawl. Nonetheless, Gulfstream's Highway 54-bypass property is a prime site that will be developed. We are not surprised that a major commercial project has been proposed for it. The revised Gateway Commons \$250 million plan calls for commercial offices, retail, cinema, restaurants, hotel and housing for seniors. The plan does not include an arena and convention center. The staff of the Owensboro Municipal Planning Commission and planning-design consultants recommend that those facilities be built downtown.

During the "We the People" 21st Century Town Meeting®, the transformation of downtown Owensboro emerged as a top priority, but participants equally seek well-planned suburban expansion. In order for their community to grow, citizens recognize that suburban expansion is inevitable, but they also want a thriving downtown and riverfront. They want to curb sprawl and redevelop areas where public facilities and services

To succeed, our two governments must find new ways to join together and work through issues. To that end we respectfully offer ideas we believe are relevant to the challenges of the day.

already exist. They also want well-planned and attractively designed suburban projects to help our community retain its unique character.

Assuming a multi-purpose events center and other assembly facilities are part of the downtown master plan, downtown should have an edge in attracting hotels. The enhanced and expanded riverfront will be an appealing setting for housing, offices and restaurants. But everything cannot be built downtown. Major retailers seldom locate in downtowns in markets our size. If Gulfstream can attract new retailers, and not simply relocate existing ones, we will keep more retail spending in our community as well as draw more customers from the region.

So in that sense, this revised Gulfstream proposal has the potential to be a win-win: a complement to the downtown plan, good for the greater community.

Incentives, policies and taxation – but in the open

As for the 20-year tax breaks proposed by Gulfstream, officials should be wary of altering existing policies and setting a haphazard precedent. The city and county should conduct a cost-benefit analysis to determine if exceptions to the current policy are appropriate. An adjustable tax abatement policy may be warranted for larger commercial investments. Incentives can be packaged in a responsible way, but legal restrictions could apply and projects that generate primary jobs should take precedent.

Tax incentives likely have been a topic of recent discussions at City Hall and the Courthouse. Some officials may have known of the Gulfstream 20-year tax abatement proposal for months and the firm's push for action in 90 days. On a parallel track, the Greater Owensboro Economic Development Corporation has been developing a comprehensive new incentive policy for consideration of city and county governments. Certainly the public deserves the opportunity to carefully review, understand and comment on any incentive plan or policy before a program is adopted or a deal is made with any developer.

In addition, tax breaks for Gulfstream raise broader issues:

- Do we have adequate clear and fixed policies on incentives or do we deal with developers on a case-by-case basis?
- Do we have two separate economic development policies – one for the city and one for the rest of the county? Do we turn to one government for support when both should be involved? Would a single policy be more appropriate, fair, efficient and progressive?
- If leaders endorse the public call for redevelopment within the city, does it make sense for there to be a financial incentive for businesses

to move from the city to the county in order to escape occupational and net profits taxes?

- Should there be a separate tax and incentive policy for redevelopment areas?

Downtown misses out again

It is unfortunate that Atmos Energy did not choose to locate its new office downtown. In recent years, downtown also did not land Southern Star Central Gas Pipeline, Daviess County Public Library, US Bank Home Mortgage, South Central Bank, Independence Bank, OMU, OMHS Business Center, the main post office or the Social Security Administration.

A downtown location for any of these major developments would have improved its appearance, enhanced vitality and added buying power helping downtown restaurants, retail shops and services.

Let's define process and policy...

Is there a clearly defined process through which the city and county will collaborate on the implementation of the downtown plan? Probably not. There are complex issues of land acquisition, public improvements, project financing, design guidelines, zoning, ordinances, incentives and more.

What principles will guide such a process? We need not wait until capital projects are defined and prioritized. If the process is pre-defined, implementation will go more smoothly and more quickly.

Then ... let's make it happen

The people spoke during the "We the People" 21st Century Town Meeting®. They dream of a transformed downtown. A professional plan will soon be in place. We applaud elected officials for recently adopting a resolution in support of a downtown hotel-convention center. As soon as possible, we encourage them to go on record in support of the overall plan. Let us build upon the excitement that will emerge from the September 8 community planning-design workshop at RiverPark Center, and bring about the vision embraced by the citizens of Owensboro-Daviess County.



While our city and county governments will likely remain separate for the foreseeable future, they can still work as a team. If implementation commences immediately after the downtown plan is released, the initiative will gain public confidence, build morale, and help coordinate the phasing and logistics of construction. People will see that, this time, finally, a downtown plan—one they had a voice in shaping—is going to happen.

Scarce state revenues warrant public analysis and deliberation

On August 11, Gov. Steve Beshear was here to listen to the concerns of citizens and explain the ramifications of the budget crisis facing state government.

