CITY COMMISSION MEETING
AGENDA FOR MARCH 12, 2019
5:30 PM
CITY HALL COMMISSION CHAMBERS
300 SOUTH FIFTH STREET

*Any member of the public who wishes to make comments to the Board of Commissioners is asked to fill out a Public Comment Sheet and place it in the box located at the end of the Commissioner's desk on the left side of the Commission Chambers. The Mayor will call on you to speak during the **Public Comments** section of the Agenda.*

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

ADDITIONS/DELETIONS

INTRODUCTION Welcome Anita Dixon from Kansas City, MO (UNESCO Creative City of Music) - Mary Hammond

Items on the Consent Agenda are considered to be routine by the Board of Commissioners and will be enacted by one motion and one vote. There will be no separate discussion of these items unless a Board member so requests, in which event the item will be removed from the Consent Agenda and considered separately. The City Clerk will read the items recommended for approval.

	I.	**CONSENT AGENDA**
		A. Approve Minutes for February 19, 2019 & February 26, 2019
		B. Reappointment of Jeanne Stroup, Bill Wells, and Steve Seltzer to the Paducah Golf Commission
		C. Receive & File Documents
		D. Personnel Actions
		E. 2019-2020 Kentucky Hazardous Waste Grant Application - **R MURPHY**
		F. Kentucky Office of Homeland Security FY16 Grant Funding Acceptance - **B LAIRD**
		G. Homeland Security Grant Cooperative Purchasing Approval
		H. Justice Assistance Grant (JAG) KY Master Agreement Purchasing Approval - **B LAIRD**
		I. Municipal Order: Sale of Surplus Property and Easements: 4051, 4063, 4075, and 4161 Pecan Drive - **R MURPHY**
	II.	**ORDINANCE(S) - EMERGENCY**

		A. Establishment of a 911 Communications Division and Abolishing the 911 Communications Department - **J ARNDT**
	III.	**<u>ORDINANCE(S) - INTRODUCTION</u>**
		A. Ridgewood Villas Phase II - **R MURPHY**
		B. City Hall Improvements Project: Marcum Engineering: Contract Amendment - **R MURPHY**
		C. Ordinance establishing of a Tax Increment Financing district for Downtown Riverfront Area and authorizing the Mayor to enter into an Interlocal Cooperation Agreement and a Local Participation Agreement for 20 years with McCracken County - **T TRACY**
	IV.	**<u>COMMENTS</u>**
		A. Comments from the City Manager
		B. Comments from the Board of Commissioners
		C. Comments from the Audience
	V.	**<u>EXECUTIVE SESSION</u>**

FEBRUARY 19, 2019

At a Joint Called Meeting of the Paducah Board of Commissioners and McCracken County Fiscal Court, held on Tuesday, February 19, 2019, at 5:00 p.m., in the Commission Chambers of City Hall located at 300 South 5th Street, Judge Clymer and Mayor Harless presided. Upon call of the roll by the City Clerk, the following answered to their names: Commissioners Abraham, McElroy, Watkins, Wilson and Mayor Harless (5). Upon call of the roll, by the County Clerk, the following McCracken County Fiscal Court members answered to their names: Commissioners Bartleman, Jones, Parker and Judge Executive Clymer (4).

PRESENTATION
TAX INCREMENT FINANCING DISTRICT
Casey Bolton with Commonwealth Economics Partners, LLC, made a presentation to the City Commission and McCracken County Fiscal Court about creating a Tax Increment Financing District in Paducah. A copy of the presentation can be found in the minute file. The following is an excerpt from meeting highlights by Public Information Officer Pam Spencer:

> *"The proposed TIF project would incorporate approximately 315 acres of downtown Paducah and the riverfront. The goal of a TIF district is to promote public and private development. A TIF district does not change the way property or businesses are taxed or how taxes are collected. The baseline revenue is first calculated on the applicable properties in the district. This is the amount of taxes currently collected. Then, once a TIF is created and public and private projects are implemented within the boundary of the TIF district, the tax revenue in excess of the baseline is reinvested in the district. It's a way to capture taxes and reinvest the funds into the district to promote development. The taxes that can be used for reinvestment include state sales tax, property tax, individual income tax, and corporate tax in addition to local property and payroll taxes."*

PUBLIC HEARING
Mayor Harless opened the Public Hearing on the proposed Tax Increment Financing District.

Ron Ward, Michael Cochran and Phyllis Joyce made comments regarding the proposed TIF District.

Mayor Harless closed the Public Hearing.

EXECUTIVE SESSION
Mayor Harless offered motion, seconded by Commissioner Wilson, that the Board of Commissioners go into closed session for discussion of matters pertaining to the following topics:

- Future sale or acquisition of a specific parcel(s) of real estate, as permitted by KRS 61.810(1)(b)
- A specific proposal by a business entity where public discussion of the subject matter would jeopardize the location, retention, expansion or upgrading of a business entity, as permitted by KRS 61.810(1)(g).

Adopted on call of the roll yeas, Commissioner Abraham, McElroy, Watkins, Wilson and Mayor Harless (5).

Commissioner Jones offered motion, seconded by Commissioner Parker that the McCracken County Fiscal Court go into closed session for discussion of matters pertaining to the following topics:

- Future sale or acquisition of a specific parcel(s) of real estate, as permitted by KRS 61.810(1)(b)
- A specific proposal by a business entity where public discussion of the subject matter would jeopardize the location, retention, expansion or upgrading of a business entity, as permitted by KRS 61.810(1)(g).

All in favor (4).

RECONVENE IN OPEN SESSION

Mayor Harless offered motion, seconded by Commissioner Abraham that the Paducah Board of Commissioners reconvene in open session.

Adopted on call of the roll yeas, Commissioner Abraham, McElroy, Watkins, Wilson and Mayor Harless (5).

Commissioner Bartleman offered motion, seconded by Commissioner Jones that the McCracken County Fiscal Court reconvene in open session.

All in favor (4).

PRESENTATION

COLUMBIA THEATRE RESTORATION/BOND

Hal Sullivan and Darlene Mazzone with the Paducah Art House Alliance board spoke to the Board of Commissioners and Fiscal Court about the restoration of the Columbia Theatre. In 2013, it was determined that the Columbia Theatre be restored. A taskforce was created to oversee the restoration at that time which has become the Paducah Art House Alliance. The Paducah Art House Alliance has made progress with cleaning and preservation of the interior as well as conducting a feasibility study and paint study. The building now needs to be stabilized in order to use it as a cultural hub.

The Paducah Art House Alliance proposes using a portion of the room tax as bonding service for the Columbia Theatre Phase I Stabilization project. The City would act as the issuer and the County would act as the collector and pass through of the tax.

DISCUSSION OF FUTURE CITY/COUNTY JOINT MEETING DATES

The Mayor proposed future meeting dates of Tuesday, March 19th at 5:30 p.m. at the McCracken County Courthouse and Tuesday, April 16th at 5:30 p.m. at City Hall. All Commissioners were agreeable to these dates and times.

ADJOURN

Commissioner Bartleman offered motion, seconded by Commissioner Parker to adjorn the meeting of the Fiscal Court. All in favor.

Mayor Harless offered motion, seconded by Commissioner Wilson, to adjourn the meeting of the Paducah Board of Commissioners. All in favor.

Meeting ended at approximately 7:08 p.m.

ADOPTED: March 12, 2019

City Clerk

Mayor

February 26, 2019

At a Regular Meeting of the Board of Commissioners, held on Tuesday, February 26, 2019, at 5:30 p.m., in the Commission Chambers of City Hall located at 300 South 5th Street, Mayor Harless presided, and upon call of the roll by the City Clerk, the following answered to their names: Commissioners Abraham, McElroy, Watkins, Wilson and Mayor Harless (5).

INVOCATION
Commissioner Abraham gave the invocation.

PLEDGE OF ALLEGIANCE
Mayor Harless led the pledge.

PRESENTATION
BARKLEY REGIONAL AIRPORT ANNUAL FINANCIAL REPORT AND UPDATE

The following information was provided by Public Information Officer Pam Spencer:

"Barkley Regional Airport Manager Richard Roof provided the Paducah Board of Commissioners an annual update of airport activities and a copy of the airport audit. Roof said many projects are underway or in the planning stages including an update of the Airport Master Plan, the replacement of various lighting, and the clearing of trees in the approach area. On January 7, SkyWest began providing three flights per day during the weekdays to Chicago O'Hare. Roof said that Barkley Regional Airport provides $43 million per year in economic benefits to this area."

CONSENT AGENDA
Mayor Harless asked if the Board wanted any items on the Consent Agenda removed. Commissioner Abraham asked that Item I(C) be removed for further discussion and that a separate vote be taken. Mayor Harless asked the City Clerk to read the remaining items on the Consent Agenda.

I(A)	Minutes for the February 12, 2019 City Commission Meeting
I(B)	Reappointment of Thomas Whittemore to the Paducah Area Transit System Board. This term shall expire June 30, 2022.
~~I(C)~~	~~Appointment of Sarah Holland to the Board of Ethics to replace Jill Gott Wrye whose term has expired. This term shall expire February 10, 2022.~~ (**Removed from Consent Agenda and adopted separately)**
I(D)	Personnel Actions
I(E)	A MUNICIPAL ORDER ACCEPTING THE BID OF KENNY'S LAWN SERVICE AND MORE FOR GROUNDS MAINTENANCE OF CITY OWNED PROPERTIES IN AN AMOUNT OF $14.49 PER LOT, PER MOWING, AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR SAME (**MO #2208 BK 10)**
I(F)	A MUNICIPAL ORDER ACCEPTING THE BID OF LINWOOD MOTORS FOR SALE TO THE CITY OF EIGHT (8) POLICE PURSUIT RATED SUV'S IN AN AMOUNT OF $303,080 WITH OPTION TO PURCHASE TWO (2) ADDITIONAL SUV'S AT THE UNIT BID PRICE BEFORE JUNE 30, 2019, FOR USE BY THE PADUCAH POLICE DEPARTMENT AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR SAME (**MO #2209 BK 10)**

I(G)	A MUNICIPAL ORDER ACCEPTING THE BID OF STRINGFELLOW FOR SALE TO THE CITY OF ONE (1) NEW DIESEL DUMP TRUCK WITH SNOW PLOW AND SALT SPREADER IN AN AMOUNT OF $133,885 FOR USE BY THE PADUCAH ENGINEERING PUBLIC WORKS DEPARTMENT STREET DIVISION AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR SAME (**MO #2210 BK 10)**
I(H)	A MUNICIPAL ORDER AUTHORIZING THE APPLICATION FOR A KENTUCKY DEPARTMENT FOR LIBRARIES AND ARCHIVES GRANT THROUGH THE KENTUCKY LOCAL RECORDS BRANCH FOR THE CITY CLERK'S OFFICE TO BE USED TO DIGITIZE AND CONVERT TO MICROFILM PERMANENT RECORDS, INCLUDING ORDINANCE BOOKS #6-18 AND MINUTES FROM 1924-1969 (**MO #2211 BK 10)**
~~I(I)~~	~~A MUNICIPAL ORDER AUTHORIZING THE PLANNING DEPARTMENT TO APPLY FOR AN ONLINE GRANT THROUGH THE FIREHOUSE SUBS PUBLIC SAFETY FOUNDATION GRANT PORTAL TO REQUEST BETWEEN $15,000 AND $25,000 FOR THE FIRE DEPARTMENT TO PURCHASE PUBLIC EDUCATION AND ENGAGEMENT EQUIPMENT (~~**Deleted from Agenda per City Manager)**
I(J)	A MUNICIPAL ORDER AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR TO TRANSFER FUNDS FROM THE COMMISSION RESERVE FUND TO THE KRESGE DEMOLITION PROJECT ACCOUNT IN AN AMOUNT OF $600,000 FOR EMERGENCY DEMOLITION OF THE KRESGE BUILDING (**MO #2212 BK 10)**

Mayor Harless offered motion, seconded by Commissioner Wilson, that the items on the consent agenda be adopted as presented.

Adopted on call of the roll, yeas, Abraham, McElroy, Watkins, Wilson and Mayor Harless (5).

APPOINTMENT(S)

BOARD OF ETHICS
Commissioner Harless offered motion, seconded by Commissioner Abraham to appoint Sarah Holland to the Board of Ethics to replace Jill Gott Wrye, whose term has expired. This term shall expire February 10, 2022.

Adopted on call of the roll, yeas, McElroy, Wilson and Mayor Harless (3). Nays, Abraham and Watkins (2).

RESOLUTIONS

TAX INCREMENT FINANCING DISTRICT
Mayor Harless offered motion, seconded by Commissioner Wilson, that the Board of Commissioners adopt a Resolution entitled, "A RESOLUTION UPHOLDING THE PARTNERSHIP BETWEEN THE CITY OF PADUCAH AND THE COUNTY OF MCCRACKEN TO PURSUE AND SUPPORT A TAX INCREMENT FINANCING (TIF) DISTRICT IN THE DOWNTOWN RIVERFRONT DEVELOPMENT AREA," be adopted.

Adopted on call of the roll, yeas, Abraham, McElroy, Watkins, Wilson and Mayor Harless (5).

FEMA DISASTER ASSISTANCE – 2019 FLOOD
Mayor Harless offered motion, seconded by Commissioner Wilson, that the Board of Commissioners adopt a Resolution entitled, "A RESOLUTION AUTHORIZING THE CITY ASSISTANT PUBLIC WORKS DIRECTOR TO EXECUTE DOCUMENTS FOR AND ON BEHALF OF THE CITY OF PADUCAH TO APPLY FOR FINANCIAL ASSISTANCE THROUGH THE FEDERAL EMERGENCY MANAGEMENT AGENCY RELATED TO THE 2019 FLOOD," be adopted.

Adopted on call of the roll, yeas, Abraham, McElroy, Watkins, Wilson and Mayor Harless (5).

ORDINANCE(S) – EMERGENCY

KRESGE BUILDING DEMOLITION
Commissioner Abraham offered motion, seconded by Commissioner McElroy that the Board of Commissioners introduce and adopt an Emergency Ordinance entitled, "AN ORDINANCE APPROVING AN AGREEMENT FOR DEMOLITION SERVICES WITH DANNY COPE AND SONS EXCAVATING, LLC, IN AN AMOUNT OF $573,000 FOR EMERGENCY DEMOLITION SERVICES OF THE KRESGE BUILDING LOCATED AT 316, 318 & 320 BROADWAY; RATIFYING THE CITY MANAGER'S DECLARATION OF AN EMERGENCY AND EXECUTION OF SAID AGREEMENT AND DECLARING AN EMERGENCY TO EXIST." This Ordinance is summarized as follows: In this Emergency Ordinance the City of Paducah approves a contract with Danny Cope and Sons Excavating for the demolition of the Kresge Building in a total amount of $573,000, and ratifies the City Manager's execution of the contract and declaration of emergency.

Adopted on call of the roll, yeas, Abraham, McElroy, Watkins, Wilson and Mayor Harless (5).
(ORD #2019-2-8561; BK 35)

ORDINANCE(S) – ADOPTION

APPROVE CONTRACT WITH INNOVATIONS BRANDING HOUSE
Commissioner Abraham offered motion, seconded by Commissioner McElroy, that the Board of Commissioners adopt an ordinance entitled, "AN ORDINANCE OF THE CITY OF PADUCAH, KENTUCKY, AUTHORIZING AND APPROVING AN AGREEMENT BETWEEN THE CITY OF PADUCAH AND INTEGRATED VISUALIZATION SYSTEMS, INC., D/B/A INNOVATIONS BRANDING HOUSE, FOR WEBSITE, VIDEOS, DESIGN OF PRINTED MATERIALS AND SOCIAL MEDIA CONTENT RELATED TO THE CITY'S STRATEGIC PLAN INITIATIVES IN AN AMOUNT NOT TO EXCEED $20,000 FOR FISCAL YEAR 2019 AND $36,000 FOR FISCAL YEAR 2020; AND AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT." This ordinance is summarized as follows: That the City of Paducah does hereby approve an agreement with Innovations Branding House in an amount not to exceed $20,000 in FY19 and $36,000 in FY20 for professional services related to branding and community engagement for the City's Strategic Plan.
Adopted on call of the roll, yeas McElroy, Wilson and Mayor Harless (3). Nays, Abraham and Watkins (2). **(ORD #2019-2-8562 BK 35)**

COMMENTS

CITY MANAGER COMMENTS

The City Manager requested an Executive Session to discuss litigation.

City Manager Arndt complimented the City Team for their work during the flood. He was impressed to see everyone working together during the flood gate installation with an "All hands on deck" mentality. He commented on the excellent cooperation and partnership with the County also.

BOARD OF COMMISSIONERS COMMENTS

Commissioner Wilson: With regard to the partnership with the County, it was great news that the County approved the TIF Resolution last night.

Commissioner Wilson asked City Engineering Public Works Director Rick Murphy to give a brief update on the flooding situation and the Convention Center. Mr. Murphy let the Commission know that the river level will have to be at 52' before the flood gate at the Holiday Inn entrance is able to be removed and the Convention Center is able to be occupied again.

Commissioner McElroy attended the Community Scholarship Program at WKCTC. The City of Paducah was presented with an award of appreciation for their contributions to the program.

Commissioner Abraham visited the Fulton County Inmate Initiative Program. This is a welding program for inmates to give them a marketable skill when they re-enter society. McCracken County Jail is trying to get this program here in Paducah. Commissioner Abraham plans to reach out to some of the unions to create partnerships for this endeavor.

PUBLIC COMMENTS

Randy Beeler and John Suttles made comments regarding the Veterans Day Parade.

EXECUTIVE SESSION

Commissioner Watkins offered motion, seconded by Commissioner Wilson, that the Board of Commission go into closed session for discussion of matters pertaining to the following topics: Proposed or pending litigation, as permitted by KRS 61.810(1)(c).

Adopted on call of the roll, yeas, Abraham, McElroy, Watkins, Wilson and Mayor Harless (5).

RECONVENE

Mayor Harless offered motion, seconded by Commissioner Wilson, to reconvene in open session. All in favor.

ADJOURN

Mayor Harless offered motion, seconded by Commissioner Wilson, to adjourn the meeting. All in favor.

Meeting ended at approximately 6:45 p.m.

ADOPTED: March 12, 2019

February 26, 2019

_____
Brandi Harless, Mayor

ATTEST:

_____
Lindsay Parish, City Clerk

March 12, 2019

Minute File:

1. Notice of Called Joint Meeting for the Board of Commissioners of the City of Paducah, Kentucky and McCracken Fiscal Court on February 19, 2019
2. Certificate of Liability Insurance – Central Paving Co., of Paducah, Inc.
3. Declaration of a Local State of Emergency – Mayor Brandi Harless – February 18, 2019
4. Emergency Authorization for the Former Kresge Building Demolition – February 20, 2019, James Arndt, City Manager
5. Designation of Applicant's Agent - Designation of Chris Yarber to execute FEMA documents for 2019 flood event
6. Joint Resolution – Paducah and McCracken County – TIF District in Downtown Riverfront Development Area
7. Tax Increment Financing Development (TIF) Plan for the Downtown Riverfront Development Area – prepared for Joint Meeting between City of Paducah Board of Commissioners and McCracken County Fiscal Court on February 19, 2019
8. Paducah TIF District Hotel Market Study prepared by ConsultEcon, Inc.

