

COMMUNITY INVESTMENT PLAN

FREQUENTLY ASKED QUESTIONS

GENERAL ISSUES

NOTE: This is an **ECONOMIC DEVELOPMENT** project. The primary driver of this project from DAY 1 has been the Greater Owensboro Economic Development Corporation. They proposed and have advocated for this initiative because they clearly understand the economic development climate in which we compete on a daily basis. This initiative is about creating a downtown Owensboro that will attract people to “live, work and play” downtown. It is about attracting new entrepreneurs to our community and providing the environment that will encourage our young people to pursue their dreams and aspirations in Owensboro. The reality of today is that because of the availability of technology people can live almost any place in the country and successfully conduct their business. They can invest their resources and create jobs of all types without the necessity of being on a major highway, waterway or air route. We all know the liabilities we have with two of those assets. However, experience is showing us that the private sector investors who have the capacity and will to create those jobs and add wealth to a community have a great desire to live in a community that has a vibrant downtown. This is an irrefutable fact. If we are to position ourselves to compete in this new economic environment then we must create the kind of downtown envisioned in the Gateway plan.

Why is it important that we undertake this major project at this time?

During challenging economic times communities must do everything possible to make themselves attractive to private investment. When companies/individual entrepreneurs are deciding where they will invest new money or maintain their current investment they look to communities that are demonstrating a commitment to maintaining a high level of basic service and have public amenities that will help them recruit and maintain their employees. Smart communities all across the country have recognized the value of vibrant downtowns and are investing in their downtowns to attract and hold onto private investment. Owensboro is currently behind in the attractiveness of our downtown and failure to act immediately will not only keep us behind, but keep us from being well-positioned for growth when the national economy recovers.

What does the \$79M public investment buy us; what is included in the master plan?

The entire project includes a multi-purpose events center for sports and conventions, improvements to Smother’s park as part of the riverfront development, a market square that will serve as a public gathering place, conversion of Veterans Boulevard. to pedestrian friendly traffic, calming traffic on Second Street by making it two-way and by diverting truck traffic, improving Frederica Street as a primary entrance into downtown, parking facilities to support downtown and an Arts Academy.

Why should residents who live in the county, but outside the city limits share the responsibility for downtown development?

Downtown Owensboro is the civic center of our community. It is the one unique location in our county that provides essential services to all citizens as they license their car, register to vote, take their children to a museum or attend an event such as Winter Wonderland at the Riverpark Center. It is also the home of our museums, Riverpark Center, and numerous locally-owned restaurants and retail establishments. It was the home of the Executive Inn when it served as our primary convention center hotel. All the citizens of our community must on occasion travel to the downtown area to conduct essential personal business. Just as the citizens who reside inside the city limits of Owensboro pay county taxes for improvements to roads, bridges and other infrastructure in rural communities such as Curdsville, Masonville or Knotsville it is a reasonable expectation that the citizens who live outside the city limits share in the investment to revitalize our downtown. As a result of this project new jobs will be created in the downtown area that will be available to all our citizens regardless of where they reside. This is not an us-versus-them project. This is a project that upon completion will provide amenities and opportunities for ALL citizens of Daviess County.

Why not just remodel and reopen the Executive Inn? The Executive Inn served this community well for many years; however, in the past several years it has declined and is not of the quality one finds in convention center hotels in communities with whom we compete. Further, since being closed in the spring of 2008 the property has deteriorated significantly due to storm damage and the lack of maintenance by the owners. To remodel the hotel and bring up to today's standards would be cost prohibitive. We need a true convention class hotel in the core downtown that reflects 21st century standards. In addition, the location of the current Executive Inn building does not add support to the businesses located in the core downtown. That location never encouraged visitors to venture downtown and take advantage of the quality locally-owned restaurants and specialty shops in the downtown.

What will be the consequences of doing nothing?

Without a new convention center and hotel we will not be able to compete at the level of our potential in the tourism industry. If we fail to invest in adding the surface features to the park such as the new interactive playground and relocating the Shelton Memorial we simply have more green space to view the river, but nothing exciting to attract us to the park. If we chose to not calm the traffic on Second Street then private investors will have little reason to create new businesses in the downtown and others will likely close their doors. We have a world-class agricultural community that has limited opportunities to bring their food products to the downtown area and make them available to our citizens. Owensboro has already invested and created one of the most vibrant and successful arts communities in the country. Few cities of our size can boast of the opportunities our citizens have to enjoy a broad spectrum of arts experiences. An Arts Academy would provide us a tool for our young people, high school and college, to take classes and earn degrees that will lead them to very lucrative careers in the arts. This Academy will not only focus on the performance aspect of the arts, but more importantly will provide students classes and experiences that will enable them to pursue careers in arts management and production. An arts academy will create jobs in our community.

FINANCE/TAXING ISSUES

People are hurting in this economy: Why raise taxes now?

This is an investment in the future; now is the perfect time to take on this project. A project of this magnitude will create jobs for our community; fill our restaurants, hotels and stores – all adding to growth in the community. Down the road, this will make Owensboro more competitive in attracting young professionals, retirees and all of the business that they will bring. We expect this to be a significant move to keep our young people in the community rather than seeing the drain of youth that has happened in the past.

If this is such a great idea, why can't we just let private enterprise lead the development?

A project of this size requires public-private partnership. The private sector expects, and rightly so, that government demonstrates its commitment to improving the infrastructure and providing the amenities that will support the success of their investments. This lets the private business community know that we are committed to the project.

Why raise taxes if we have a surplus already; can't you just pay for the work out of the surplus?