Just why is there a state government money shortfall? Certainly the sluggish national economy is a leading culprit. But it is also important to recognize that:

- In the 1990s, state taxes were cut 26 times.
- Since 2001, six rounds of budget cuts reduced state revenues by \$1.1 billion.
- House Bill 44, that puts limits on property tax increases, costs the state \$300 million annually.
- Special interest influences tax exemptions; there are 70 exemptions to the sales tax alone.
- Health care costs, an aging and overweight population, and unsustainable trends in the number of inmates in our correctional facilities are among the other reasons why state government is under such financial pressure.

Citizens should demand a streamlined, efficient government. Some citizens want to reduce the role of government and would be willing to relinquish services in certain areas. But others want government to have a greater capacity to serve. They object to legislators' "no new tax" pledges and support fair taxation.

If indeed our state government is underfunded and thereby setting back Kentucky in education, health care, transportation and other areas, Gov. Beshear should lead an effort to set forth—in a clear, balanced, and easy-to-understand manner—the options that we have to generate additional revenue, such as:

- cigarette tax
- restoring the estate tax
- closing corporate loopholes
- other
- tax on services
- more progressive state income tax
- expanded gaming

As a complement to these options, citizens need to know what they can expect to in return. For example:

- If the cigarette tax is increased by a certain amount:
...will there be funds to properly maintain our highways and keep up with bridge repairs?
- If we restructure the income tax so that taxpayers in higher income categories do not pay a lesser percentage of their income in taxes than those with lower incomes:
...will there be funds for OCTC's phase two technology building and will state universities be in the position to hold down tuition increases?
- If we license casinos and allow slot machines in racetracks:
...will there be funds to create more drug courts and to ensure that safety standards are upheld in coal mines?

Citizens need to know the costs as well as the benefits, the consequences and tradeoffs. They need to be exposed to opposing points of view. They need to understand the complexity of issues, the shades of gray—all in an effort to find common ground for the common good.

Such a process will facilitate responsible action on this pivotal issue of fiscal pressures and taxation. In so doing, perhaps leaders will draw on the views of informed constituents rather than yield to pressure from special interests or partisan ideologies.

OMHS selectively soliciting public input

Owensboro Medical Health System (OMHS) is spending a considerable sum to advertise town forums scheduled for August 25-28 to “determine the best and most practical use of our existing campus.” These “charrette” exercises are designed to generate ideas among diverse participants toward forming a consensus.

This is a good thing, as are the exercises in which OMHS is bringing together citizens and hospital staff to examine features and practices that can improve patient care in the new facility.

It is encouraging that OMHS confirms that it has “a responsibility to listen and respond to our community.” However, we question whether there were opportunities for substantive public input on:

- the basic question of whether to build a new hospital?
- the trend of OMHS acquiring private medical practices and specialty services, such as anesthesiology and radiology?
- the OMHS-Kentucky Bioprocessing partnership? (OMHS’s 2005 IRS 990 tax return, the latest available on guidestar.org, reports an \$832,490 loss.) The subsidiary may indeed be an important, promising venture, but is it an appropriate risk for a nonprofit community hospital? Will OMHS continue to subsidize it indefinitely?
- the cost of the current renovations at the hospital, and the appropriateness of such improvements considering the building plans?
- how the new hospital will affect OMHS’s capacity and obligation to serve the poor?
- the reason why the McAuley Clinic physician could not have been replaced with another physician rather than a nurse practitioner?
- the rationale for the OMHS expansion into the former Winn Dixie building and the nature of that lease-purchase agreement?
- various expenditures reported on the 2005 IRS 990 tax return: \$2,011,418 in advertising; \$739,161 in legal fees; \$268,658 for valet parking?

OMHS is an important community institution and the accolades it routinely receives are no doubt warranted. Nonetheless, citizens are raising these and other legitimate questions. There may be reasonable explanations, but this kind of street talk grows into cynicism and mistrust as long as business is conducted behind closed doors.

Despite the fact that the hospital industry derives more than 50 percent of its total funds from public sources (including 30 percent from Medicare), private nonprofit hospitals, such as OMHS, are not obligated to hold open meetings or to open records to the public (except for the IRS 990 tax return).

Judge Louis Brandeis said, “Sunlight is the best antiseptic.” Certainly a hospital – of all institutions – should stand by that principle and soothe a skeptical public with a salve of openness and transparency.



Public art: an urban(e) enhancement



“Into the Wind,” the latest addition of the Public Art Commission near the Owensboro Museum of Fine Art (OMFA) on Frederica Street, will serve as a prodigious reminder of life through the centuries in this river valley long before there was a frontier settlement. The mighty bronze bison, made possible through the generous support of Bob and Mary Lou Steele, will be the first in a series of sculptural variations along Buffalo Trace. That is the former path through the wilderness along what is now Frederica Street which attracted mighty buffalo herds that roamed between watering sources later named Panther Creek and the Ohio River.

The commission’s initiative already features notable sculptors with works both abstract and realistic, modern and traditional. A hearty salute to sponsors who have stepped forward to date: Texas Gas, Malcolm Bryant Corporation, OMHS, Terry Woodward, Moore Moore and Safreed law firm, Kentucky Wesleyan College and others.