Deed File:

1. Commissioner's Deed – 440 Kinkead Street
2. Commissioner's Deed – 1011 Oscar Cross Avenue
3. Commissioner's Deed – 1201 Oscar Cross Avenue

Contract File:

1. Escrow Agreement between EMD Properties (Developer), CFSB Bank (Bank) and the City of Paducah – LaBarri Farms Subdivision ORD #2019-2-8560
2. TIF Development Plan for the Downtown Riverfront Development Area
3. Contract For Services – Kenny's Lawn Care and More - MO #2208
4. Contract For Services – Innovations Branding House – ORD #2019-2-8562
5. Agreement for Demolition Services – Danny Cope & Sons – Kresge Building – ORD #2019-2-8561

Financials File:

1. Independent Auditor's Report and Financial Statements for Edwin J. Paxton Park Golf Course – Year ended December 31, 2018
2. Paducah Water Works – Financial Highlights For period through January 31, 2019
3. Barkley Regional Airport Authority – Years ended June 30, 2018 and 2017

Bids

1. City Owned Lots Grounds Maintenance Contract
   a. Solomon Lawn Service
   b. Kenny's Lawn Care & More
2. 2019 Dump Truck w/Snow Plow and Salt Spreader
   a. Stringfellow, Inc. – Nashville, TN* Recommended For Acceptance
   b. TAG Truck Centers – Calvert City, KY
3. Eight (8) Police Pursuit Rated SUVs
   a. Linwood Motors – Paducah, KY* Recommended For Acceptance
   b. Paducah Ford – Paducah, KY (Disqualified)

CITY OF PADUCAH
March 12, 2019

Upon the recommendation of the City Manager, the Board of Commissioners of the City of Paducah order that the personnel changes on the attached list be approved.

City Manager's Signature

3/6/19
Date

CITY OF PADUCAH
PERSONNEL ACTIONS
March 12, 2019

NEW HIRE - FULL TIME (F/T)

EMERGENCY COMMUNICATION SRVC	POSITION	RATE	NCS/CS	FLSA	EFFECTIVE DATE
Scutt, Auston C.	Telecommunicator	$13.71/Hr.	NCS	Non-Ex	April 4, 2019
Stephen, Hillary D.	Telecommunicator	$13.71/Hr.	NCS	Non-Ex	April 4, 2019
POLICE - OPERATIONS					
York, Matthew J.	Police Officer	$24.54/Hr.	NCS	Non-Ex	April 25, 2019

NEW HIRES - PART TIME (P/T)/TEMPORARY/SEASONAL

EPW - FLOODWALL	POSITION	RATE	NCS/CS	FLSA	EFFECTIVE DATE
Hagen, William R.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 15, 2019
Hayden, Larry D.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 16, 2019
Malmgren, Kenneth E.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 19, 2019
Leneave, Claydon G.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 21, 2019
Siska, Jay D.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 21, 2019
Jones Jr., James E.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 21, 2019
Wood Jr., Danny L.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 21, 2019
Yarber, Jalen c.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 21, 2019
Harris, James T.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 22, 2019
Bailey, James M.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 21, 2019
Cope, Mark K.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 22, 2019
Harris, James T.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 22, 2019
Johnson, Mark D.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 23, 2019
Forthman, Rodger D.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 23, 2019
Schmidt, Phillip B.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 26, 2019
Edmonds, Broderick K.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 27, 2019
McDonald, Mark A.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 27, 2019
Dickey, Thomas A.	Temp Pump Operator	$10.00/Hr.	NCS	Non-Ex	February 27, 2019
PARKS SERVICES					
Rumfelt, Stephanie B.	Recreation Leader-Class Instructor	$17.00/Hr.	NCS	Non-Ex	March 28, 2019

PAYROLL ADJUSTMENTS/TRANSFERS/PROMOTIONS/TEMPORARY ASSIGNMENTS

	PREVIOUS POSITION AND BASE RATE OF PAY	CURRENT POSITION AND BASE RATE OF PAY	NCS/CS	FLSA	EFFECTIVE DATE
FIRE - SUPPRESSION					
Hansen, Wayne C.	Firefighter/Relief Driver $15.60/Hr.	Acting Fire Lieutenant $16.85/Hr.	NCS	Non-Ex	December 26, 2018
Pendergrass, Brian D.	Firefighter/Relief Driver $15.60/Hr.	Fire Lieutenant $16.85/Hr.	NCS	Non-Ex	February 28, 2019
Murphy, William C.	Firefighter $14.68/Hr.	Firefighter/Relief Driver $15.37/Hr.	NCS	Non-Ex	February 28, 2019

TERMINATIONS - FULL TIME (F/T)

POLICE - OPERATIONS	POSITION	REASON	EFFECTIVE DATE
Smith, John P.	Police Officer	Resignation	February 27, 2019
EMERGENCY COMMUNICATION SRVCS			

CITY OF PADUCAH
PERSONNEL ACTIONS
March 12, 2019

Duke, Ryan B.	Telecommunicator	Resignation	February 9, 2019
FIRE - SURPRESSION			
Leneave, Michael D.	Fire Captain	Retirement	February 3, 2019
Arterburn, William G	Fire Lieutenant	Retirement	February 28, 2019
PARKS SERVICES			
Severns, Breck E.	Administrative Assistant III	Termination	February 26, 2019
EPW - SOLID WASTE			
Kitchen, Robert C.	Solid Waste Truck Driver	Termination	March 2, 2019

TERMINATIONS - PART-TIME (P/T)/TEMPORARY/SEASONAL

EPW - FLOODWALL	**POSITION**	**REASON**	**EFFECTIVE DATE**
Bradford, Gregory W.	Temp-Pump Operator	Termination	February 27, 2019
Siska, Jay D.	Temp-Pump Operator	Termination	February 27, 2019
Forthmen, Roger O.	Temp-Pump Operator	Termination	February 28, 2019
Jones, James E.	Temp-Pump Operator	Termination	March 1, 2019
Malmgren, Kenneth E.	Temp-Pump Operator	Termination	March 1, 2019
Johnson, Mark D.	Temp-Pump Operator	Termination	March 1, 2019

Agenda Action Form
Paducah City Commission

Meeting Date: March 12, 2019

Short Title: 2019-2020 Kentucky Hazardous Waste Grant Application - **R MURPHY**

Category: Municipal Order

Staff Work By: Pam Souder, Chris Yarber, Melanie Townsend
Presentation By: Rick Murphy

Background Information:

The Kentucky Division of Waste Management, through the Household Hazardous Waste Award Program, funds cities across the commonwealth for annual clean-up days. This grant award program provides a partial reimbursement for the expenses incurred by the city for the disposal and advertising/education of Spring Clean-up Day. For the past 26 years, this project has been a collaborative effort between the McCracken County Fiscal Court and the City of Paducah.

The Engineering/Public Works and Planning Departments desire to submit an application for the 2019-2020 Kentucky Division of Waste Management Household Hazardous Waste Award Program. This grant requires a 25% cash or in-kind match. The City will act as the Lead Agency/Fiscal Agent and seeks an award of $25,500, which will be combined with the required local cash match of $6,375 for a project totaling $31,875. Local cash match will be divided equally between the city and the county. As in previous years, the City's share of the local cash match will be paid through the Engineer/Public Works account number 50002209-520040.

Any award offered as a result of this application will require an Inter-local Agreement to be signed and will be brought before the City Commission and Fiscal Court for consideration.

Does this Agenda Action Item align with a Strategic Plan Action Step? No
If yes, please list the Action Step Item Codes(s):

Funds Available: Account Name:
Account Number:

Staff Recommendation: Authorize and direct the Mayor to execute all required application documents.

Attachments:

1. Municipal Order

MUNICIPAL ORDER NO. _____

A MUNICIPAL ORDER AUTHORIZING AN APPLICATION FOR A 2019-2020 KENTUCKY HOUSEHOLD HAZARDOUS WASTE GRANT THROUGH THE KENTUCKY DIVISION OF WASTE MANAGEMENT IN AN AMOUNT OF $25,500 TO ASSIST IN FUNDING THE CITY/COUNTY ANNUAL SPRING CLEAN-UP DAY AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS RELATED TO SAME

BE IT ORDERED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The City of Paducah hereby authorizes the submission of a joint application with the McCracken County Fiscal Court for a Kentucky Household Hazardous Waste Grant through the Kentucky Division of Waste Management in the amount of $25,500 to assist in funding the City/County Annual Spring Clean-up Day.

SECTION 2. The City of Paducah and the McCracken County Fiscal Court hereby agree that the City shall act as the lead government agency in meeting all grant requirements, including the local cash match of $6,375.00 that will be split 50/50 with the McCracken County Fiscal Court.

SECTION 3. The City's match of $3,187.50 will be funded through the Engineering/Public Works account number 50000 2209 520040. Funding for the local cash match will be subject to approval of appropriation in the Engineering/Public Works FY2020 budget.

SECTION 4. This order shall be in full force and effect from and after the date of its adoption.

_____
Brandi Harless, Mayor

ATTEST:

_____
Lindsay Parish, City Clerk

Adopted by the Board of Commissioners, March 12, 2019
Recorded by Lindsay Parish, City Clerk, March 12, 2019
\mo\grants\app-Household Hazardous Waste Clean Up Day 2019-2020

Agenda Action Form
Paducah City Commission

Meeting Date: March 12, 2019

Short Title: Kentucky Office of Homeland Security FY16 Grant Funding Acceptance - **B LAIRD**

Category: Municipal Order

Staff Work By: Joseph Hayes, Melanie Townsend
Presentation By: Brian Laird

Background Information:

The Kentucky Office of Homeland Security (KOHS) grant program, funded by the U.S. Department of Homeland Security, can be used by city and county governments, area development districts and public universities to purchase first-responder equipment, communications, cyber security and critical infrastructure protection. In 2018, Paducah Police Department applied for funding for four (4) bomb suits and related items for the Paducah Police Department FBI-certified Bomb Unit as approved in MO #2094. KOHS initially approved $63,500 for two (2) bomb suits and related items as accepted by MO #2185.

KOHS has FY16 funds which are available and are being offered to PPD to fund the additional two (2) bomb suits and related items in the amount of $54,082. No local or in-kind match is required.

Does this Agenda Action Item align with a Strategic Plan Action Step? No
If yes, please list the Action Step Item Codes(s):

Funds Available: Account Name:
Account Number:

Staff Recommendation: Authorize and direct the Mayor to execute all required grant documents to accept the additional funding in the amount of $54, 082 from KOHS.

Attachments:

1. Municipal Order
2. Award Letter_City of Paducah_FY16
3. Grant Agreement_City of Paducah_FY16funding

MUNICIPAL ORDER NO. _____

A MUNICIPAL ORDER ACCEPTING GRANT FUNDS THROUGH THE KENTUCKY OFFICE OF HOMELAND SECURITY (KOHS) FOR A FY16 STATE HOMELAND SECURITY GRANT IN THE AMOUNT OF $54,082 FOR THE PURCHASE OF BOMB SUITS AND RELATED ITEMS FOR THE PADUCAH POLICE DEPARTMENT AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS RELATED TO SAME

WHEREAS, the City of Paducah applied for a FY18 State Homeland Security Grant through the Kentucky Office of Homeland Security, adopted by Municipal Order No. 2094 on April 24, 2018, to be used for the purchase of bomb suits for the Paducah Police Department; and

WHEREAS, the City of Paducah accepted grant funds for the FY18 State Homeland Security Grant through the Kentucky Office of Homeland Security, adopted by Municipal Order No. 2185 on November 27, 2018; and

WHEREAS, the Kentucky Office of Homeland Security is now offering FY16 funding to the Paducah Police Department to fund (2) two additional bomb suits and related items in the amount of $54,082; and

WHEREAS, the Paducah Police Department now wishes to accept the additional funding in order to purchase two additional bomb suits and related items through the GSA Contract GS-07F-0207M; and

NOW, THEREFORE, BE IT ORDERED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the City of Paducah hereby accepts grant funds in the amount of $54,082.00 through the Kentucky Office of Homeland Security for a State Homeland Security Grant for the purchase of bomb suits and related equipment for the Paducah Police Department. No local or in kind match is required.

SECTION 2. That the Mayor is hereby authorized to execute all documents related to the acceptance of the grant as authorized in Section 1, above.

SECTION 3. This order shall be in full force and effect from and after the date of its adoption.

_____
Brandi Harless, Mayor

ATTEST:

_____
Lindsay Parish, City Clerk

Adopted by the Board of Commissioners March 12, 2019
Recorded by Lindsay Parish, City Clerk March 12, 2019
MO\grants\award – KOHS Bomb Suits Police Dept FY16

OFFICE OF THE GOVERNOR
KENTUCKY OFFICE OF HOMELAND SECURITY

Matthew G. Bevin
Governor

200 Mero Street
Frankfort, KY 40622
Phone 502-564-2081
Fax 502-564-7764
www.homelandsecurity.ky.gov

John W. Holiday
Executive Director

March 1, 2019

The Honorable Brandi Harless
Mayor, City of Paducah
300 S 5th Street
Paducah, KY 42003

RE: Paducah Police Department
City of Paducah Grant Application 18-085

Dear Mayor Harless:

On behalf of Governor Matt Bevin, the Kentucky Office of Homeland Security (KOHS) would like to congratulate you on the approval of your application, funded by the FFY-2016 State Homeland Security Grant Program. Your application has been awarded **$54,082** for the project stated above.

Approved Scope of Work: Provide funding for two IED/EOD protective ensembles as requested in the application for Paducah Police Department Bomb Squad submitted by the City of Paducah.

NO ACTION SHOULD BE TAKEN UNTIL YOU RECEIVE THE FULLY EXECUTED AGREEMENT FROM THE KENTUCKY FINANCE AND ADMINISTRATION CABINET. If you do not believe that you can complete the Scope of Work with the amount of funding provided and by June 30, 2019 please contact KOHS Grants Managers Jennifer Annis or Anna Harmon at 502-564-2081 immediately.

My staff and I look forward to working with you throughout the course of this grant. If you have any questions at any time please do not hesitate to contact me or members of our grants management team. Again please accept our congratulations and best wishes for a successful project.

Sincerely,

John W. Holiday

Commonwealth of Kentucky
CONTRACT

DOC ID NUMBER:
SC 094 1900001484 **Version:** 1 **Record Date:**

Document Description: City of Paducah HS16115FRE

Cited Authority: EMW-2016-SS-00059
FFY 2016 Homeland Security Grant

Reason for Modification:

Issuer Contact:
Name: Jennifer Annis
Phone: 502-564-2081
E-mail: jennifer.annis@ky.gov

Vendor Name:
CITY OF PADUCAH
PO BOX 2267
PADUCAH KY 42002-2267

Vendor No. KY0033652
Vendor Contact
Name: CORIE COLE
Phone: 270-444-8512
Email: CCOLE@PADUCAHKY.GOV

Effective From: 2019-03-01 **Effective To:** 2019-06-30

Line Item	Delivery Date	Quantity	Unit	Description	Unit Price	Contract Amount	Total Price
1		0.00000		City of Paducah HS16115FRE	$0.000000	$54,082.00	$54,082.00

Extended Description:
Effective Date: 3/1/19
Expiration Date: 06/30/19

Deliverables/Scope of Work: The second party shall enhance law enforcement on scene security, protection, and terroristic preparedness capabilities through the purchase of two IED/EOD Personal Protection Equipment (PPE) Suits and related items for the Paducah Police Department FBI Certified Bomb Squad Unit as stated in the application submitted by the City of Paducah.

Shipping Information:	Billing Information:
Kentucky Office of Homeland Security 200 Mero Street Frankfort KY 40622	Kentucky Office of Homeland Security 200 Mero Street Frankfort KY 40622

TOTAL CONTRACT AMOUNT:	$54,082.00

FFY 2016 HOMELAND SECURITY GRANT PROGRAM

GRANT INFORMATION AND IDENTIFICATION

CFDA Number: **97.067**

CFDA Title: **Homeland Security Grant Program**

Award Year: **FFY 2016**

Federal Agency: **Department for Homeland Security/FEMA**

Pass-Through Agency: **Kentucky Office of Homeland Security**

IDENTIFICATION AND OBLIGATIONS OF THE PARTIES

First Party

The Kentucky Office of Homeland Security (KOHS) (as the First Party), in the exercise of its lawful duties, has determined that the functions outlined in this agreement and in the attachment(s) thereto, are necessary for compliance with either the statutory and regulatory requirements of the U.S Department of Homeland Security or the Kentucky Office of Homeland Security.

Second Party

The Second Party is the contractor as defined by KRS 45A.030(9) and agrees that they are willing, available and qualified to perform the scope of work as detailed in this agreement and as specifically outlined.

Cancellation Clause

Either party may cancel the agreement at any time for cause or may cancel without cause on 30 days' written notice.

Funding Out Provision

The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the agreement. The state agency shall provide the contractor thirty (30) calendar days written notice of termination of the agreement due to lack of available funding.

Reduction in Contract Worker Hours

The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under

such authority the agency is required by Executive Order or otherwise to reduce contract hours, the contract will be reduced by the amount specified in that document.

Access to Records

The state agency certifies that it is in compliance with the provisions of KRS 45A.695, "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to the contract." The contractor, as defined in KRS 45A.030 (8) and (10), agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this agreement for the purpose of financial audit or program review. The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the agreement and shall be exempt from disclosure as provided in KRS 61.878(1) (c).

Effective Date

All Memorandum of Agreements are not effective until the Secretary of the Finance and Administration Cabinet or their authorized designee has approved the agreement and until the agreement has been submitted to the government contract review committee. However, in accordance with KRS 45A.700, memoranda of agreement in aggregate amounts of $50,000 or less are exempt from review by the committee and need only be filed with the committee within 30 days of their effective date for informational purposes.

KRS 45A.695(7) provides that payments on personal service contracts and memoranda of agreement shall not be authorized for services rendered after government contract review committee disapproval, unless the decision of the committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the Secretary.

Violation of Tax and Employment Laws

KRS 45A.485 requires the contractor and all subcontractors performing work under the agreement to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341 and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the contractor and all subcontractors performing work under the agreement shall report any such final determination(s) of violation(s) to the Commonwealth

by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the contractor and all subcontractors performing work under the agreement shall be in continuous compliance with the provisions of those statutes which apply to the contractor's operations, and that their failure to reveal a final determination as described above, or failure to comply with the above statutes for the duration of the agreement, shall be grounds for the Commonwealth's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Contractor must check one:
_____ The Contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.

_____ The Contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). Attached is a list of such determination(s) , which includes the KRS violated, the date of the final determination, and the state agency which issued the final determination.

Discrimination:
This section applies only to agreements disbursing federal funds, in whole or part, when the terms for receiving those funds mandate its inclusion. Discrimination because of race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability is prohibited. During the performance of this agreement, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The contractor agrees to provide, upon request, needed reasonable accommodations. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

2. In all solicitations or advertisements for employees placed by or on behalf of the contractor, the contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

4. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this agreement or with any of the said rules, regulations or orders, this agreement may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Campaign Finance

The contractor certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The contractor further swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the company which he/she represents, has knowingly violated any provisions of the campaign finance laws of the

Commonwealth, and that the award of a contract to him/her or the company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

Change of Circumstances
Each party shall promptly notify the other party of any legal impediment, change of circumstances, pending litigation, or any other event or condition that may adversely affect the party's ability to carry out any of its obligations under this agreement.

Choice of Law and Forum Provision
The laws of the Commonwealth of Kentucky shall govern all questions as to the execution, validity, interpretation and performance of this agreement. Furthermore, the parties hereto agree that any legal action that is brought on the basis of this agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

Confidentiality
The Second Party agrees that any employee or agent acting in its behalf will abide by the state and federal rules and regulations governing access to and use of information provided to the Second Party by the First Party in the administration of this contract.

Conflict of Interest Laws and Principles
The contractor certifies that he/she is legally entitled to enter into this contract agreement with the Commonwealth of Kentucky, and by holding and performing the terms and conditions of this agreement will not violate any conflict of interest statute, including but not limited to KRS 45A.330-45A.340, 45A.990, KRS 164.390, and KRS 11A.040 of the Executive Branch code of ethics, relating to the employment of former public servants

Data Collection/Analysis Limitations
No data collected and provided by the First Party shall be used for any other purpose other than those expressly authorized in this agreement.