The current surplus is adequate to cover normal city operations during difficult economic times, but not enough to repay the bond for a project of this magnitude. We will need to bond, or borrow the money for these projects and raise taxes enough to cover the cost of our investment in the downtown.

What tax options are available to the city/county to raise the money?

City and county can increase tax rates in three different categories to increase revenues. One option is the real property tax that is paid by anyone who owns real property (real estate, automobiles, etc.) in Daviess County. Both city/county levy an occupation/net profits tax that is paid by individuals who receive a paycheck from a business located in Owensboro/Daviess County and a net profits tax on those same businesses. Finally, both city and county have placed a tax on insurance premiums paid in Daviess County.

Why choose the insurance tax?

It is a fairer tax as most everyone has insurance of some sort. Individuals who are retired and who do not receive a payroll check in Daviess County would be excluded from any increase in the occupational tax. Daviess County is fortunate to have many retired citizens with considerable wealth who would not participate in any revenue increase if the occupational tax was increased. Using the insurance tax will lessen the impact on any particular business or individual.

What forms of insurance will be taxed?

All forms: Auto, homeowners, boat and health insurance (excluding individual policy holders and self insured businesses).

*** The county does not tax life insurance or crop insurance.*

How about businesses – You will hurt our economy by taxing businesses during these difficult economic times.

Our current insurance tax is so low that even with the increase; we will be lower than half of the cities in Kentucky. We will continue to enjoy average and very low occupational taxes compared to other cities in the state. The Greater Owensboro Chamber of Commerce which is the advocacy group for the business community in Owensboro-Daviess County has endorsed the insurance tax as the fairest means to raise the revenue to make this investment in the revitalization of our downtown.

Do the insurance companies and agents make a profit off of the tax increase?

Local insurance agents do not receive an administrative fee from the insurance tax; however, the insurance companies do receive an administrative fee.

Can I beat the tax by buying my insurance on line?

No: the tax will still be collected for all insurance policies in force in Daviess County whether through a local agent or other sources.

I understand that the city and county will both raise the insurance tax: Will I have to pay both as a city resident?

No: As a city resident you will only pay the city tax, not city and county. As a resident outside the city limits you will pay only the county tax.

SPECIFIC PROJECTS

Multi-purpose Events Center. This will be a publicly-owned multipurpose center capable of hosting a variety of athletic and entertainment events as well as conventions. It will be built to accommodate basketball events such as Kentucky Wesleyan College and regional tournaments. It will replace the capacity lost with the closing of the Executive Inn convention center and the anticipated closure of the Owensboro SportsCenter. It will set on a 60,000 square foot footprint and have the capacity to have 80,000 square foot under roof. The center will be located on a site bounded by Frederica Street on the east, Executive Boulevard on the west, Second Street on the south and Veterans Boulevard on the north.

Convention Hotel. This will be a privately-owned convention center class hotel. It will be built adjacent to, and attached to the indoor events center. It is anticipated that the hotel will be a full-service hotel with approximately 250 rooms. The hotel partner will be selected through a “request for proposal/qualifications” process in which any interested

developer will be invited to be considered as the government's partner in supporting the indoor events center.

Market Square. The Market Square will serve as the community's front yard to the river. Located just north of the Daviess County Courthouse lawn Market Square will expand our public space to the Veterans Boulevard. This will be a unique gathering place that will be the home of a Regional Farmer's Market as well as other small venues appropriate for intimate musical presentations, festival activities and public art.

Riverfront Park Surface Features. Funds will be set aside to insure that all the surface features planned for the Smothers' Park expansion are realized. It is anticipated that the available federal funding designated for the park expansion will not be sufficient to complete the surface feature so it is important that this initiative make sure the park is completed as planned.

Arts Academy. As cited earlier Owensboro already boasts a vibrant arts community. The Arts Academy will build on those existing resources to build a facility to house the only facility of its kind west of I-65. The academy is being considered at several downtown locations with the most likely site on the eastern edge of downtown near the Riverpark Center. The academy will be developed, programmed and administered by a partnership that includes the local public schools, Brescia University, Kentucky Wesleyan College and Owensboro Community and Technical College. That consortium of schools plans to apply to the state to be the designated year-round arts academy for the commonwealth. The downtown plan provides for the government to acquire the land and construct the building with the consortium of schools providing operating expenses.

Parking Garage.

The plan anticipates the need for and includes construction of one multi-story parking garage to accommodate 500 cars. This garage will primarily service the events center and hotel. The most appropriate site for that garage has not yet been determined.

Street Improvements

Veterans Boulevard. Veterans Boulevard will be rebuilt to reflect a pedestrian focus. The street will not have curbs and be textured to discourage vehicles from driving at beyond very moderate speeds. This will encourage two blocks of mixed-use private development on the south side of Veterans Boulevard.

Second Street. Presently Second Street hosts a large volume of heavy commercial truck traffic that moves along that corridor at a high speeds. This traffic discourages the use of sidewalks for outside retail purposes and presents a danger to pedestrians. Second Street will be calmed by returning it to two-way traffic, eliminating or desynchronizing the traffic signals and constructing attractive walkways at intersections. This will require the city assume responsibility for maintenance of some portions of Second Street and Fourth Street as those streets will not longer be designated US Hwy 60.

Frederica Street. Frederica Street in the core downtown will be reconfigured to reflect boulevard characteristics. This primary corridor to enter the downtown will feature landscaped medians and extensive streetscape improvements. The corner of Frederica and Second Streets should be the grand entrance to the Ohio River district.