As a complement to Buffalo Trace, perhaps we will someday see a statue of Col. Joseph Hamilton Daviess or Abraham Owen, our county and city namesakes. Since Daviess County included Union sympathizers as well as Confederates during the Civil War, and since a future president spent his youth nearby in Southern Indiana, perhaps a relief of Abraham Lincoln could find a home along our expanded riverfront. Perhaps RiverPark Center could have its own art collection that celebrates music, theater and dance.

There are multiple applications for a public art program. The possibilities are exhilarating. And in this day and age of homogenous subdivisions, franchise restaurants and commercial shopping centers, a public art program enhances livability and gives distinctiveness to this place we call home.

Agency closings hurt low-income families and children

These are difficult times for social services in our community. It is inevitable that certain programs come and go as grant programs are restructured or new administrations set their own priorities.

- LaPlaza recently closed its doors. The agency provided a welcoming space and practical assistance to the increasing number of immigrants in our community.
- Building Stronger Families sent social workers into homes to assist with life skills, parenting, linkages to safety net programs and more.
- Despite being able to substantiate net savings as a consequence of the staff member, the social worker position in the local public defender's office was eliminated by the state. This is in addition to dramatic budget cuts at the local office.

Are these closings a reflection of the budgetary impact of our nation's economic slowdown? Is it connected with the efforts of some to dismantle government in hope that the private sector will pick up the difference? Or do some programs simply run their course?

It is an ever-challenging task to sustain social agencies. Fundraising is competitive. United Way must adjust priorities. Most grant funds support capital or program activities over general operating overhead. Our community – like any other – must work creatively and collaboratively to sustain these kinds of services for our most vulnerable populations.

Tax disparities to be examined

Citizens for Good Government (CGG) will host a public forum on local taxation issues on Wednesday, August 27, 6:30 p.m. at the Owensboro Area Museum of Science and History.

CGG was formed following the "We the People" 21st Century Town Meeting to follow through on recommendations and priorities, such as:

- Openness and transparency in government and public organizations
- Leadership training for elected and appointed officials
- Collaboration and departmental mergers to facilitate efficiency

This is the second in a series of forums on local government issues and challenges. The first forum examined governmental structure and compared the role and constitutional responsibilities of city and county government.

If you are interested in learning more about the tax structure of local governments, school systems and other taxing entities, please join CGG for the forum on the 27th.

Should superintendents select principals?

Congressional candidate Brett Guthrie and city school superintendent Larry Vick recently pointed to a shortcoming of school reform initiatives. Since Kentucky established site-based school councils, council members (controlled by teachers and parents) have had the authority to hire their school principal. Unlike a superintendent, council members may not have any training or experience in human resources. Consequently, this is a legitimate concern.

However, superintendents control the applicant pool. The school councils are required to make their selection from one of three finalists submitted to them by the superintendent.

If there is a general sense that this element of the system is flawed, rather than use it as justification for a sweeping challenge to broader school reform efforts (as some candidates tend to do), perhaps mandatory training of school councils in personnel administration would at least improve the situation.

Curbside recycling should be available to all

Participants in the "We the People" 21st Century Town Meeting® ranked "expand recycling" as their top priority. Shortly thereafter, the Environmental Impact Council (EIC) was es-

tablished to push for the implementation of town meeting environmental priorities. In good faith, the EIC took steps to learn about the options, services and costs for establishing this community service. They conducted research and met with firms that provide such a service in communities of our approximate size in the region. They made field trips to observe these operations. They examined the costs to the benefits.

The EIC believes that the public would be best served by a service that would be available to all, rather than select subdivisions. A local firm has taken steps to establish a service and, perhaps, pre-empt efforts for a more affordable, countywide service.

EIC encourages local governments to adopt specifications and allow all area firms to participate in an open and public bid process.



Bridge building and safe weight limits

In recent *Messenger-Inquirer* articles and editorials, readers were reminded of something many probably already knew: the traffic counts on the Natcher Bridge are significantly less than originally projected.

This is no surprise and is obviously due to the State of Indiana's sluggishness in completing its portion of the connector highway.

Despite the current delays and dependency on Indiana, moving forward with the Natcher Bridge at the Maceo site was the only valid option when Owensboro Mayor Dave Adkisson formed a coalition with Kentucky-Indiana officials beginning in 1987. A downtown bridge or one at the east end of the U.S. 60 by-pass would have required Indiana to build

a far more expensive connector highway over a longer distance through a flood plain.

Moreover, in the late 1980s, the Kentucky Department of Transportation was talking about the anticipated lifespan of the Glover Cary Bridge in downtown Owensboro. State officials said that when the new bridge opened, they would put a weight limit on the Cary Bridge, thereby re-routing heavier trucks to the Natcher.

If there was a genuine concern over load-bearing capacity 20 years ago, it is unsettling that weight restrictions have not been placed on the bridge since the new bridge was completed, even if the connections to I-64 are less than desired.