Entire Agreement
This agreement forms the entire agreement between the parties as to scope and subject matter of this Agreement. All prior discussions and understandings concerning the scope and subject matter are superseded and incorporated by this Agreement.

Extensions and Amendments to this Agreement
The terms and conditions of this agreement may be extended or amended according to the provisions of KRS Chapter 45A, and are subject to the approval of the Director of KOHS, the Secretary of the Finance and Administration Cabinet and/or the Legislative Research Commission's Government Contracts Review Committee. The agency reserves the right to modify this agreement for the addition or deletion of requirements deemed necessary by the agency with the mutual agreement of both parties in accordance with KRS 45A.030 (2); KRS 45A.210 (1); (200 KAR 5:311)

Any mutually agreed upon changes to the agreement must be approved, in writing, by KOHS prior to implementation or obligation and shall be incorporated in written amendments to this agreement. This procedure for changes to this approved agreement is not limited to budgetary changes, but also includes changes of substance in project activities and changes in the project director or key professional personnel identified in the approved application.

Liability and Indemnity
Nothing in this agreement shall be construed as an indemnification by one party of the other for liabilities of a party or third persons for property loss or damage or death or personal injury arising out of and during the performance of this agreement. Any liabilities or claims for property loss or damage or for death or personal injury by a party or its agents, employees, contractors or assigns or by third persons, arising out of and during the performance of this agreement shall be determined according to applicable law.

Notices
Any notice, transmittal, approval, or other official communication made under this agreement shall be in writing and shall be delivered by hand, facsimile transmission, or by mail to the other party.

Severability
If any provision of this agreement is held judicially invalid, the remainder of the agreement shall continue in full force and effect to the extent not inconsistent with such holding.

Sole Benefit
This agreement is intended for the sole benefit of the First Party, the Second Party, and, if implementing a federal grant program element, the United States Government, and is not intended to create any other beneficiaries.

Subcontractor Requirement
The Second Party agrees that all requirements of this agreement shall also be applicable and binding on any subcontractor the Second Party may contract with to meet the statement of work, method of payment, and deliverables of this agreement. All Second Party subcontractors are subject to First Party approval.

Successors and Assigns
This agreement may not be assigned by a party without the express written consent of the other party. All covenants made under this agreement shall bind and inure to the benefit of any successors and assigns of the parties whether or not expressly assumed or acknowledged by such successors or assigns.

Waiver of Breach
If a party waives enforcement of any provision of this agreement upon any event of breach by the other party, the waiver shall not automatically extend to any other or future events of breach.

IDENTIFICATION OF THE SUBJECT MATTER OF THE CONTRACT

Environmental Planning and Historic Preservation (EHP)

The Second Party acknowledges that any project considered to constitute construction or renovation must receive prior approval from FEMA before any work or financial expenditures can be made.

Intellectual Properties

The contractor agrees that any formulae, methodology, other reports and compilations of data provided by the First Party to the contractor for the purposes of meeting the terms and conditions of this agreement, or as developed, prepared or produced by the contractor for use by the First Party under the scope of services of this agreement shall be the exclusive property of the First Party. Any use of this material for purposes other than those specifically outlined and authorized by this agreement without prior approval and without appropriate acknowledgement of the funding source, shall be grounds for immediate termination of this agreement and possible criminal prosecution.

Kentucky Wireless Interoperability Executive Committee

Any portion of this agreement that involves data or voice communication equipment or projects, including data or voice interoperability equipment or projects shall be presented by the Second Party for action by the Kentucky Wireless Interoperability Executive Committee (KWIEC). Furthermore, it is a condition of this agreement that all recommendations of the KWIEC, will be accepted and implemented by the Second Party prior to the commencement of the project addressed in this agreement. A copy of the KWIEC decision will be provided to the First Party by the Second Party.

Mutual Aid and Interoperability Memorandum of Understanding

The Second Party and any other local entities receiving benefit from these grant funds must have a Mutual Aid Memorandum of Understanding with the Kentucky State Police.

NIMS Requirements

In accordance with HSPD-5, *Management of Domestic Incidents*, the adoption of the national Incident Management System (NIMS) is a requirement to receive Federal preparedness assistance through grants, contracts, and other activities.

Project Implementation

The sub grantee agrees to implement this project within 60 days following the grant award effective date or be subject to automatic cancellation of the grant.

Property Control

Effective control and accountability must be maintained for all personal property. Sub grantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes. Sub grantees should exercise caution in the use, maintenance, protection and preservation of such property.

Title: Subject to the obligations and conditions set for in 28 CFR Part 66, title to non-expendable property acquired in whole or in part with grant funds shall be vested in the sub grantee. Non-expendable property

is defined as any item having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.
Use and disposition: Equipment shall be used by the sub grantee in the program or project for which it was acquired as long as needed, whether or not the program or project continues to be supported by federal funds. When use of the property for project activities is discontinued, the sub grantee shall request, in writing, disposition instructions from KOHS prior to actual disposition of the property. Theft, destruction, or loss of property shall be reported to KOHS immediately.
Inventory: The Second Party must submit to the First Party an inventory of all equipment purchased with these federal funds. This inventory must include a description of the property, a serial number or other identification number, the source of the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
Annually, second party will submit all inventories to the KOHS via an online database or any other form or process deemed by the first party.

Property Purchased by the First Party (KOHS)
Property purchased by the First Party for the purposes of fulfilling the requirements of the scope of services for this agreement, and which may include, but not be limited to, furniture, computer software, computer hardware, office equipment, and supplies are considered the property of the First Party and shall remain the property of the First Party.

Scope of Work
This grant will provide reimbursement funding to the Second party for the specific scope of work described in the Extended Description. Successful completion by the Second party shall include the deliverables as listed in the Extended Description.
CONSIDERATION AND CONDITIONS FOR PAYMENT
Availability of Federal Funds
This grant award is contingent upon availability of federal funds approved by Congress.
Consultant Rate
Approval of this agreement does not indicate approval of any consultant rate in excess of $450 per day. A detailed justification must be submitted and approved by the First Party and FEMA's National Preparedness Directorate prior to obligation or expenditure of such funds.

Deobligation of Grant Funds
All grant funds must be deobligated within thirty (30) calendar days of the end of the grant period. Failure to deobligate the grant in a timely manner may result in an automatic deobligation of the grant by KOHS.

Earliest Date of Payment
No payment on this agreement shall be made before completion of the review procedure provided for in KRS 45A.705, unless alternate actions occur as set out in KRS 45A.695 (7). Payments on personal service contracts and memoranda of agreements shall not be authorized for services rendered after

government contract review committee disapproval, unless the decision of the committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the Secretary.

Financial Management System

The Second Party agrees to establish and/or maintain a financial management system which shall provide for:

Accurate, current, and complete disclosure of the financial results of the functions/services performed under this agreement in accordance with the reporting requirements as set forth in this agreement and attachment(s) thereto; Records that identify the source and application of funds for activities/functions/ services performed pursuant to this contract agreement. These records shall contain information pertaining to federal and/or state funds received, obligations, un-obligated balances, if applicable, assets, liabilities, expenditures and income;

Effective control over and accountability for all funds, property, and other assets. The Second Party shall safeguard all such assets and shall assure that they are used solely for authorized purposes in the provision of functions/services under this agreement;

Procedures for determining reasonableness, and allowability of costs in accordance with the terms and conditions of this agreement and any attachment(s) thereto; and Accounting records that are supported by source documentation.

Interest Income

Grant funds not reimbursed immediately to a vendor, subcontractor, etc. must be placed in an interest bearing account. The applicant agrees to be accountable for all interest earned with respect to these grant funds. Interest earned by this grant during the project must be reported and returned to KOHS quarterly.

Obligation of Grant Funds

Grant funds may not be obligated prior to the effective date of this approved legal agreement. No obligations are allowed after the end of the grant period.

Payments

Payments to applicants:

Payment by the First Party to the Second Party shall be made only after receipt of appropriate, acceptable and timely request for reimbursements. Reimbursement requests will be submitted on approved Kentucky Office of Homeland Security forms as provided by the First Party and submitted in written format to the First Party by the Second Party. The method of reimbursement will be through electronic funds transfer.

Final Request for Reimbursements:

Final request for reimbursements must be submitted to the First Party no later than 45 days after the expiration of this agreement.

Procurement
The acquisition of goods and services by the Contractor in performance of this agreement shall be according to applicable Commonwealth of Kentucky contracting procedures, the standards and procedures contained in applicable federal regulations (2 CFR).

For the purpose of any Kentucky Office of Homeland Security (KOHS)-funded projects using FY-2016 funds the county will use the provisions of KRS 45A for the purchase of equipment and/or services. For any equipment and/or services under $20,000 three (3) quotes will be obtained. For any equipment and/or services that exceeds $20,000 the provisions of KRS 45A will apply.

Purchasing and Specifications
The Second Party certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect, nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and Section 7.09 that pertains to conflict of interest laws and principles, “He” is construed to mean “They” if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then “He” is construed to mean any person with an interest therein.

Program Income
The applicant agrees to be accountable for all interest or other income earned by the Second Party with respect to grant funds or as a result of conduct of the project (sale of publications, registration fees, service charges, rebates, etc.). All program income generated by this grant during the project must be reported to KOHS quarterly and must be put back into the project or be used to reduce the grantor participation in the program. The use or planned use of all program income must have prior written approval from KOHS.

Reimbursement
The Second Party is required to sign this agreement with the Kentucky Office of Homeland Security to gain access to its allocated funds. No funds will be forwarded. The funds are allocated on a cost reimbursement basis. To receive reimbursement, the Second Party is required to provide the Kentucky Office of Homeland Security with copies of all obligation documents executed under this agreement and an inventory for equipment purchased.

Social Security
The Second Party and all other parties so contracted for services under the scope of service of this agreement agree that they are cognizant that the First Party is not liable for Social Security contributions pursuant to 42 U.S Code, Section 418, relative to the compensation of the Second Party during the effective dates of this agreement.

Total Amount of Contract and Contract Period
The Second Party’s and/or Third Party’s fees and expenses relative to the performance of the scope of services outlined in this agreement and in the detailed attachment(s) (if applicable) to this agreement shall not exceed the Total Order Amount as set forth in this agreement. The subject services and

functions are to be performed during the term of this agreement. It is understood that this agreement is not effective and binding until approved by the Secretary of the Finance and Administration Cabinet and/ or Legislative Research Commission's Government Contract Review Committee per KRS 45A.705.

Transfer of Funds
The Second Party is prohibited from transferring funds between programs (State Homeland Security Grant Program, Law Enforcement Terrorism Prevention Program, Emergency Management Performance Grant, Interoperable Emergency Communications Grant Program, Emergency Operations Center Grant Program, or any other Federal Grant Program).

Travel
The contractor shall be paid no travel expense unless and except as specifically authorized under the specifications of this agreement. Unless otherwise indicated, travel reimbursement shall be in accordance with 200 KAR 2:006. No travel time nor travel expenses will be included in the Second Party's or any subcontractor's hourly rates.

Other Expenses
The contractor shall be reimbursed for no other expenses than those which have been expressly detailed in this agreement. All direct charges shall be documented to support the direct charging of the expense. Where applicable

Invoicing for fee: The contractor's fee shall be original invoice(s) and shall be documented by the contractor. The invoice(s) must conform to the method prescribed in the specifications of this contract.

Invoicing for travel expenses: The contractor must follow instructions prescribed in the specifications of this agreement. Either original or certified copies of receipts must be submitted for airline tickets, motel bills, restaurant charges, rental car charges, and all other miscellaneous expenses.

Invoicing for miscellaneous expenses: The contractor must follow instructions prescribed in the specifications of this agreement. Expenses submitted shall be documented by certified copies.

Vendor Verification
The Second Party must verify that any vendor providing services is not on the *Federal Excluded Parties Listing System* prior to any contracts funded by federal funds. This verification must be submitted with each reimbursement request to verify that the vendor is not debarred at the time of order. This information may be found at www.epls.gov. Reimbursement will not be made without this verification.

Administrative and National Policy Requirements
The Second Party must, in addition to the assurances made as part of their application, comply and require each of its subcontractors employed in the completion of the project to comply with all applicable statutes, regulations, executive orders, OMB circulars, terms and conditions of the award, and the approved application.

The Second Party agrees that all allocation and use of funds under this grant will be in accordance with the Notice of Funding Opportunity (NOFO) and must support the goals and objectives included in the State Homeland Security Strategy.

Applicable Law
This agreement is incidental to the implementation of a federal grant program. Accordingly, this agreement shall be governed by and construed according to Federal law as it may affect the right, remedies, and obligations of the United States.

Governing Regulations
To the extent not inconsistent with the express terms of this agreement, the provisions of 2 CFR , Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements and OMB Circular A-87 which are hereby incorporated by reference as if fully set forth herein, shall govern this agreement.

Assurances, Administrative Requirements and Cost Principles

a. Recipients of Department of Homeland Security (DHS) federal financial assistance must complete OMB Standard Form 424B Assurances – Non-Construction Programs. Certain assurances in this form may not be applicable to your project or program, and the awarding agency may require applicants to certify to additional assurances. Please contact the program awarding office if you have any questions.
b. The administrative, cost principles, and audit requirements that apply to DHS award recipients originate from 2 C.F.R. Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards, as adopted by DHS at 2 C.F.R. Part 3002.

Compliance with Federal Civil Rights Laws and Regulations
The Second Party is required to comply with Federal civil rights laws and regulations. The Second Party must comply with all regulations, guidelines, and standards adopted under the below listed statutes. The Second Party is also required to submit information, as required, to the DHS Office for Civil Rights and Civil Liberties concerning its compliance with these laws and their implementing regulations. Specifically, the grantee is required to provide assurances as a condition for receipt of federal funds that its programs and activities comply with the following:

Americans with Disabilities Act of 1990
All recipients must comply with the requirements of Titles I, II, and III of the *Americans with Disabilities Act*, which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12101–12213).

Title VI of the Civil Rights Act of 1964

All recipients must comply with the requirements of Title VI of the *Civil Rights Act of 1964* (42 U.S.C. § 2000d *et seq*.), which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. DHS implementing regulations for the Act are found at 6 C.F. R., Part 21 and 44 C.F.R. Part 7.

Civil Rights Act of 1968
All recipients must comply with Title VIII of the Civil Rights Act of 1968, which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status and sex (42 U.S.C. § 3601 et seq.), as implemented by the Department of Housing and Urban Development at 24 CFR Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features (see 24 CFR § 100.201).

Education Amendments of 1972 (*Equal Opportunity in Education Act*) – Title IX as amended, 20 U.S.C. §1681 et. seq.
Provides that no person, in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any educational program or activity receiving Federal financial assistance. These regulations are codified at 6 C.F.R. Part 17 and 44 C.F.R. Part 19.

Rehabilitation Act of 1973
All recipients of must comply with the requirements of Section 504 of the *Rehabilitation Act of 1973*, 29 U.S.C. § 794, as amended, which provides that no otherwise qualified handicapped individual in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Age Discrimination Act of 1975
All recipients must comply with the requirements of the *Age Discrimination Act of 1975* (42 U.S.C. § 6101 *et seq*.), which prohibits discrimination on the basis of age in any program or activity receiving Federal financial assistance.

Limited English Proficiency (*Civil Rights Act of 1964*, Title VI)
All recipients must comply with the *Title VI of the Civil Rights Act of 1964* (Title VI) prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient

Guidance https://www.dhs.gov/guidance-published-help-departmentsupported-organizations-provide-meaningful-access-people-limited and additional resources on http://www.lep.gov.

Certifications and Assurances
Certifications and assurances regarding the following apply:

Activities Conducted Abroad
All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits or approvals are obtained.

Best Practices for Collection and Use of Personally Identifiable Information (PII)
DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect.

Award recipients may also find as a useful resource the DHS Privacy Impact Assessments:

http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_guidance_june2010.pdf, https://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_template.pdf

and

www.dhs.gov/publication/dhs-handbook-safeguarding-sensitive-pii.

Buy American Act
The Second Party agrees that it will not expend any funds appropriated by Congress without complying with The Buy American Act (41 U.S.C. 10). The Buy American Act gives preference to domestic end products and domestic construction materials. In addition, the Memorandum of Understanding between the United States of America and the European Economic Community on Government Procurement, and the North American Free Trade Agreement (NAFTA), provide the EC and NAFTA end products and construction materials are exempted from application of The Buy American Act. First Party encourages second party to use Kentucky services and/or products.

Classified National Security Information

As defined in Executive Order (EO) 12958, as amended, means information that has been determined pursuant to EO 12958 or any predecessor order to require protection against unauthorized disclosure and is marked to indicate its classified status when in documentary form.

No funding under this award shall be used to support a contract, sub award, or other agreement for goods or services that will include access to classified national security information if the award recipient has not been approved for and has access to such information.
Where an award recipient has been approved for and has access to classified national security information, no funding under this award shall be used to support a contract, sub award, or other agreement for goods or services that will include access to classified national security information by the contractor, sub awardee, or other entity without prior written approval from the DHS Office of Security, Industrial Security Program Branch (ISPB), or, an appropriate official within the Federal department or agency with whom the classified effort will be performed.

Such contracts, sub awards, or other agreements shall be processed and administered in accordance with the DHS -Standard Operating Procedures, Classified Contracting by States and Local Entities, -dated July 7, 2008; EOs 12829, 12958, 12968, as amended; the National Industrial Security Program Operating Manual (NISPOM); and/or other applicable implementing directives or instructions. All security requirement documents are located at: http://www.dhs.gov/xopnbiz/grants/index.shtm

Clean Air Act of 1970 and Clean Water Act of 1977
All recipients of financial assistance will comply with the requirement of 42 U.S.C. § 7401 et seq. and Executive Order 11738, which provides for the protection and enhancement of the quality of the nation's air resources to promote public health and welfare and for restoring and maintaining the chemical, physical, and biological integrity of the nation's waters is considered research for other purposes.

Copeland "Anti-Kickback" Act
The Second Party agrees that it will comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in United States Department of Labor Regulations (29 CFR Part 3). As applied to this agreement, the Copeland "Anti-Kickback" Act makes it unlawful to induce, by force, intimidation, threat or procuring dismissal from employment, or otherwise, any person employed in the construction or repair of public buildings or public works, financed in whole or in part by the United States, to give up any part of the compensation to which that person is entitled under a contract of employment.

Copyright
All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards.

Debarment and Suspension
All recipients are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, and 2 C.F.R. Part 180. These regulations restrict awards,

subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

Disadvantaged Business Requirement
To the extent that the Second Party uses contractors or subcontractors, such recipients shall use small, minority, women-owned or disadvantaged business concerns and contractors or subcontractors to the extent practicable.

Drug-free Workplace Regulations
All recipients must comply with the *Drug-Free Workplace Act of 1988* (41 U.S.C. § 701 *et seq*.), which requires all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. DHS has adopted the Act's implementing regulations at 2 C.F.R Part 3001.

Duplication of Benefits
State, Local and Tribal Recipients must comply with 2 CFR Part 200, Subpart E which provides that any cost allocable to a particular Federal award or cost objective under the principles provided for in this authority may not be charged to other Federal awards to overcome fund deficiencies.
Environmental Standards
The recipient will comply with all applicable Federal, State, and local environment and historic preservation (EHP) requirements and shall provide any information requested by FEMA to ensure compliance with applicable laws including: National Environmental Policy Act, National Historic Preservation Act, and Executive Orders on Floodplains (11988), Wetlands (11990), and Environmental Justice (12898). Failure of the recipient to meet Federal, State, and local EHP requirements and obtain applicable permits may jeopardize Federal funding. Recipient shall not undertake any project having the potential to impact EHP resources without the prior approval of FEMA, including but not limited to communications towers, physical security enhancements, new construction, and modifications to buildings that are 50 years old or greater. Recipient must comply with all conditions placed on the project as the result of the EHP review. Any change to the approved project scope of work will require re-evaluation for compliance with these EHP requirements. If ground disturbance activities occur during project implementation, the recipient must ensure monitoring of ground disturbance and if any potential archeological resources are discovered, the recipient will immediately cease construction in that area and notify FEMA and the appropriate State Historic Preservation Office. Any construction activities that have been initiated prior to the full environmental and historic preservation review could result in a non-compliance finding.

The Second Party shall provide such information as may be requested by KOHS to ensure compliance with any applicable environmental laws and regulations. Second Party shall not undertake any construction project without the approval of First Party and DHS, as required by the grant guidance.

Equipment Marking
The Second Party agrees that, when practicable, equipment purchased with grant funding shall be prominently marked as follows: "Purchased with funds provided by the Kentucky Office of Homeland

Security and the U.S. Department of Homeland Security" in order to facilitate their own audit processes, as well as Federal audits and monitoring visits, which may result from receiving Federal funding. Additionally, any equipment purchased with funding under this agreement shall, when practicable, bear on it the logos of the Kentucky Office of Homeland Security and the U.S. Department of Homeland Security.

Use of DHS Seal, Logo and Flags
All recipients must obtain DHS's approval prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

Federal Debt Status
All recipients are required to be non-delinquent in their repayment of any Federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129 and form SF 424, item number 17 for additional information and guidance.

False Claims Act and program Fraud Civil Remedies
All recipients must comply with the requirement of 31 U.S.C. §3729 which set forth that no recipient of federal payments shall submit a false claim for payment. See also 38 U.S.C. § 3801-3812 which details the administrative remedies for false claims and statements made.

Federal Leadership on Reducing Text Messaging while Driving
All recipients are encouraged to adopt and enforce policies that ban text messaging while driving as described in E.O. 13513, including conducting initiatives described in Section 3(a) of the Order when on official Government business or when performing any work for or on behalf of the federal government.

Energy Policy and Conservation Act
All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

Fly America Act of 1974
All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the *International Air Transportation Fair Competitive Practices Act of 1974* (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B138942.

Fusion Center

The Second Party agrees that funds utilized to establish or enhance state and local fusion centers must support the development of a statewide fusion process that corresponds with the Global Justice/ Homeland Security Advisory Council (HSAC) Fusion Center Guidelines and achievement of a baseline level of capability as defined by the Fusion Capability Planning Tool.

Hatch Act
The Second Party agrees to comply with the Hatch Act (5 U.S.C. 1501 –1508 and 7324 – 7328), as implemented by the United States Office of Personnel Management at 5 CFR Part 151, which limits political activity of employees or officers of State or local governments whose employment is connected to an activity financed in whole or part with Federal funds.

Hotel and Motel Fire Safety Act of 1990
In accordance with section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. §2225(a), all recipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225.

Integrating Individuals with Disabilities into Emergency Planning
The Second Party must integrate individuals with disabilities into any emergency planning activity.

Section 504 of the Rehabilitation Act of 1973, as amended
Prohibits discrimination against people with disabilities in all aspects of emergency mitigation, planning, response, and recovery by entities receiving financial funding from FEMA. In addition, Executive Order 13347, Individuals with Disabilities in Emergency Preparedness, signed in July 2004, requires the Federal government to support safety and security for individuals with disabilities in situations involving disasters, including earthquakes, tornadoes, fires, floods, hurricanes, and acts of terrorism. Executive Order 13347 requires the Federal government to encourage consideration of the needs of individuals with disabilities served by State, local, tribal, and territorial governments in emergency preparedness planning.

Lobbying Prohibitions
All recipients must comply with 31 U.S.C. § 1352, which provides that none of the funds provided under an award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal action concerning the award or renewal.

National Initiatives
All award recipients must be aware of and support the following national preparedness initiatives:

HSPD-8: National Preparedness
The Second Party must be aware of and support HSPD-8 that establishes policies to strengthen the preparedness of the United States to prevent and respond to threatened or actual domestic terrorist attacks, major disasters, and other emergencies by requiring a National Preparedness Goal,

establishing mechanisms for improved delivery of federal preparedness assistance to state and local governments, and outlining actions to strengthen preparedness assistance to state and local governments, and outlining actions to strengthen preparedness capabilities of federal, state, and local entities.

ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS

The Second Party must, in addition to the assurances made as part of their application, comply and require each of its subcontractors employed in the completion of the project to comply with all applicable statutes, regulations, executive orders, OMB circulars, terms and conditions of the award, and the approved application.

The Second Party agrees that all allocation and use of funds under this agreement will be in accordance with the appropriate FFY2016 Homeland Security Grant Program Notice of Funding Opportunity and must support the goals and objectives included in the State Homeland Security Strategy.

Acknowledgement of Federal Funding from DHS

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

National Preparedness Reporting Compliance

The Government Performance and Results Act of 1993 (Public Law 103-62) requires the Department collect and report performance information on all programs. For grant programs, the prioritized Investment Justifications and their associated milestones provide an important tool for assessing grant performance and complying with these national preparedness reporting requirements. FEMA will work with grantees to develop tools and processes to support this requirement. FEMA anticipates using this information in making future-year grant program funding decisions. Award recipients must agree to cooperate with any assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within their grant agreement. This includes any assessments, audits, or investigations conducted by DHS, the Office of the Inspector General, or the Government Accountability Office (GAO).

National Response Plan (NRP)

The Second Party must be aware of and support and in all respects comply with the NRP that is an all-discipline, all-hazards plan that establishes a single, comprehensive framework for the management of domestic incidents. It provides the structure and mechanisms for the coordination of federal support to state and local incident managers and for exercising direct federal authorities and responsibilities. The NRP assists in the important homeland security mission of preventing terrorist attacks within the United States; reducing the vulnerability to all natural and manmade hazards and minimizing the damage and assisting in the recovery from any type of incident that occurs. Compliance with the NRP coordinating structures, protocols and processes is essential for ensuring a national comprehensive approach to domestic incident managements

Non-supplanting Requirement
All recipients who receive awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

SAFECOM
Recipients who receive awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

Patents and Intellectual Property Rights
Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

Procurement of Recovered Materials
All recipients must comply with Section 6002 of the *Solid Waste Disposal Act*, as amended by the *Resource Conservation and Recovery Act*. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

Protected Critical Infrastructure Information (PCII)
The PCII Program, established pursuant to the Critical Infrastructure Act of 2002 (Public Law 107296) (CII Act), created a framework which enables members of the private sector, states, local jurisdictions, and tribal nations to voluntarily submit sensitive information regarding critical infrastructure to DHS. The Act provides statutory protection from public disclosure and civil litigation for CII that is validated as PCII. When validated as PCII, the information can only be shared with government employees who complete the training requirement, who have homeland security duties and a need to know. PCII accreditation is a formal recognition that the covered government entity has the capacity and capability to receive and store PCII appropriately.

Publications Statement
Second Party agrees that all publications created with funding under any grant award shall prominently contain the following statement: "This document was prepared under a grant from the Kentucky Office of Homeland Security (KOHS), Federal Emergency Management Agency's Grant Programs Directorate

(FEMA/GPD) within the U.S. Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of KOHS or FEMA/GPD or the U.S. Department of Homeland Security." Additionally, any publication created with funding under this agreement shall bear on it the logos of the Kentucky Office of Homeland Security and the U.S. Department of Homeland Security.

Reporting Subawards and Executive Compensation
All recipients are required to comply with the requirements set forth in the government-wide Award Term on Reporting Subawards and Executive Compensation located at 2 C.F.R. Part 170, Appendix A, the full text of which is incorporated here by reference in the terms and conditions of your award.

Terrorist Financing
All recipients must comply with E.O. 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of recipients to ensure compliance with the Order and laws.

Trafficking Victims Protection Act of 2000
All recipients must comply with the requirements of the government-wide award term which implements Section 106(g) of the *Trafficking Victims Protection Act of 2000*, (TVPA) as amended (22 U.S.C. § 7104). The award term is located at 2 CFR § 175.15, the full text of which is incorporated here by reference in the terms and conditions of your award.

USA Patriot Act of 2001
All recipients must comply with requirements of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

Whistleblower Protection Act
All recipients must comply with the statutory requirements for whistleblower protections (if applicable) at 10 U.S.C § 2409, 41 U.S.C. 4712, and 10 U.S.C. § 2324, 41 U.S.C. §§ 4304 and 4310.

Technology Requirements
National Information Exchange Model (NIEM).
FEMA requires all grantees to use the latest NIEM specifications and guidelines regarding the use of Extensible Markup Language (XML) for all grant awards. Further information about the required use of NIEM specifications and guidelines is available at http://www.niem.gov.

Geospatial Guidance
Geospatial technologies capture, store, analyze, transmit and/or display location-based information (i.e., information that can be linked to a latitude and longitude). FEMA encourages grantees to align any geospatial activities with the guidance available on the FEMA website at http://www.fema.gov/grants.

28 CFR Part 23 Guidance
FEMA requires that any information technology system funded or supported by these funds comply with 28 CFR Part 23, *Criminal Intelligence Systems Operating Policies*, if this regulation is determined to be applicable.

Best Practices for Government Use of CCTV
DHS recommends that grantees seeking funds to purchase and install closed circuit television (CCTV) systems, or funds to provide support for operational CCTV systems, review and utilize the guidance in *Best Practices for Government Use of CCTV: Implementing the Fair Information Practice Principles* available on the DHS Privacy Office website at http://www.dhs.gov/xlibra

Reporting Requirements
Reporting requirements must be met throughout the life of the grant. Any reports or documents prepared as a result of this grant shall be in compliance with Federal “plain English” policies, directives, etc.

DHS Specific Acknowledgements and Assurances
All recipients, subrecipients, successors, transferees, and assignees must acknowledge and agree to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff.
1. Recipients must cooperate with any compliance review or complaint investigation conducted by DHS.
2. Recipients must give DHS access to and the right to examine and copy records, accounts and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations and other applicable laws or program guidance.
3. Recipients must submit timely, complete and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports.
4. Recipients must comply with all other special reporting, data collection and evaluation requirements as prescribed by law or detailed in program guidance.
5. If, during the past three years, the recipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion or familial status, the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS awarding office and the DHS Office of Civil Rights and Civil Liberties (CRCL) by e-mail at crcl@hq.dhs.gov or by mail at U.S. Department of Homeland Security Office for Civil Rights and Civil Liberties Building 410, Mail Stop #0190 Washington, D.D. 20528.
6. In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion or familial status against the recipient, or the recipient settles a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS financial assistance office and the CRCL office by e-mail or mail at the addresses listed above.
The United States has the right to seek judicial enforcement of these obligations.

KOHS Specific Acknowledgements and Assurances

All recipients, subrecipients, successors, transferees, and assignees must acknowledge and agree to comply with applicable provisions governing KOHS access to records, accounts, documents, information, facilities, and staff.

1. Recipients must cooperate with any request by KOHS staff to inspect any resource acquired through the program.
2. Recipients notify KOHS immediately of any degradation of capabilities or critical resources.
3. Recipients must establish and maintain an intelligence liaison officer (ILO) to the Kentucky Intelligence Fusion Center as established by the guidelines of the KIFC ILO program and the recipient's ILO must liaison with the KIFC at least quarterly.
4. Recipients must respond to all informational requests by KOHS staff in a timely manner.
5. Recipients that submitted applications that included the sharing of resources must adhere to that agreement.

Closeout

The First Party will close out this award when it determines that all applicable administrative actions and all required work of the grant have been completed. Within 30 days after the expiration or termination of this agreement, the Second party must submit all financial, performance and other reports required as a condition of this grant.

Cooperation

It is specifically recognized by the Second Party that it is their duty to reasonably accommodate the informational requests of the First Party in a timely manner and in the form they are requested. The Second Party agrees that the sole and final authority on compliance with any federal or state regulations, statues and guidelines with respect to the grant rests with the Second Party and as such, will ensure that every effort is made to honor that compliance guidance.

Exercise Evaluation and Improvement Reports

Any Second Party funded to provide exercises must report on any scheduled exercise and ensure that an After Action Report (AAR) and Improvements Plan (IP) are prepared for each exercise conducted with FEMA support (grant funds or direct support) and submitted to the FEMA Grants and Preparedness Community of Interest (COI) on the Homeland Security Information Network (HSIN) within 90 days following completion of the exercise.

Required submissions: AARs and IPs (as applicable)

Financial and Compliance Audit Report

The Second Party agrees to submit each year, financial information on the total amount of federal funds expended. If the Second Party expends $ $750,000 or more in total federal grant money during the sub recipient's fiscal year, an annual audit will be performed and a copy provided to the Kentucky Office of Homeland Security no later than 30 days after receipt of the final audit report. 2 CFR part 200, subpart F Audit of the States, Local Governments, and Non-Profit Organizations.

Monitoring

The Second Party shall submit, at such times and in such form as may be prescribed, such reports as the First Party may reasonably require, including financial reports, progress reports, final financial reports and evaluation reports. The Second Party shall also comply with any and all site visit monitoring performed by the First Party. The Second Party agrees to cooperate with any assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this agreement.

Quarterly Reports

The Second Party agrees to submit within 30 days after the end of each calendar quarter a written report on all programmatic and financial activities. Quarterly reports will be submitted on approved Kentucky Office of Homeland Security forms as provided by the First Party.

Open Records

Request for information under the Kentucky Open Records Act which may reasonably lead to the discovery of any information related to homeland security records as defined by KRS 61 may not be disclosed without the written approval of the KOHS Executive Director.

Performance Timeline

Upon request by the First Party, the Second Party will provide summaries of progress made to date on this agreement. Should the First Party find the performance unacceptable, the First Party shall provide written notification and may cancel the agreement immediately.

Universal Identifier and System of Award Management (SAM)

All recipients are required to comply with the requirements set forth in the government-wide award term regarding the System for Award Management (SAM) and Universal Identifier (UI) requirements located at 2 C.F.R. Part 25, Appendix A, the full text of which is incorporated here by reference in the terms and conditions of your award.

Retention of Records

Records must be retained for three years from the day that the Kentucky Office of Homeland Security submits its final expenditure report for the federal grant funding this project.

Approvals

This agreement is subject to the terms and conditions stated herein. By affixing signatures below, the parties verify that they are authorized to enter into this agreement and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

Second Party:

Signature	Title
Printed Name	Date

First Party:

Signature	Title
John W. Holiday Printed Name	Date

Approved as to form and legality:

Agenda Action Form
Paducah City Commission

Meeting Date: March 12, 2019

Short Title: Homeland Security Grant Cooperative Purchasing Approval

Category: Municipal Order

Staff Work By: Joseph Hayes, Matthew Hopp, Melanie Townsend
Presentation By: Brian Laird

Background Information:

The Paducah Police Department has received a Kentucky Office of Homeland Security (KOHS) FFY16 State Homeland Security Grant award in the amount of $54,082 for the purchase of two (2) IED/EOD bomb suits and related items for the Paducah Police Department Bomb Squad.

The U.S. General Services Administration (GSA) serves as the acquisition arm of the federal government. Local governments are authorized to purchase through the GSA Cooperative Purchasing Program. Through the use of cooperative purchasing, local governments can access bulk buying savings thus maximizing the use of tax payers funds.

The Paducah Police Department proposes to purchase two (2) bomb suits, two (2) helmets, and two (2) bomb suit repair kits from GSA Schedule 84 vendor ENG-MED (GSA Contract#GS-07F-0207M) for a total purchase cost of $48,154 through the GSA Cooperative Purchasing Program.

The PPD proposes the purchase of additional related items, including two (2) remote control packs, two (2) zipper repair kits, two (2) helmet liner replacement kits, and two (2) helmet consumable kits in the amount of $5,928 which are not available on the GSA Cooperative Purchasing Contract, but are available from the same vendor, MED-ENG. These items will be purchased from the same vendor to insure compatibility and functionality of the entire bomb suit ensemble.

The total purchase costs will be $54,082. Funds will be provided by the Kentucky Office of Homeland Security FFY16 State Homeland Security Grant award. No local match is required.

Does this Agenda Action Item align with a Strategic Plan Action Step? No
If yes, please list the Action Step Item Codes(s):

Funds Available: Account Name:
Account Number:

Staff Recommendation: Authorize and approve the purchase of 2 bomb suits, 2 helmets and 2 suit repair kits from GSA Schedule 84 vendor MED-ENG (GSA Contract# GS-07F-0207M) in the amount of $48,154 and

the purchase of additional related items from MED-ENG in the amount of $5,928.

Attachments:

1. Municipal Order
2. MED-ENG GS-07F-0207M

MUNICIPAL ORDER NO. _____

A MUNICIPAL ORDER AUTHORIZING THE PURCHASE OF BOMB SUITS, HELMETS AND SUIT REPAIR KITS FOR THE PADUCAH POLICE DEPARTMENT IN AN AMOUNT OF $48,154 THROUGH THE U.S. GENERAL SERVICES ADMINISTRATION COOPERATIVE PURCHASING SCHEDULE 84 VENDOR MED-ENG AND ADDITIONAL RELATED ITEMS IN AN AMOUNT OF $5,928 THROUGH VENDOR MED-ENG AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS RELATED TO SAME

WHEREAS, the City of Paducah has received a Kentucky Homeland Security (KOHS) FY2016 State Homeland Security Grant for the purchase of equipment for the Paducah Police Department in an amount of $54,082; and

WHEREAS, the City of Paducah is now ready to purchase the equipment for the Paducah Police Department; and

WHEREAS, the purchase of 2 bomb suits, 2 helmets and 2 suit repair kits are available through the U.S. General Services Administration Cooperative Purchasing Schedule 84 Vendor MED-ENG, Contract No. GS-07F-0207M, and, therefore, competitive bidding is not required.

NOW, THEREFORE, BE IT ORDERED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the Finance Director is hereby authorized to make payment to MED-ENG in the amount of $48,154 for the purchase of bomb suits and related equipment in compliance with the U.S. General Services Administration Cooperative Purchasing Contract No. GS-07F-0207M. Further, the Finance Director is hereby authorized to make payment to MED-ENG in the amount of $5,928 for additional related items for the Paducah Police Department.

SECTION 2. That the Mayor is hereby authorized to execute all documents related to the purchases authorized in Section 1, above.

SECTION 3. This expenditure shall be covered by Kentucky Homeland Security (KOHS) FY2016 State Homeland Security Grant monies.

SECTION 4. This Municipal Order shall be effective from and after the date of its adoption.

_____
Brandi Harless, Mayor

ATTEST:

_____

Lindsay Parish, City Clerk

Adopted by the Board of Commissioners, March 12, 2019
Recorded by Lindsay Parish, City Clerk, March 12, 2019
\mo\Purchase Bomb Suits – GSA Cooperative ENG-MED 3-2019

103 Tulloch Drive
Ogdensburg, NY 13669
USA
1-315-713-0130

Contractor: Med-Eng, LLC
Contract: GS-07F-0207M

GENERAL SERVICES ADMINISTRATION

FEDERAL SUPPLY SERVICE

AUTHORIZED FEDERAL SUPPLY SCHEDULE CATALOG/PRICE LIST

On-line access to contract ordering information, terms and conditions, up-to-date pricing, and the option to create an electronic delivery order are available through GSA *Advantage!,* a menu-driven system. The INTERNET address for GSA *Advantage!* is: **www.GSAAdvantage.gov**

SCHEDULE TITLE: 84 - TOTAL SOLUTIONS FOR LAW ENFORCEMENT, SECURITY, FACILITIES MANAGEMENT, FIRE, RESCUE, CLOTHING, MARINE CRAFT AND EMERGENCY/DISASTER RESPONSE - Marine Craft and Equipment

FSC CLASS: 8415, 3690

CONTRACT NUMBER: **GS-07F-0207M**

For more information on ordering from Federal Supply Schedules click on the FSS Schedules button at **www.fss.gsa.gov**

CONTRACT PERIOD: March 01, 2002 – February 28, 2022

CONTRACTORS' NAME, ADDRESS, AND PHONE NUMBER:

Med-Eng, LLC
103 Tulloch Drive
Ogdensburg, NY 13669
POC: Ms. Lenore Mitchell
Email: lenore.mitchell@safariland.com
Phone: (613) 288-5438
FAX: (613) 482-8835

Schedule information can be found at our web site: www.med-eng.com

CONTRACT ADMINISTRATION SOURCE:

David DeHond – (904) -485-1811 Email: David.DeHond@safariland.com

BUSINESS SIZE: Large

103 Tulloch Drive
Ogdensburg, NY 13669
USA
1-315-713-0130

MED-ENG

INFORMATION FOR ORDERING ACTIVITIES

1a. TABLE OF AWARDED SPECIAL ITEM NUMBERS (SIN'S):

SIN	Description
426-4S	Surveillance Systems (Inc. Mirrors)
426-4E	Bomb Disposal and Hazardous Material Protective and Detective Equipment
426-1C	Helmets

1b. LOWEST PRICED MODEL NUMBER AND PRICE FOR THIS SIN:
(Government price based on a unit of one)

SIN	Model No.	GSA Net Price
426-4E	054167	$2.00
426-4S	0049035	$108.00
426-1C	1004720	$20.00

1c. Hourly Rates: Not applicable for this schedule

2. MAXIMUM ORDER LIMITATION: $200,000 per SIN,

3. MINIMUM ORDER: $500.00

4. GEOGRAPHIC COVERAGE: 50 states, Washington, D.C., Puerto Rico.

5. POINT(S) OF PRODUCTION:

421 Upper Valley Drive, Pembroke, Ontario K8A 6W5, Canada
103 Tulloch Drive, Ogdensburg, NY 13669 - USA

6. BASIC DISCOUNT: The pricing on this schedule is Net pricing - all discounts applied

7. QUANITY DISCOUNTS: For additional quantity break discounts, please view the breaks as shown on GSA Advantage.

8. PROMPT PAYMENT TERMS: 0.25% 10 days, Net in 30 days

9a. GOVERNMENT COMMERCIAL CREDIT CARD (GCCC): Government purchase cards are accepted at or below the micro-purchase threshold.

9b. GOVERNMENT COMMERCIAL CREDIT CARD (GCCC): Government purchase cards are accepted above the micro-purchase threshold.

10. FOREIGN ITEMS: United Kingdom, Canada

11a. TIME OF DELIVERY:

SIN 426-4E 30-120 days ARO or as mutually agreed

103 Tulloch Drive
Ogdensburg, NY 13669
USA
1-315-713-0130

SIN 426-4S 30-120 days ARO or as mutually agreed
SIN 426-1C 60 days ARO or as mutually agreed

11b. EXPEDITED DELIVERY: Items offered are available for expedited delivery. Delivery cost will be quoted when available and/or requested.

11c. OVERNIGHT AND 2-DAY DELIVERY:

11d. URGENT REQUIREMENTS: URGENT REQUIREMENTS:

12 F.O.B POINT: FOB Destination

13a. ORDERING ADDRESS: Same as Contractor's address

13b. ORDERING PROCEDURES: Found at FAR 8.405

14. PAYMENT ADDRESS: Same as Contractor's address

15. WARRANTY PROVISION: Standard Commercial Warranty as shown

Standard Warranty (all products)
Products have a 12-month limited warranty to the original purchaser against defects in materials and workmanship. If any item is found to be defective or fails due to a manufacturing, component or material fault, then Med-Eng, LLC will repair or replace it (at their discretion) at no cost to the user. Damage caused by normal wear and tear or use outside specific product specifications will invalidate this warranty. Claims under this warranty must establish to the reasonable satisfaction of the seller that the item is defective. Full details of the circumstances must be provided and the defective item returned to the seller on request.

Hook and Line (HAL®) Products-Limited Lifetime Warranty
Allen-Vanguard HAL® hardware products carry a limited lifetime warranty to the original purchaser against defects in materials and workmanship. If any HAL® item is found to be defective or fails due to a manufacturing component or material fault, then Med-Eng, LLC will repair or replace it (at their discretion) at no cost to the user. Damage caused by normal wear and tear, misuse, abuse or use outside the specifications and instructions detailed in the relevant HAL® operating manuals is specifically excluded. Claims under warranty must establish to the reasonable satisfaction of the seller that the item is defective. Full details of the circumstances must be provided and the defective item returned to the seller on request.

16. EXPORT PACKING CHARGES: N/A

17. TERMS & CONDITIONS OF GOVERNMENT PURCHASE CARD ACCEPTANCE: Prompt payment discounts do not apply to credit card purchases.

18. TERMS & CONDITIONS OF GOVERNMENT PURCHASE CARD ACCEPTANCE (any thresholds above the micro-purchase level): Prompt payment discounts do not apply to credit card purchases.

19. TERMS & CONDITIONS OF INSTALLATION (if applicable): N/A

103 Tulloch Drive
Ogdensburg, NY 13669
USA
1-315-713-0130

20. TERMS & CONDITIONS OF REPAIR PARTS INDICATING DATE OF PARTS, PRICE LISTS AND ANY DISCOUNTS FROM LIST PRICES (if applicable): N/A

21. LIST OF SERVICE AND DISTRIBUTION POINTS (if applicable): N/A

22. LIST OF PARTICIPATING DEALERS (if applicable): N/A

23. PREVENTITIVE MAINTENANCE (if applicable): N/A

24 ENVIRONMENTAL ATTRIBUTES, E.G., RECYCLED CONTENT, ENERGY EFFICIENCY, AND/OR REDUCED POLLUTANTS.

25. DATA UNIVERSAL NUMBER SYSTEM (DUNS) NUMBER: 148076024

26. NOTIFICATION REGARDING REGISTRATION IN CENTRAL CONTRACTOR REGISTRATION (CCR) DATABASE: Registered in CCR Cage Code: 341K4

GSA Price List - GS-07F-0207M - December 2015

MED-ENG

Part Number	GSA Ref	SIN	Brief Description	GSA Price
1004403	4000-0091-1	426 4E	SUIT EOD 9 SM OLIVE DRAB	$14,797
1004411	4000-0091-2	426 4E	SUIT EOD 9 MS OLIVE DRAB	$14,797
1004413	4000-0091-3	426 4E	SUIT EOD 9 MD OLIVE DRAB	$14,797
1003021	4000-0091-4	426 4E	SUIT EOD 9 LG OLIVE DRAB	$15,278
1004416	4000-0091-5	426 4E	SUIT EOD 9 SM DESERT TAN	$14,797
1004418	4000-0091-6	426 4E	SUIT EOD 9 MS DESERT TAN	$14,797
1004420	4000-0091-7	426 4E	SUIT EOD 9 MD DESERT TAN	$14,797
1004422	4000-0091-8	426 4E	SUIT EOD 9 LG DESERT TAN	$15,278
1004424	4000-0091-9	426 4E	SUIT EOD 9 SM NAVY BLUE	$14,797
1004404	4000-0091-10	426 4E	SUIT EOD 9 MS NAVY BLUE	$14,797
1004406	4000-0091-11	426 4E	SUIT EOD 9 MD NAVY BLUE	$14,797
1004408	4000-0091-12	426 4E	SUIT EOD 9 LG NAVY BLUE	$15,278
1002916	MA005054-01	426-1C	HELMET EOD 9A OLIVE DRAB	$10,402
1004793	MA005054-03	426-1C	HELMET EOD 9A DESERT TAN	$10,402
1004795	MA005054-04	426-1C	HELMET EOD 9A NAVY BLUE	$10,402
1004797	MA005118-01	426-1C	HELMET EOD 9 OLIVE DRAB	$8,653
1004799	MA005118-03	426-1C	HELMET EOD 9 DESERT TAN	$8,653
1004801	MA005118-04	426-1C	HELMET EOD 9 NAVY BLUE	$8,653
1002928	MA005130	426-1C	VISOR KIT EOD 9 BA	$1,737
1002968	912-0018	426-1C	VISOR STEEL EOD 9	$519
4001434	1105-440-1	426 4E	BCS 4 COOLING UNIT 110V W/3 PC SUIT SM	$1,708
4001435	1105-440-2	426 4E	BCS 4 COOLING UNIT 110V W/3 PC SUIT MS	$1,708
4001436	1105-440-3	426 4E	BCS 4 COOLING UNIT 110V W/3 PC SUIT MD	$1,708
4001437	1105-440-4	426 4E	BCS 4 COOLING UNIT 110V W/3 PC SUIT LG	$1,708
4001439	1105-441-1	426 4E	BCS 4 COOLING UNIT 110V W/VEST & HOOD SM	$1,481
4001440	1105-441-2	426 4E	BCS 4 COOLING UNIT 110V W/VEST & HOOD MD	$1,481
4001441	1105-441-3	426 4E	BCS 4 COOLING UNIT 110V W/VEST & HOOD LG	$1,481
4001442	1105-441-4	426 4E	BCS 4 COOLING UNIT 110V W/VEST & HOOD XL	$1,481
4001443	1105-441-5	426 4E	BCS 4 COOLING UNIT 110V W/VEST & HOOD XXL	$1,481
1004626	910-017	426 4E	HAND PROTECTORS W/GLOVES XS - PAIR	$433
1004627	910-019	426 4E	HAND PROTECTORS W/GLOVES SM - PAIR	$433
1002917	910-021	426 4E	HAND PROTECTORS W/GLOVES MD - PAIR	$433
1004628	910-023	426 4E	HAND PROTECTORS W/GLOVES LG - PAIR	$433
1004629	910-025	426 4E	HAND PROTECTORS W/GLOVES XL - PAIR	$433
1002980	HW-300	426-1C	HW-300 COMMUNICATION SYSTEM	$3,824
1004959	S104SUIT-MSG	426 4E	SRS-5 SUIT GREEN MS	$9,806
1002966	S104SUIT-MG	426 4E	SRS-5 SUIT GREEN MD	$9,806
1004956	S104SUIT-LG	426 4E	SRS-5 SUIT GREEN LG	$9,806
1004970	S113-HLMT3-G2B-T	426-1C	HELMET SRS-5 COMM SCBA GRN XL THROAT	$6,676
1004698	915-022	426 4E	LDE ENSEMBLE GREY XS W/350 SLEEVES & BACK	$3,918
1004699	915-023	426 4E	LDE ENSEMBLE GREY SM W/350 SLEEVES & BACK	$3,918
1004700	915-024	426 4E	LDE ENSEMBLE GREY MS W/350 SLEEVES & BACK	$3,918
1002924	915-025	426 4E	LDE ENSEMBLE GREY MD W/350 SLEEVES & BACK	$3,918
1004701	915-026	426 4E	LDE ENSEMBLE GREY LG W/350 SLEEVES & BACK	$3,973
1004704	915-031	426 4E	LDE ENSEMBLE GREY XS W/450 SLEEVES & BACK	$4,102
1004705	915-032	426 4E	LDE ENSEMBLE GREY SM W/450 SLEEVES & BACK	$4,102
1004706	915-033	426 4E	LDE ENSEMBLE GREY MS W/450 SLEEVES & BACK	$4,102
1004707	915-034	426 4E	LDE ENSEMBLE GREY MD W/450 SLEEVES & BACK	$4,102
1004708	915-035	426 4E	LDE ENSEMBLE GREY LG W/450 SLEEVES & BACK	$4,102
1004681	915-001	426 4E	LDE ENSEMBLE GREY SM NO SLEEVES NO BACK	$2,353
1004682	915-002	426 4E	LDE ENSEMBLE GREY MS NO SLEEVES NO BACK	$2,353
1004683	915-003	426 4E	LDE ENSEMBLE GREY MD NO SLEEVES NO BACK	$2,480

GSA Price List - GS-07F-0207M - December 2015

MED-ENG

Part Number	GSA Ref	SIN	Brief Description	GSA Price
1004684	915-004	426 4E	LDE ENSEMBLE GREY LG NO SLEEVES NO BACK	$2,572
1004685	915-005	426 4E	LDE ENSEMBLE GREY XS NO SLEEVES NO BACK	$2,353
1004686	915-010	426 4E	APRON LDE XS GREY WITH BAG	$1,565
1004687	915-011	426 4E	APRON LDE SM GREY WITH BAG	$1,565
1004688	915-012	426 4E	APRON LDE MS GREY WITH BAG	$1,565
1004689	915-013	426 4E	APRON LDE MD GREY WITH BAG	$1,565
1004690	915-014	426 4E	APRON LDE LG GREY WITH BAG	$1,565
1002926	MA002987	426 1C	LDH LIGHTWEIGHT DEMINING HELMET	$314
1002935	420-163	426 4E	DEMINING APRON REGULAR W/ CARRY BAG	$803
1004499	420-162	426 4E	DEMINING APRON TALL W/ CARRY BAG	$803
1004746	HPS100-4	426 4E	CONICAL HAND PROTECTOR (OPTION 4) GREEN	$169
1004745	HPS100-5	426 4E	OVER HAND PROTECTOR (OPTION 5) GREEN	$141
1004721	915-077	426 1C	TAC 250 APPLIQUÉ PKG (50)	$458
1004723	915-079	426 1C	TAC 450 APPLIQUÉ PKG (50)	$458
4008255	912-0013	426-1C	VISOR DEMISTER SYSTEM EOD 9	$164
4008836	CA002774	426-1C	UNIVERSAL PATCHCORD	$565
1004732	920-007	426-1C	VISOR VBE-580	$445
1004731	920-005	426-1C	VISOR VBC-250	$274
1003620	1003620	426 4E	HAL GENERAL SERVICE KIT (GS)	$6,346
1003621	1003621	426 4E	HAL GENERAL SERVICE KIT LITE (GS LITE)	$3,774
1003895	1003895	426 4E	HAL ACCESS KIT (AK)	$3,884
1003622	1003622	426 4E	HAL VEHICLE KIT (VK)	$3,635
1003896	1003896	426 4E	HAL BUILDING KIT (BK)	$3,635
1003897	HAL 3/00	426 4E	HAL HEAVY DUTY KIT (HD)	$5,983
1003899	1003899	426 4E	KIT,HAL TPLW	$3,027
1003898	1003898	426 4E	HAL 1LINE TRIPOD (TP1L)	$3,222
1007015	1007015	426 4E	HAL BACKPACK	$4,434
163001	HAL SO1/01	426 4E	BACKPACK,HAL S/O	$222
4115647	HAL TPM	426 4E	HAL TACTICAL PROCEDURES MANUAL	$272
1003640	1003640	426 4E	ASSY,SNATCH BLOCK,S'OPEN+LOCK	$282
1003745		426 4E	ENGINE COMPARTMENT TOOL	$590
1006371		426 4E	ASSY,REEL&LINE,WHITE,120M	$831
1006372		426 4E	ASSY,REEL&LINE,BLACK,120M	$831
1004247	0020841	426 4E	TELESCOPIC MANIPULATOR TM 600	$6,345
213012	0213012	426 4E	DUAL CAP CRIMPER	$166
1000903	1000903	426 4E	TUBE/FUSE CUTTER	$111
213015	0213015	426 4E	AV GERBER MULTITOOL INCL.POUCH	$45
1004130	1004130	426 4E	DUAL INITIATOR DX10U	$812
1000883	1000883	426 4E	EOD OPERATORS TOOL KIT	$1,288
1000815	1000815	426 4E	NON-MAGNETIC TOOL KITS	$52,598
1000806	1000806	426 4E	NON-MAGNETIC TOOL KIT 35-PIECE (CERTIFIED)	$13,115
1000810	1000810	426-4E	NON-MAGNETIC TOOL KIT 85-PIECE (CERTIFIED)	$24,159
4132820	1006495	426-4S	KIT,EAGLE VIDEO SEARCH,SM1	$2,700
1000880	1000880	426-4S	SEARCH KIT MIRRORS	$3,989
1005868	1000909	426-4S	TELESCOPIC SEARCH KIT	$483
600372	0600372	426-4S	KIT,DRUG SEARCH,FLEX/RIGID	$21,784
1001161	SO SK1/00	426-4S	SPECIAL OPERATIONS SEARCH KIT	$4,433
3008050	3008050	426 4E	DIGITAL VANGUARD STANDARD PKG	$80,712
3006670	3006670	426 4E	D2.1 DEFENDER ROV, STANDARD PACKAGE	$185,831
4975782	4975782	426-1C	HELMET EOD 9 OLIVE DRAB WITH CAMCORDER	$9,075
4975783	4975783	426-1C	HELMET EOD 9A OLIVE DRAB WITH CAMCORDER	$10,481
5079090	5079090	426-1C	HELMET EOD 9A NAVY BLUE WITH CAMCORDER	$10,465

GSA Price List - GS-07F-0207M - December 2015

MED-ENG

Part Number	GSA Ref	SIN	Brief Description	GSA Price
5078824	5078824	426-1C	EOD MLI LiVE VIDEO KIT (VISOR)	$4,967
4977760	4977760	426-1C	ASR, EOD 9	$1,488
4977761	4977761	426-1C	ASR, EOD 9A	$1,591
4975771	4975771	426-1C	EOD 9 BA VISOR WITH CAMCORDER MOUNT KIT	$2,295
4975769	4975769	426-1C	EOD 9 VISOR WITH CAMCORDER MOUNT KIT	$2,295
1004961	1004961	426 4E	SRS-5 SUIT GREEN SM	$9,733
4974929	4974929	426-1C	TAC 250 VISOR SYSTEM	$311
4974932	4974932	426-1C	TAC 250 BA VISOR SYSTEM	$321
4974930	4974930	426-1C	TAC 450 VISOR SYSTEM	$502
4974931	4974931	426-1C	TAC 550 VISOR SYSTEM	$548
4008254	4008254	426-1C	SEARCHLIGHT SYSTEM EOD 9	$211
1004633	1004633	426-1C	ANTI-FOG APPLIQUÉ EOD VISOR (5)	$117
4002261	4002261	426-1C	VISOR EOD 9	$1,842
5078293	5078293	426 4E	REPAIR KIT, EOD 9 SUIT	$627
1004429	1004429	426 4E	REPAIR KIT, SRS5, EOD8, EOD9	$253
1004323	1004323	426-4S	TROOPER 600	$3,791
8000173	8000173	426 4E	KIT, BLAST TRACKER UNIT WITH POUCH	$504
4975591	4975591	426 4E	BLAST TRACKER FULL KIT	$648
4974424	4974424	426 4E	BLACKBIRD, PACKAGED, GENERIC VERSION	$1,529
213014	213014	426 4E	SMART HAND TOOLS KIT	$429
600297	600297	426-4S	MERLIN CONTRABAND DETECTOR FULL KIT	$11,408
600290	600290	426-4S	MERLIN CONTRABAND DETECTOR KIT	$7,380
600133	600133	426-4S	MERLIN CONTRABAND DETECTOR UNIT	$6,658
1000898	1000898	426-4S	POCKET TELESCOPIC SEARCH MIRROR	$212
1000600	100600	426-4S	TACTICAL LONG REACH TELESCOPIC MIRROR	$287
4974462	4974462	426-4S	UNDER VEHICLE SEARCH MIRROR	$347
1000884	1000884	426-4S	KIT, TOOLS SEARCH (SKT2)	$3,033
1005389	1005389	426-4S	TELESCOPIC MIRROR ARM	$107
1005421	1005421	426-4S	TELESCOPIC MIRROR ARM + LIGHT POD	$170
1000323	1000323	426-4S	REMOTE RFI - RFA KIT	$5,036
1000324	1000324	426-4S	REMOTE RFI - RFB KIT	$7,529
1000325	1000325	426-4S	REMOTE RFI - RFC KIT	$15,011

Agenda Action Form
Paducah City Commission

Meeting Date: March 12, 2019

Short Title: Justice Assistance Grant (JAG) KY Master Agreement Purchasing Approval - **B LAIRD**

Category: Municipal Order

Staff Work By: Joe Hayes, Robin Newberry, Melanie Townsend
Presentation By: Brian Laird

Background Information:

The Paducah Police Department applied for and received Edward Byrne Memorial Justice Assistance Grant (JAG) awards for 2017 and 2018 as accepted by MO#2123 & 2174 with total grant funding of $23,100. Both grant awards are for the purchase of hand-held radios for the Paducah Police Department.

The Commonwealth of Kentucky, Office of Procurement Services administers the state's contract agreements. Under Kentucky Statutes, political subdivisions of the state of Kentucky including cities, counties and school districts may participate in all State Agency Contract Agreements to the same extent as agencies of the Commonwealth.

The Paducah Police Department proposes to purchase ten (10) hand-held Motorola radios to replace equipment which is becoming obsolete due to upgrades in E911 communication technology. PPD proposes to purchase the aforementioned radios under Kentucky Master Agreement 758-1800000118 with Motorola Solutions. The total purchase price of the radios is $27,745. Grant funding will account for $23,100 with $4,645 in local funds provided through the PPD budget.

Does this Agenda Action Item align with a Strategic Plan Action Step? Yes

If yes, please list the Action Step Item Codes(s): P-2: Purchase and implement a county-wide radio system for use by all local public safety and non-public safety agencies.
P-11: Develop and employ tactical 911 operations.

Funds Available: Account Name:
Account Number:

Staff Recommendation: Authorize and approve the purchase of ten (10) hand-held Motorola radios from Motorola Solutions (KY MA 758-1800000118) in the amount of $27,745.

Attachments:

1. Municipal Order
2. KY State Contract- Motorola Radios

MUNICIPAL ORDER NO. _____

A MUNICIPAL ORDER AUTHORIZING THE PURCHASE OF HAND-HELD MOTOROLA RADIOS FOR THE PADUCAH POLICE DEPARTMENT IN AN AMOUNT OF $27,745 THROUGH THE KENTUCKY MASTER AGREEMENT VENDOR MOTOROLA SOLUTIONS AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS RELATED TO SAME

WHEREAS, the City of Paducah applied for and received 2017 and 2018 Edward Byrne Memorial Justice Assistance Grant (JAG) awards through Municipal Order No. 2123 & No. 2174 for the purchase of hand-held radios for the Paducah Police Department; and

WHEREAS, the City of Paducah is now ready to purchase the hand-held radios for the Paducah Police Department; and

WHEREAS, said equipment is available through the Kentucky Master Agreement No. 758-1800000118 with Motorola Solutions, and, therefore, competitive bidding is not required.

NOW, THEREFORE, BE IT ORDERED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the Finance Director is hereby authorized to make payment to Motorola Solutions in the amount of $27,745 for the purchase of hand-held radios through Kentucky Master Agreement No. 758-1800000118.

SECTION 2. That the Mayor is hereby authorized to execute all documents related to the purchase authorized in Section 1, above.

SECTION 3. This expenditure shall be covered by 2017 and 2018 Edward Byrne Memorial Justice Assistance Grant (JAG) awards monies in an amount of $23,100 and by the Paducah Police Department budget in an amount of $4,645.

SECTION 4. This Municipal Order shall be effective from and after the date of its adoption.

_____
Brandi Harless, Mayor

ATTEST:

_____
Lindsay Parish, City Clerk

Adopted by the Board of Commissioners, March 12, 2019
Recorded by Lindsay Parish, City Clerk, March 12, 2019
\mo\Purchase Hand-Held Radios Police Department – State Contract

Commonwealth of Kentucky

MASTER AGREEMENT MODIFICATION

IMPORTANT

Show Doc ID number on all packages, invoices and correspondence.

Doc Description:	NASPO □P Motoro□a Radio A□□State Master Agreement		
Doc ID No:	MA 758 1800000118 2	**Proc Folder:**	4635068
Procurement Type:	Specia□Authority Goods	**Record Date:**	
Effective Date:	10/03/2017	**Expiration Date:**	06/30/2019
Issued By:	DONALD ROBINSON	**Cited Authority:**	FAP111-08-00-08
Telephone:			

Reason For Modification: Mod is issued to renew MA □or 1 yr. and to incorporate 1□ administration □ee. A□□□ines, terms and conditions remain unchanged. □endor concurrence is attached

VENDOR

Motoro□a So□□tions, Inc
.
1303 E ALGON□UIN RD
PO BO□ 843
SCHAUMBURG IL 60196
US

VENDOR

BIG SANDY TWO WAY COMM INC
.
KY RT 321 □ AU□IER RD
SUITE 103
PRESTONSBURG KY 41653
US

VENDOR

RADIO COMMUNICATIONS SYSTEMS INC
RCS COMMUNICATIONS
2539 REGENCY RD.
L-2787
LE□INGTON KY 40503
US

VENDOR

RADIO COMMUNICATIONS SYSTEMS INC
RCS COMMUNICATIONS
4445 Ro□ards Lane

Louis□□□e KY 40218
US

VENDOR

MOBILE COMMUNICATIONS OF BG, INC
.
926 SHI□E LN

BOWLING GREEN KY 42103
US

VENDOR

Comtronics, Inc.
Co□a□A/□ and Comtronics Industria□Communication Systems
2350 Fortune Dri□e

Le□ington KY 40509
US

VENDOR

Comtronics, Inc.
Co□a□A/□ and Comtronics Industria□Communication Systems
7962 TANNERS GATE LANE

FLORENCE KY 41042
US

VENDOR

ComProducts, Inc.
B □ C Communications
1740 Harmon A□e., Suite F

COLUMBUS OH 43223
US

VENDOR

OHIO □ALLEY 2 WAY RADIO
.
2035 E. PARRISH A□E.

OWENSBORO KY 42303
US

VENDOR

Cornett E□ectronics, LLC
.
113 Myers Street

Cum□er□and KY 40823
US

VENDOR

MOBILCOMM
.
PO BO□ 630384

CINCINNATI OH 45240
US

VENDOR

MINE SAFE ELECTRONICS
.
PO BO□ 281

STURGIS KY 42459
US

VENDOR

ERS Mo□i□e Communications
ERS - OCI Wire□ess
57678 CR 3

E□hart IN 46517
US

Line	CL Description	Delivery Days	Quantity	Unit Issue	Unit Price	Contract Amt	Total Price
1	Motoro□a Radio E□uipment		0.00		0.00000	0.00	0.00

Extended Description

Motoro□a Radios and Accessories as pro□ided through the NASPO □a□ue Point Pu□□ic Sa□ety Communication E□uipment □ Radios Motoro□a So□utions Cooperati□e Master Pricing Agreement □06913 .

Pricing is esta□□ished as a percentage o□□o□the Manu□acturer's □ist price. See Data cata□og □or the series o□radios and accessories pro□ided and the percentage o□discount o□□o□the Manu□acturer's □ist price.

Total Order Amount:	0.00

Attachment A
Terms and Conditions
Motorola Solutions
MA 758-1800000118

Vendor POC: Ken Ackerman
Phone: 502-494-6682
Fax: 847-761-1324
E-Mail: ken.ackerman@motorolasolutions.com

Buyer of Record: Don Robinson, CPPO, CPPB
Phone: 502-564-6525
Fax: 502-564-1434
E-Mail: DonE.Robinson@ky.gov

All Terms, Conditions, Addendums (excluding other participants' addendums) and Provisions of the NASPO Value Point Public Safety Communication Equipment – Radios Motorola Solutions Cooperative Master Pricing Agreement # 06913 are hereby incorporated.

Section 1
Scope of Contract
The Office of Procurement Services issues this Master Agreement for: Motorola Radios, Accessories and Services as identified in the Motorola / NASPO Value Point Cooperative Master Agreement # 06913

Section 2
Agencies to be Served
This Contract shall be for use by All State Agencies.

Section 3
Political Subdivisions
Under Kentucky Statutes, political subdivisions of this State including counties and school districts may participate in All State Agency Contract Agreements to the same extent as agencies of the Commonwealth

Section 4
Initial Contract Period
This Contract shall be for the initial period expiring June 30, 2018.

Section 5
Renewal Clause – Optional Renewal Period
The Contract may be extended at the completion of the initial Contract period for two (2) additional one-year periods. This extension must have the written approval of the Vendor and the Office of Procurement Services. The Commonwealth of Kentucky reserves the right to renegotiate any terms and/or conditions as may be necessary to meet requirements for the extended period. Additional renewal periods may be incorporated to remain concurrent with NASPO VP # 06913. The Vendor will be advised of any proposed revisions prior to the renewal periods. In the event proposed revisions cannot be agreed upon, either party shall have the right to withdraw without prejudice from either exercising the option or continuing the contract in an extended period.

Section 6
Basis of Price Revisions
Pricing is based on the Motorola / NASPO Value Point Cooperative Master Agreement 06913.
Contract pricing may never exceed the Motorola / NASPO Value Point Cooperative Master Agreement # 06913 pricing. Pricing may be changed only when the Motorola / NASPO Value Point Cooperative Master Agreement # 06913 pricing changes. A copy of any NASPO Value Point approved price changes must be delivered to the buyer of record, Office of Procurement Services 30 days prior to proposed effective date. If specified notification is timely provided, changes will become effective concurrent with the Motorola / NASPO Value Point Cooperative Master Agreement # 06913 price change effective date.

The discounted pricing offered, through the Motorola / NASPO Value Point Cooperative Master Agreement #06913 is considered to be minimum pricing. Additional discounts for volume purchases, competitive reasons or special promotions are permitted on any specific order.

Section 7
Administrative Fee
The Contractor agrees to provide a quarterly administrative fee to the Commonwealth of Kentucky as a part of the Contractor's unit prices and is not to be charged directly to the customer in the form of a separate line item. The administrative fee percentage is only applicable to the net amounts actually received by the Contractor during the quarter and is not applicable to the amounts ordered by customers but not yet paid. The administrative fee shall be paid in the form of a check payable to the Commonwealth of Kentucky – Office of Procurement Services for an amount equal to **1.0%** of the net sales (less any return, credits or adjustments) under this PA for the period. Fees shall be paid 45 days after the close of the quarter. Check is to be mailed to the Office of Procurement Services, 702 Capitol Avenue, New Capitol Annex, Room 095, Frankfort, KY 40601.

Section 8
Quarterly Reports
The Contractor agrees to provide a quarterly utilization report, reflecting net sales to the State during the associated fee period. The report is to show the quantities and dollar volume of purchases by each state agency and political subdivision. The quarterly report is to be provided, in secure electronic format and submitted electronically to the buyer of record.

Section 9
Tax Exempt Status
Federal Excise Tax, Kentucky Sales or Use Tax are not applicable

Section 10
Agreement between Parties
Any valid modification of this contractual agreement must be formalized by issuance of a Contract Modification from the Office of Procurement Services.

Section 11
Post Contract Agreements
State agencies utilizing this Contract will not be required to enter into nor sign further agreements, leases, company orders or other documents to complete or initiate the terms of the Contract. Any such documents so obtained will be non-binding on the State and agents of the State and will be cause for breach of contract.

Section 12
Cancellation Clause – 30 Days Notice
The Commonwealth may cancel the contract by giving written notice thirty (30) days prior to effective cancellation date. In the event such action is taken, the contract shall be null and void upon receipt of a Modification from the Office of Procurement Services canceling the contract.

All Contract Cancellations / Terminations shall be in accordance with 200KAR 5:312

Section 13
Exception to Required Use of Contract
The establishment of this Master Agreement is not intended to preclude the use of similar products when requested by the agency. The Commonwealth of Kentucky reserves the right to contract for large requirements by using a separate solicitation.

Section 14
Service Performance
All services performed under contract shall be in accordance with the terms and provisions of the contract. It will be the agency's responsibility to ensure that such services rendered are performed and are acceptable.

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

Major deviations of services performed will not be made without the written approval of the Office of Procurement Services. Problems that arise under any aspect of performance should first be resolved between the Vendor and the agency. Either party should refer in writing any such problems and/or disagreements that cannot be resolved to the Office of Procurement Services for settlement.

Section 15
Indemnity
GENERAL INDEMNITY BY CONTRACTOR. Contractor will indemnify and hold Commonwealth harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Commonwealth to the extent it is caused by the negligence of Contractor, its subcontractors, or their employees or agents, while performing their duties under this Agreement, if Commonwealth gives Contractor prompt, written notice of any the claim or suit. Commonwealth will cooperate with Contractor in its defense or settlement of the claim or suit. This section sets forth the full extent of Contractor's general indemnification of Commonwealth from liabilities that are in any way related to Contractor's performance under this Agreement.

PATENT AND COPYRIGHT INFRINGEMENT INDEMNITY

Contractor will defend at its expense any suit brought against Commonwealth to the extent it is based on a third-party claim alleging that the Equipment manufactured by Contractor or the Contractor Software ("Contractor Product") directly infringes a United States patent or copyright ("Infringement Claim"). Contractor's duties to defend and indemnify are conditioned upon: Commonwealth promptly notifying Contractor in writing of the Infringement Claim; Contractor having sole control of the defense of the suit and all negotiations for its settlement or compromise; and Commonwealth providing to Contractor cooperation and, if requested by Contractor, reasonable assistance in the defense of the Infringement Claim. In addition to Contractor's obligation to defend, and subject to the same conditions, Contractor will pay all damages finally awarded against

Commonwealth by a court of competent jurisdiction for an Infringement Claim or agreed to, in writing, by Contractor in settlement of an Infringement Claim.
If an Infringement Claim occurs, or in Contractor's opinion is likely to occur, Contractor may at its option and expense: (a) procure for Commonwealth the right to continue using the Contractor Product; (b) replace or modify the Contractor Product so that it becomes non-infringing while providing functionally equivalent performance; or (c) accept the return of the Contractor Product and grant Commonwealth a credit for the Contractor Product, less a reasonable charge for depreciation. The depreciation amount will be calculated based upon generally accepted accounting standards.

Contractor will have no duty to defend or indemnify for any Infringement Claim that is based upon: (a) the combination of the Contractor Product with any software, apparatus or device not furnished by Contractor; (b) the use of ancillary equipment or software not furnished by Contractor and that is attached to or used in connection with the Contractor Product; (c) Contractor Product designed or manufactured in accordance with Commonwealth's designs, specifications, guidelines or instructions, if the alleged infringement would not have occurred without such designs, specifications, guidelines or instructions; (d) a modification of the Contractor Product by a party other than Contractor; (e) use of the Contractor Product in a manner for which the Contractor Product was not designed or that is inconsistent with the terms of this Agreement; or (f) the failure by Commonwealth to install an enhancement release to the Contractor Software that is intended to correct the claimed infringement. In no event will Contractor's liability resulting from its indemnity obligation to Commonwealth extend in any way to royalties payable on a per use basis or the Commonwealth's revenues, or any royalty basis other than a reasonable royalty based upon revenue derived by Contractor from Commonwealth from sales or license of the infringing Contractor Product.
This section provides Commonwealth's sole and exclusive remedies and Contractor's entire liability in the event of an Infringement Claim. Commonwealth has no right to recover and Contractor has no obligation to provide any other or further remedies, whether under another provision of this Agreement or any other legal theory or principle, in connection with an Infringement Claim. In addition, the rights and remedies provided in this section are subject to and limited by the restrictions set forth in the Limitation of Liability provision.

Section 16
Governmental Restrictions
In the event any Governmental restrictions may be imposed which would necessitate alteration of the material, quality, workmanship, or performance of the items offered on this proposal prior to delivery, it shall be the responsibility of the successful bidder to notify the Office of Procurement Services in writing, indicating the specific regulation which requires such alterations. The Commonwealth reserves the right to accept any such alterations, including any subsequent price adjustments, or to cancel the contract.

Section 17
Payments
The vendor shall be paid, upon the submission of proper invoices to the receiving agency at the prices stipulated for the supplies delivered and accepted, or services rendered. Unless otherwise specified, payment will not be made for partial deliveries accepted. Payments will be made within thirty (30) working days after receipt of goods or a vendor's invoice in accordance with KRS 45.453 and KRS 45.454.

Section 18
Inspection/Evaluation
All services shall be subject to inspections, evaluations or tests by the Commonwealth. In the services are not in conformity with specified requirements, the Commonwealth shall have the right to reject the services and require acceptable correction at the Vendor's expense.

Section19
Subcontracts
The Contractor is permitted to make subcontract(s) with any other party for furnishing any of the work or services herein. The Contractor shall be solely responsible for performance of the entire Contract whether or not subcontractors are used. The Commonwealth shall not be involved in the relationship between the prime contractor and the subcontractor. Any issues that arise as a result of this relationship shall be resolved by the prime contractor.
All references to the Contractor shall be construed to encompass both the Contractor and any subcontractors of the Contractor.

Section 20
Equal Employment Opportunity Act
The Equal Employment Opportunity Act of 1978 applies to All State government projects with an estimated value exceeding $500,000. The Contractor shall comply with all terms and conditions of the Act. A copy of the EEO forms may be obtained by downloading them from the Finance and Administration Cabinet's website at http://finance.ky.gov/services/eprocurement/Pages/VendorServices.aspx. See **Attachment #4.**
Direct coordination with the EEO Office is approved to discuss EEO requirements and forms. Their phone number is (502) 564-2874 and fax (502) 564-1055.
The Commonwealth will review the EEO Forms (or equivalent, if applicable) upon receipt. If a Vendor is under-utilized or in non-compliance, the Vendor shall receive notification from the Commonwealth. The Vendor shall have five (5) days from receipt of such notice to submit an affirmative action plan. Failure to submit an affirmative action plan within the timeframe specified may result in the disqualification of the Vendor's response. In any event, a Vendor shall not be eligible for an award of contract without being in compliance with the EEO requirements.

If the Vendor is exempt from submitting the EEO Forms, the Vendor must state such in the bid. Exemption from EEO Form submission, under KRS 45.590, does not obviate any other requirements of KRS 45.570.

Section 21
Governing Law
This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky and any litigation with respect to this Contract shall be brought in state or federal court in **Franklin County, Kentucky.**

Section 22
State Vendor Eligibility Request Form
Revenue Form 10A100, "State Vendor Eligibility Request Form", effective July 2008, is a form to be completed by any person or entity wishing to contract with the Commonwealth to provide goods or services subject to sales and use tax pursuant to KRS 139.200. The form is located at this web-link as Attachment 5:
http://finance.ky.gov/services/eprocurement/Pages/VendorServices.aspx
In accordance with administrative regulation 200 KAR 5:390, this form has to be completed and submitted, before a contract can be awarded. Section 2 of the regulation also notes: "Failure to submit the required documentation or to remain registered and in compliance with the sales and use tax filing and remittance requirements of KRS 139.540 and KRS 139.550 throughout the duration of the contract shall constitute a material breach of the contract and the contract may be terminated

Section 23
Registration with the Secretary of State by a Foreign Entity
Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030.

Section 24
Provisions for Termination of the Contract
This Contract shall be subject to the termination provisions set forth in 200 KAR 5:312

Section 25
Access to Records
The contractor, as defined in KRS 45A.030 (9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other

prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

Section 26
Discrimination
Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. This section applies only to contracts utilizing federal funds, in whole or in part. During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity, or age. The contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The contractor agrees to provide, upon request, needed reasonable accommodations. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

4. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Section 27
Consolidated Quarterly Administrative Fee

The Contractor agrees to provide a quarterly administrative fee to the Commonwealth of Kentucky as part of the Contractor’s unit prices and is not to be charged directly to the customer in the form of a separate line item. The administrative fee percentage is only applicable to the actually received by the contractor during the quarter and is not applicable to the amounts ordered by customers but not yet paid. The administrative fee shall be paid in the form of a check payable to the Commonwealth of Kentucky – Office of Procurement Services for an amount equal to one percent **(1%)** of the net sales (less any returns, credits, or adjustments) under this Contract for the period. Fees shall be paid 45 days after the close of the quarter. Check to be mailed to the Office of Procurement Services, 702 Capitol Avenue, New Capitol Annex, Room 095, Frankfort, Kentucky 40601.

Section 28

Quarterly Reports

If requested by buyer, the Contractor agrees to provide a quarterly utilization report, reflecting net sales to the State during the associated fee period. The report is to show the quantities and dollar volume of purchases by each state agency and political subdivision. The quarterly report is to be provided, in secure electronic format and submitted electronically to the buyer of record.

General Terms and Conditions

Assignments

Contractor will refrain from assigning any interest, right or duty in any contract with the Commonwealth to any other person without the prior written consent of the Office of Material & Procurement Services. Except that claims for sums due or to become due under a contract may be assigned to a bank, trust company or other person and may then be reassigned. Notice of any assignment shall be given by the vendor or his assignee to the using agency and the Division of Statewide Accounting Services, Office of the Controller, Capitol Annex, 702 CAPITOL AVE FRANKFORT KY 40601, immediately after the assignment is made. The invoice or voucher submitted by the vendor shall clearly show both the vendor name and address and the assignee's name and address. The warrant issued by the Division of Statewide Accounting Services shall be payable in such case jointly to the vendor and the assignee and shall be forwarded to the assignee. Any assignee shall be subject to the set-off rights of the Commonwealth provided in Kentucky Revised Statutes. See KRS 371.040 and KRS 44.030.

COMPLIANCE WITH STATE AND FEDERAL LAW: In addition to any other remedies at law or in equity, the Office of Procurement Services may cancel any contract if there is sufficient evidence to show that:

a. The contract was obtained by fraud, collusion, conspiracy or other unlawful means, or

b. The contract conflicts with any statutory or constitutional provision of the Commonwealth of Kentucky or of the United States.

CONTRACT PROVISIONS BY REFERENCE:

a. All terms, special conditions and specifications.

b. The General Conditions stated herein.

Any contract agreement entered into with the Commonwealth of Kentucky or any of its agencies shall be governed by the laws of the Commonwealth of Kentucky.

CONTRACT CHANGES: The Commonwealth may, at any time by a written order and without notice to the sureties, make changes within the general scope of the contract. If any change causes an increase or decrease in the cost of, or the time required for, the

performance of any part of the work under the contract, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly.

Any claim by the contractor for adjustment under this clause shall be asserted, by the contractor, within 30 days from the date of receipt of the notification of changes, except, that if the Commonwealth decides that the facts justify such action, the Commonwealth may receive and act upon any such claim asserted at any time prior to final payment under this contract. If the cost of property may be obsolete or excess as a result of a change included in the contractor's claim for adjustment, the Commonwealth shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment may be disputed pursuant to the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the contractor from proceeding with the contract as changed.

CONTRACT DISPUTES: Except as otherwise provided in the contract, any dispute concerning a question of fact arising under the contract which is not disposed of by agreement shall be decided by the Secretary of the Finance and Administration Cabinet or a designated purchasing official, who shall reduce the decision to writing and mail or otherwise furnish a copy thereof to the contractor. The decision of the purchasing official shall be final unless, within 30 days from the date of receipt of the decision, a written appeal is received, addressed to the Secretary of the Finance and Administration Cabinet. The decision of the Secretary of the Finance and Administration Cabinet or his duly authorized representative for the determination of such appeals shall be final unless fraudulent. Pending final decision of a dispute, the contractor shall proceed diligently with the performance of the contract and in accordance with the state officer's decision.

ETHICS - CURRENT OR FORMER STATE EMPLOYEE SEEKING TO DO BUSINESS WITH THE STATE

YOU SHOULD KNOW ABOUT THESE LAWS.
In the 1992 regular legislative session, the General Assembly passed Senate Bill 63 (codified as KRS 11A), the Executive Branch Code of Ethics, which applies, in part, to current and former state officials and employees of the executive branch. The Code was amended during the 1994 Legislative Session.

1. Current State Employees Seeking to Do Business with the State
KRS 11A.040(4) Provides:

(4) No public servant shall knowingly himself or through any business in which he owns or controls an interest of more than five percent (5%), or by any other person for his use or benefit or on his account, undertake, execute, hold, or enjoy, in whole or in part, any contract, agreement, lease, sale, or purchase made, entered into, awarded, or granted by any state agency. This provision shall not apply to a contract, purchase, or good

faith negotiation made pursuant to KRS Chapter 416 relating to eminent domain or to agreements, which may directly or indirectly involve public funds disbursed through entitlement programs.

2. Former State Officers and Elected Officials Seeking Employment From Entities Who Do Business With the State

KRS 11A.040(6) Provides:

No present or former officer or public servant listed in KRS 11A.010(9) (a) to (i) shall, within six (6) months following termination of his office or employment, accept employment, compensation, or other economic benefit from any person or business that contracts or does business with the state in matters in which he was directly involved during the last 36 months of his tenure. This provision shall not prohibit an individual from returning to the same business, firm, occupation, or profession in which he was involved prior to taking office or beginning his term of employment, provided that, for a period of six (6) months, he personally refrains from working on any matter in which he was directly involved during the last 36 months of his tenure in state government. This subsection shall not prohibit the performance of ministerial functions including, but not limited to, filing tax returns, filing applications for permits or licenses, or filing incorporation papers.

3. FORMER STATE EMPLOYEES WHO SEEK TO REGISTER AS LOBBYISTS.

KRS 11A.040(7) provides:

A former public servant shall not act as a lobbyist or lobbyist's principal for a period of one (1) year after the latter of:

A) The date of leaving office or termination of employment; or
The date the term of office expires to which the public servant was elected.

4. FORMER STATE EMPLOYEES CONTEMPLATING REPRESENTATION OF ANOTHER BEFORE A STATE AGENCY

KRS 11A.040(8) provides:
A former public servant shall not represent a person in a matter before a state agency in which the former public servant was directly involved, for a period of one (1) year after the latter of:

(A) The date of leaving office or termination of employment; or (B) The date the term of office expires to which the public servant was elected. "OR BY ANY OTHER PERSONS FOR HIS USE OR BENEFIT" includes spouse.

*** DEFINITIONS ***

"OR BY ANY OTHER PERSON FOR HIS USE OR BENEFIT" includes spouse.

"DOES BUSINESS WITH" also includes any regulatory relationship between a state agency and a business, utility or person regulated by the state.

"MATTERS IN WHICH HE WAS DIRECTLY INVOLVED" applies only to matters on which the former employee personally worked or over which the employee had some authority.

"LOBBYIST" also includes executive agency lobbyists--those persons attempting to influence a decision of an executive agency official concerning state expenditures.

"REPRESENT" means to attend an agency proceeding, write a letter, or communicate with an employee of an agency on behalf of someone else.

"IN WHICH HE WAS DIRECTLY INVOLVED" modifies the word "matter" and not the words "state agency". In other words the prohibition operates to prohibit employees from representing individuals in matters in which the employee was directly involved while the employee was at the state agency. The employee would be permitted to represent individuals before the state agency so long as the subject matter of the representation was not something in which the employee was directly involved while at the state agency.

These laws are intended to promote public confidence in the integrity of state government and to declare as public policy the idea that state employees should view their work as a public trust and not a way to obtain private benefits.

If you worked for the executive branch of state government within the past year, or were elected to an executive branch term of office, which expired within the past year, you may be subject to the prohibitions of the law.
IN CASE OF DOUBT, THE LAW PERMITS YOU TO REQUEST AN ADVISORY OPINION FROM THE EXECUTIVE BRANCH ETHICS COMMISSION CAPITOL ANNEX, FRANKFORT, KENTUCKY 40601 (502) 564

Agenda Action Form
Paducah City Commission

Meeting Date: March 12, 2019

Short Title: Municipal Order: Sale of Surplus Property and Easements: 4051, 4063, 4075, and 4161 Pecan Drive - **R MURPHY**

Category: Municipal Order

Staff Work By: Maegan Mansfield
Presentation By: Rick Murphy

Background Information:

The City of Paducah has surplus property located at 4051, 4063, 4075, and 4161 Pecan Drive as a result of Right of Way acquisition during the Pecan Drive project.

Atmos Energy has expressed interest in the surplus property in efforts to relocate aging pipeline infrastructure and to install a monitoring station. Through discussions and negotiations we recommend the following property transactions:

- 4051 Pecan Drive: Sale of parcel (0.270 Acres)
- Sale Price: $19,000
- 4063 Pecan Drive: Sale of a 20 foot wide, non-exclusive, public utility easement
- Sale Price $3,080
- 4075 Pecan Drive: Sale of a 20 foot wide, non-exclusive, public utility easement
- Sale Price $2,520
- 4161 Pecan Drive: Sale of a 20 foot wide, non-exclusive, public utility easement
- Sale Price $12,000

Along with the aforementioned public utility easements, Atmos Energy has requested the right to use an additional 20 feet of adjacent land as reasonably necessary at road and creek crossings for construction purposes. This right will terminate upon completion of construction.

The total amount to be collected from Atmos Energy for the transactions of property and easements is $36,600.

Does this Agenda Action Item align with a Strategic Plan Action Step? No
If yes, please list the Action Step Item Codes(s):

Funds Available: Account Name:
Account Number:

Staff Recommendation: Adopt a Municipal Order for the easement and sale transactions located along Pecan Drive to Atmos Energy. Authorize the Mayor to sign all agreement documentation necessary for transactions.

Attachments:

1. Municipal Order
2. Atmos - W-9
3. 4051 Pecan Order of Payment

4. Proposed Property Map
5. 4051 Pecan Drive Deed
6. 4051 Pecan Drive Appraisal Report
7. Atmos - HCA 06 - City of Paducah 036.00 & 037.00 PLAT - SIGNED
8. 4063-4075 Pecan Drive Appraisal Report
9. 4075 Pecan Drive Order of Payment
10. 4075 Pecan Drive Easement Agreement
11. 4063 Pecan Drive Order of Payment
12. 4063 Pecan Drive Easement Agreement
13. 4161 Pecan Drive Appraisal
14. 4161 Pecan Drive Order of Payment
15. 4161 Pecan Drive Easement Agreement

MUNICIPAL ORDER NO. _____

A MUNICIPAL ORDER DECLARING THE REAL PROPERTY LOCATED AT 4051PECAN DRIVE TO BE SURPLUS PROPERTY, AND AUTHORIZING THE TRANSFER OF SAID PROPERTY TO ATMOS ENERGY ALONG WITH PERMANENT PUBLIC UTILITY EASEMENTS AT 4063, 4075, AND 4161 PECAN DRIVE AND TEMPORARY CONSTRUCTION EASEMENT FOR AN IN CONSIDERATION OF $36,600.00 AND AUTHORIZING THE MAYOR TO EXECUTE THE DEED, EASEMENT AGREEMENTS AND ALL DOCUMENTS RELATED TO SAME

WHEREAS, the City of Paducah is the present owner of certain surplus real property located at 4051Pecan Drive in Paducah, Kentucky, which was acquired by the City of Paducah during the Pecan Drive Project; and

WHEREAS, pursuant to Section 2-668 of the Code of Ordinances the City has determined in writing that the property is no longer necessary, appropriate, or in the best interests of the operations of the City and its citizens, and that the Property should be transferred with compensation to Atmos Energy as surplus real estate for economic development purposes; and

WHEREAS, Atmos Energy has requested conveyance of the surplus property located at 4051 Pecan Drive and the conveyance of permanent utility easements and a temporary construction easement across the City owned properties located at 4063, 4075 and 4161 Pecan Drive in order to relocate aging pipeline infrastructure and to install a monitoring station; and

WHEREAS, it is now necessary for the Board of Commissioners to approve and authorize the Mayor's execution of the Deed, Permanent Utility Easements and Temporary Construction Easement.

NOW THEREFORE, BE IT ORDERED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The Board of Commissioners hereby declares the property located at 4051 Pecan Drive to be surplus property as it relates to the operations of the City. Further, the Board of Commissioners hereby transfers said property to Atmos Energy for and in consideration of $19,000 for economic development purposes for the purchase of real property located at 4051 Pecan Drive.

SECTION 2. That the City of Paducah hereby authorizes and approves the sale of the following permanent utility easements to Atmos Energy:

- Sale of a 20 foot wide, non-exclusive, public utility easement located at 4063 Pecan Drive for and in consideration of $3,080

- Sale of a 20 foot wide, non-exclusive public utility easement located at 4075 Pecan Drive for and in consideration of $2,520
- Sale of a 20 foot wide, non-exclusive public utility easement located at 4161 Pecan Drive for and inconsideration of $12,000

Further, the City approves a temporary construction easement for approximately 20 feet of adjacent land as reasonably necessary at road and creek crossings for construction purposes.

SECTION 3. The Mayor is hereby authorized to execute a deed of conveyance for 4051 Pecan Drive, the Grants of Permanent Utility Easements for the properties located at 4063, 4075 and 4161 Pecan Drive, and any necessary documents relating to same to complete the sale of the real property and utility easements approved in Sections 1 and 2 above.

SECTION 4. This Order shall be in full force and effect from and after the date of its adoption.

_____
Brandi Harless, Mayor

ATTEST:

_____
Lindsay Parish, City Clerk

Adopted by the Board of Commissioners, March 12, 2019
Recorded by Lindsay Parish, City Clerk, March 12, 2019
\mo\prop sale & permanent utility easements – Atmos Energy – Pecan Drive

ORDER OF PAYMENT

Date_____

Upon route acquisition, approval of the agreement associated herewith by Management, and approval of title to same, Atmos Energy Corporation, will make payment as indicated herein by check within 45 days of receipt. No default shall be declared for failure to make payment until 30 days after receipt of written notice from payee of intention to declare such default.

PAY TO: **City of Paducah** __ph# 270-444-8511

ADDRESS: 300 South 5th St., P.O. Box 2267, Paducah, KY. 42002-2267

THE AMOUNT OF:

Nineteen Thousand ----------& NO/100----------($19,000.00)

NOTICE: a completed W-9 must be submitted for payment

STATE OF:___Kentucky_____ COUNTY OF __McCracken_____

PROJECT:_ HCA-06__ ROW NUMBER_____

This payment is for: The purchase of City property described as PVA parcel # 087-30-12-007 containing 0.27 acres, more or less, to be used as a valve block facility site.

Which covers property described as follows: A triangular tract of land a/k/a PVA Parcel number 087-30-12-007, described in Deed dated September 28th, 2005, recorded in Deed Book 1076, Page 127, all in the McCracken County Kentucky Clerk's Office.

Completed by: Ed Smith_____
Land Agent for Atmos Energy Corporation

Landowner's signature(s)_____
City of Paducah

_____

APPROVED BY:_____
_____ Atmos Energy Corp.

REVISIONS

No.	Description	By	Date

MAGNOLIA® RIVER
NOTHING RUNS DEEPER

ATMOS energy

DRAWN BY:	B. TALLEY
DESIGNED BY:	A. PATRICK
CHECKED BY:	L. JOY
DATE:	10/9/2018
JOB No.:	050.2637
SCALE:	1" = 40'

PRELIMINARY USE ONLY
NOT VALID FOR CONSTRUCTION WITHOUT DATED ENGINEER'S SEAL AND SIGNATURE.

PROJECT:

PADUCAH HCA-06 8-INCH HP STEEL REPLACEMENT
MCCRACKEN COUNTY, KY

PARCEL MAP FOR CITY OF PADUCAH

SHEET
14 OF 20

P:\--PROJECTS--\2017 Projects\Atmos Energy\Mid-States\Paducah HCA-06\Engineering\DWG\Atmos Paducah Basemap.dwg

DEED OF CONVEYANCE

THIS DEED, made and entered into this the _____ day of _____, 2019, by and between **CITY OF PADUCAH, KENTUCKY. A Municipal Corporation of the Second Class, P.O. Box 2267, Paducah, Kentucky 42002-2267**, hereinafter called **FIRST PARTY**, and **ATMOS ENERGY CORPORATION, a Texas and Virginia corporation**, of 3275 Highland Pointe Drive, Owensboro, KY. 42303, **SECOND PARTY.**

WITNESSETH:

THAT FOR AND IN CONSIDERATION of the sum of NINETEEN THOUSAND DOLLARS ($19,000.00) cash in hand paid, the receipt and sufficiency of which is hereby acknowledged, First Party has bargained and sold and by these presents do hereby grant and convey unto the Second Party, its successors and assigns forever, the following real property located in McCracken County, Kentucky, to-wit:

BEING A TRIANGULAR SHAPED TRACT OF LAND AT 5055 BUCKNER LANE IN PADUCAH, KENTUCKY SITUATED WEST OF THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF INTERSTATE 24 (I-24) AND WITH THE NORTH RIGHT OF WAY LINE OF BUCKNER LANE. SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON ROD FOUND AT THE NORTHEAST CORNER OF A TRACT OF LAND SHOWN AS "I" ON THE WAIVER OF SUBDIVISION FOR JOHN E. LESLIE A. AND JOSEPH D. MAY, JR, RECORDED IN PLAT SECTION "L", PAGE 790 IN THE MCCRACKEN COUNTY CLERK'S OFFICE, SAID POINT BEING LOCATED 180 FEET RIGHT OF INTERSTATE 24 CENTERLINE STATION 1541+50', THENCE S45° 32'36"E 249.20 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF INTERSTATE 24 TO A POINT IN THE NORTH RIGHT OF WAY LINE OF PECAN DRIVE; THENCE N 70°

26′08″ W 224.13 FEET ALONG SAID NORTH RIGHT OF WAY LINE TO A POINT IN THE EAST LINE OF THE CITY OF PADUCAH PROPERTY (SEE DEED BOOK 1064, PAGE 577); THENCE N 18° 31′04″E 104.91 FEET ALONG SAID CITY OF PADUCAH PROPERTY TO THE POINT OF BEGINNING, CONTAINING 0.270 ACRES, MORE OR LESS.

AND BEING THE SAME PROPERTY CONVEYED TO THE CITY OF PADUCAH BY DEED DATED SEPTEMBER 28, 2006, OF RECORD IN THE DEED BOOK 1076, PAGE 127, IN THE OFFICE OF THE MCCRACKEN COUNTY COURT CLERK.

Second Party joins in the execution of this Deed for the sole purpose of complying with the provisions of KRS Chapter 382. Both First and Second Parties swear and/or affirm that the consideration reflected in this Deed is the full consideration paid for the property hereby conveyed.

TO HAVE AND TO HOLD the above described 0.27 acre parcel, with all the rights, privileges and appurtenances thereunto belonging, or in anywise appertaining, unto Second Party, in fee simple, its successors and assigns forever, and with covenant of General Warranty of title, subject to all easements, restrictions, rights-of-ways and prior mineral reservations and mineral conveyances of record.

The in-care-of address to which property tax bill for 2019 may be sent to: 3275 Highland Pointe Drive, Owensboro, KY 42303.

IN TESTIMONY WHEREOF, both, First and Second Parties have hereunto set their hands on the date which is first above written.

FIRST PARTIES:
CITY OF PADUCAH

_____
BY:_____
ITS:_____

STATE OF _____)
COUNTY OF _____)

The foregoing Deed and Certificate of Consideration were subscribed and sworn to and acknowledged before me by _____, as _____ of City of Paducah, on this _____ day of _____, 2019.

_____
Notary Public
My commission expires: _____
ID No. _____

SECOND PARTY:
ATMOS ENERGY CORPORATION

_____
BY:_____
ITS:_____

STATE OF _____)
COUNTY OF _____)

The foregoing Deed and Certificate of Consideration were subscribed and sworn to and acknowledged before me by _____, as _____, in his capacity as such officer on behalf of Atmos Energy Corporation, on this _____ day of _____, 2019.

_____
Notary Public
My commission expires: _____
ID No. _____

This instrument prepared without the benefit of a title examination by:

_____
WILSON, HUTCHINSON & LITTLEPAGE
Attorneys at Law
611 Frederica Street
Owensboro, Kentucky 42301
270-926-5011

APPRAISAL OF 11,800± SQUARE FOOT TRACT
OWNED BY THE
CITY OF PADUCAH, KENTUCKY,
LOCATED AT
4051 PECAN DRIVE,
PADUCAH, KENTUCKY 42001

Effective Date of Appraisal

October 10, 2018

Prepared By

Russell M. Sloan, MAI

Sloan Appraisal & Realty Services

2218 Kentucky Avenue
Paducah, Kentucky 42003

Sloan Appraisal & Realty Services
2218 KENTUCKY AVENUE
PADUCAH, KENTUCKY 42003
TELEPHONE (270) 442-6379

RUSSELL M. SLOAN, MAI,
Member, Appraisal Institute

JOE L. SLOAN, MAI
1945 - 2007
JOSEPH E. SLOAN, IFA, FOUNDER
1920 - 2000

November 15, 2018

Atmos Energy
3275 Highland Pointe Drive
Owensboro, Kentucky 42303

Re: Appraisal of 11,800 square foot tract owned by the City of Paducah, Kentucky, located at 4051 Pecan Drive, Paducah, Kentucky 42001

Gentlemen:

In accordance with your request, I have made an appraisal of the above property for the purpose of estimating its market value as of October 10, 2018, with the scope of this appraisal discussed in the Scope of Work section, on page eight of this report. The data, analyses, opinions and conclusions are included in the following appraisal report, which uses the Appraisal Report reporting option. Market value is defined in the body of this report.

As a result of the analysis and the appraisal, it is my opinion that the market value of the property, as of October 10, 2018, was

NINETEEN THOUSAND DOLLARS **($19,000.00)**

To the best of my knowledge and belief, no matters or information that is pertinent has been intentionally overlooked or withheld. I have no interest, either present or contemplated in the property, and employment and compensation for the making of this appraisal are in no way contingent upon the value reported. No responsibility is assumed for matters that are legal in nature nor has any opinion on title or survey been rendered by me. Liens, encumbrances and encroachments, if any, have been disregarded and the property appraised as though free of debt and with good and marketable title.

Respectfully submitted,

Russell M. Sloan, MAI
Kentucky State Certified General Real Estate Appraiser, 00335, Illinois State Certified General Real Estate Appraiser, 553001372, Missouri State Certified General Real Estate Appraiser, RA002466, Tennessee State Certified General Real Estate Appraiser, CG-1246, Indiana State Certified General Real Estate Appraiser, CG40200146

RMS:pc
Enclosures

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STATEMENT OF QUALIFICATIONS OF APPRAISER: RUSSELL M. SLOAN, MAI

EDUCATION
MBA, Murray State University
BS In Business Administration, Murray State University

SPECIALIZED EDUCATION
American Institute of Real Estate Appraisers Course 1A-1, Atlanta, GA
American Institute of Real Estate Appraisers Exam 1A-2, Norman, OK
American Institute of Real Estate Appraisers Course 1B-A, Chapel Hill, NC
American Institute of Real Estate Appraisers Course 1B-B, Bloomington, IN
American Institute of Real Estate Appraisers Course 2-1, Nashville, TN
American Institute of Real Estate Appraisers Course 2-2, Nashville, TN
American Institute of Real Estate Appraisers Course 2-3, Gatlinburg, TN
Valuation of Conservation Easements, Appraisal Institute, Nashville, TN
MAP Appraisals and Marketability Studies, HUD, Louisville, KY
Numerous seminars through the Appraisal Institute

PROFESSIONAL AFFILIATIONS, LICENSES, & CERTIFICATIONS
MAI, Member Appraisal Institute, Kentucky State Certified General Real Estate Appraiser, Certificate #000335, Illinois State Certified General Real Estate Appraiser, License #553001372, Missouri State Certified General Real Estate Appraiser, Certificate #RA002466, Tennessee State Certified General Real Estate Appraiser, Certificate #CG-1246, Certified Fee Appraiser, Indiana State Certified General Real Estate Appraiser, License #CG40200146, Real Estate Broker, Kentucky Real Estate Commission, Member: Paducah Board of Realtors, Kentucky Association of Realtors & National Association of Realtors. President of My Old Kentucky Home Chapter of the Appraisal Institute, 1999. Member of Kentucky Real Estate Appraisers Board, 2003-2007, Chairman, 2006-2007.

APPRAISAL EXPERIENCE
Thousands of appraisals of single-family & multi-family residential, commercial, industrial, agricultural, waterfront, and special purpose properties in Kentucky, Tennessee, Missouri, Illinois, Indiana and Ohio.

APPRAISALS FOR CLIENTS INCLUDING:

Regions Bank
U.S. Bank
Paducah Bank & Trust Company
Old National Bank, Indianapolis, IN
Fifth Third Bank
JP Morgan Chase Bank, NA
Branch Banking & Trust Company
Banterra Bank
Peoples National Bank
Independence Bank
FNB Bank, Mayfield, KY
PNC Bank, N.A.
PGP Valuation
BSB Bank & Trust Company, Binghamton, NY
First Tennessee Bank, Nashville, TN
Commerce Bank, Charleston, West Virginia
TriStar Bank, Dickson, TN
Community Financial Services Bank, Benton, KY
First Kentucky Bank, Mayfield, KY
Gallatin County State Bank, Ridgway, IL
First National Bank of Harrisburg, IL
Farmer's Bank of Princeton, Princeton, KY
National State Bank of Metropolis, Metropolis, IL
Citizens State Bank, Bardwell, KY
Farmers Bank of Marion, Marion, KY
First National Bank of Clinton, Clinton, KY
First State Community Bank, Sikeston, MO
Southwest Bank of St. Louis, St. Louis, MO
PBI Bank, Bowling Green, KY
BMO Harris Bank
Jackson Purchase Agricultural Credit Association
Paducah Federal Credit Union
Murray State University
McCracken County Board of Education
Marshall County Board of Education

United States General Services Administration
Commonwealth of Kentucky
United States Department of the Interior
Kentucky Housing Corporation
United States Department of Housing & Urban Development
FDIC
Paducah-McCracken County Riverport Authority
McCracken County Fiscal Court
City of Paducah, Kentucky
City of Fulton, Kentucky
City of Hickman, Kentucky
Purchase Area Development District
Ballard County Economic & Industrial Development Board
USDA Rural Development
GE Capital Realty Group, Inc.
RER Solutions, Inc.
Colliers International
Phillips Development, Little Rock, AR
Walnuck Development
Pilot Inn & Company, Chicago, IL
American Commercial Barge Lines
Marquette Transportation, Inc.
Southern Pacific Real Estate
Vulcan Materials Company
Baptist Hospitals, Inc.
Livingston Hospital & Health Services, Inc.
Lourdes Hospital
Paxton Media Group, Inc.
The Nature Conservancy
Farris, McIntosh & Tremper, Inc.
Kemper CPA Group, LLC
Whitlow, Roberts, Houston, & Straub, attys.
McMurry & Livingston, attys.
James A. Harris, atty.
Denton & Keuler, attys.

COURT EXPERIENCE
Testimony as expert witness in various Circuit Courts

TEACHING EXPERIENCE
Instructor, Real Estate Appraisal, Paducah Community College, Fall 1998

SUMMARY OF SALIENT DATA AND CONCLUSIONS

Address of Subject: 4051 Pecan Drive, Paducah, Kentucky 42001

Effective Date of Appraisal: October 10, 2018

Purpose of Appraisal: Estimate Market Value

Function of Appraisal: Estimate Compensation for Use in Decision Making Regarding an Offer to the Property Owner by the Client

Financing Premise: Generally Available Local Terms Equivalent to Cash

Property Owner(s): City of Paducah, Kentucky

Property Rights Appraised: Fee Simple

Tax Assessment: $25,900

Zoning: R-1, Low Density Residential

Highest and Best Use of Site If Vacant: Residential Development

Highest and Best Use of Property As Improved: Not Developed-Vacant Land, See Discussion

Furniture, Fixtures and Equipment (FF&E): $0

Cost Approach: Not Developed-Vacant Land, See Discussion

Sales Comparison Approach: $19,000

Income Capitalization Approach: Not Developed-Vacant Land, See Discussion

Final Estimate of Value: $19,000

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;

2. Both parties are well informed, or well advised, and acting in what they consider their own best interests;

3. A reasonable time is allowed for exposure in the open market;

4. Payment is made in cash, in U.S. dollars, or in terms of financial arrangements comparable thereto; and

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992, 59 *Federal Register* 29499, June 7, 1994)

REASONABLE MARKETING TIME AND EXPOSURE TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement of Appraisal Standers No. 6 "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 140.

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

<u>Comment</u>: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Uniform Standards of Professional Appraisal Practice 2018-2019 ed. (The Appraisal Foundation, 2017), 4.

Estimating these two time periods requires analysis of data from the variety of sources. Sales, offerings, options, and transactions involving properties having similar marketability characteristics are considered. Information from multiple listing services, Realtors, lenders, owners and investors and the PricewaterhouseCoopers Real Estate Investor Survey has been considered. All data is considered in relation to current national, regional and local economic and development trends. Recognizing the current state of the local market, the marketing period and the exposure time for the subject are identical in this instance. Considering these factors, both the estimated marketing time and the estimated exposure time for the subject are up to one year.

CERTIFICATION

The undersigned does hereby certify that, to the best of my knowledge and belief and except as otherwise noted in this report:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or the parties involved with the assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. The employment of the appraiser was not conditioned upon the appraisal producing a specific value or within a given value range.

7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP).

9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

10. No one provided significant real property appraisal assistance to the person signing this report, except as otherwise explicitly noted in this report.

11. I have made a personal inspection of the property that is the subject of this report.

12. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

13. As of the date of this report, I, Russell M. Sloan, have completed the continuing education program of the Appraisal Institute.

In my opinion, the market value of the subject property under financing conditions generally available in the local market and equivalent to cash, on October 10, 2018, was

$19,000.

Date: November 15, 2018 Appraiser:

Kentucky State Certified General Real Estate Appraiser, 00335, Illinois State Certified General Real Estate Appraiser, 553001372, Missouri State Certified General Real Estate Appraiser, RA002466, Tennessee State Certified General Real Estate Appraiser, CG-1246, Indiana State Certified General Real Estate Appraiser, CG40200146

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. The Appraiser assumes no responsibility for the legal description or matters of a legal nature affecting the property appraised or the title thereto, nor does he render any opinion as to the title, which is assumed to be good and marketable.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. Information, estimates and opinions furnished to the Appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such items furnished to the Appraiser can be assumed by the Appraiser.
5. The sketch in this report is included to assist the reader in visualizing the property, and the Appraiser assumes no responsibility for their accuracy. The Appraiser has made no survey of the property. It is assumed that the utilization of the land & improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise noted.
6. The distribution of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations between land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
7. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures, code violations, or the presence of subsidence, asbestos, UFFI, Radon gas, underground storage tanks, or toxic materials which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering that might be required to discover such factors.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. The Appraiser is not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have previously been made.
11. Disclosure by the Appraiser of the contents of this appraisal report is subject to review in accordance with the bylaws and regulations of the Appraisal Institute and Appraisal Foundation.
12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
13. The physical elements of the property were viewed to determine their impact on value in the decision-making processes of the market. This viewing should not be construed as a structural inspection. Such an inspection is outside the area of expertise of the appraiser and beyond the scope of this appraisal. The appraiser is not an expert in the field of building inspection and/or engineering. Except as otherwise noted in this report, the value estimate is predicated on the assumption that there are no structural defects in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering or architectural knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

SCOPE OF THE APPRAISAL AND COMPETENCY OF THE APPRAISER

This appraisal has been prepared in order to determine the market value of the property, as defined on page five of this report, for the client, Atmos Energy, which is the intended user, for use in determining the appropriate compensation to the owner for the purchase of the property, with this being the intended use of this appraisal. This appraisal is developed subject to no extraordinary assumptions or hypothetical conditions.

The analysis in this appraisal includes the development of the appraiser's opinion of the highest and best use of the property. This appraisal is developed based on three approaches to value: the cost approach, the sales comparison approach, and the income capitalization approach. The use of all three approaches is pertinent in the solution of most appraisal problems with their application being well established in appraisal technique and held to be part of the fundamental procedure. All approaches have been considered, although it is sometimes inappropriate to develop one or more of the approaches due to lack of market data, or lack of applicability. In this instance, the cost and income capitalization approaches are not reliable indicators of value for vacant land in this market, and they are omitted from the valuation process, with only the sales comparison approach utilized, as will be more fully discussed and explained later in this report.

The data, analyses, opinions and conclusions are included in this appraisal report, which uses the Appraisal Report reporting option. The pertinent data has been included within this report. The analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation, as well as the Competency provision of the Uniform Standards of Professional Appraisal Practice (USPAP). *It is noted that this appraisal has not been prepared under the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), as per the request of the client*.

The appraiser physically inspected the subject property on October 10, 2018. The physical attributes of the property included in this appraisal are based on this inspection as well as information obtained from any drawings provided by the client, the legal description, and information obtained from tax records. The condition of the overall subject property is assumed to be consistent with the portion of the property inspected as of the date of value, subject to the results of any more detailed inspection of the property. The appraiser is not an engineer or surveyor, and is not an expert in the field of building inspection and/or engineering. An expert in the field of engineering/seismic hazards detection should be consulted if an analysis of seismic safety and seismic structural integrity is desired. This appraisal does not constitute an expert inspection of the property and it should not be relied upon to disclose the condition of the property. It is assumed that there are not hidden or unapparent conditions of the property. This appraisal is therefore subject to the discovery of any more accurate information with respect to the physical property. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.

During the preparation of the appraisal, the appraiser researched the market for comparable market data. The appraiser has collected and confirmed data in the local market through research of public records found in the McCracken County Courthouse and Paducah City Hall, as well as conversations with related parties and investors in the marketplace. In addition, the appraiser has investigated several nearby counties, as well as national market data, as appropriate, for additional market data. Details of the individual transactions were verified by buyers, sellers, brokers, agents, lenders, appraisers, recording documents, multiple listing services, assessor's records, and/or other sources believed to be reliable as shown on the data sheets included in this report.

The appraiser has experience in the valuation of this type property as well as being familiar with the subject's market area. The qualifications of the appraiser, which demonstrate the competency of the appraiser, are included in the statement of qualifications, on page three of this report. The appraiser has disclosed, within this report, any additional steps that were necessary or appropriate to comply with the competency provision of the USPAP.

FINANCING PREMISE

This market value estimate is based on a premise of financing terms generally available in the community equivalent to cash. This concept recognizes that a seller receives all cash, but also recognizes that a typical purchaser's funds are derived from both equity and mortgages. The current mortgage market is based on a range of rates and terms, as discussed later in this report.

EFFECTIVE DATE OF THE APPRAISAL

The effective date of the appraisal is October 10, 2018, with the property inspected by the appraiser on October 10, 2018. The date of the report is November 15, 2018.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the subject property.

FUNCTION AND INTENDED USE OF THE APPRAISAL

The function of the appraisal, and its intended use, is to determine the market value of the property for the client, Atmos Energy, which is the intended user, for use in determining the appropriate compensation to the owner for the purchase of the property. Neither all or any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI designation. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, the client shall make such party aware of all of the assumptions, limiting conditions, and additional language of the assignment.

OWNERSHIP DATA

The subject property is currently owned by the City of Paducah, Kentucky.

PROPERTY INTEREST APPRAISED

This appraisal reflects a value for the fee simple interest in the subject property.

A fee simple estate is absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 90.

FIVE YEAR TRANSACTION HISTORY

According to information available to the appraiser, there have been no sales or transactions involving the subject during the past five years. Based on information available to the appraiser, the subject is not listed for sale and there are no current purchase contracts involving the subject.

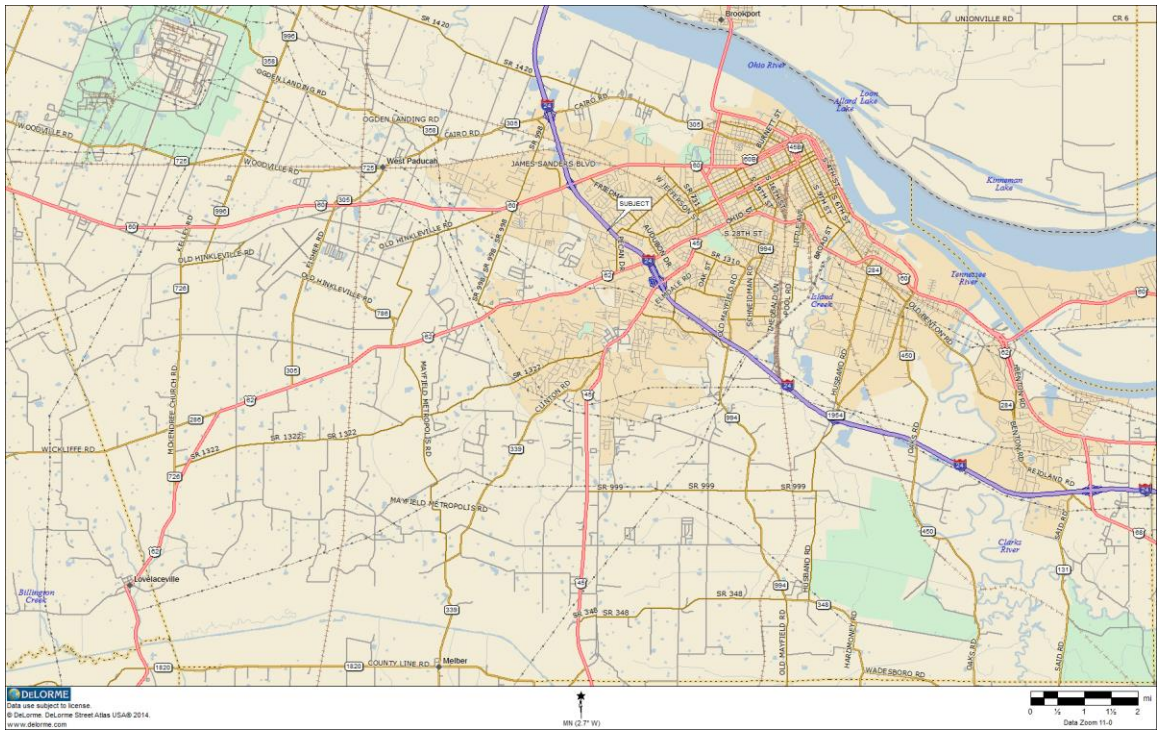
TAX ASSESSMENT

Local assessments are based on 100.0% of fair market value, except for farmland, which is assessed based on its agricultural value. The subject property, which is identified as Parcel 16-49-29 in the McCracken County Property Valuation Administrator's office, is currently assessed at $25,900. Based on the current assessment and the most recent tax rate of $1.130000 per assessed value, the subject's current tax burden is $292.67. In the event of a transaction involving the subject, a potential investor would project a new assessment at the sale price based on the local practice. As a result, the tax burden has no significant effect on the market value estimate.

PADUCAH-MCCRACKEN COUNTY COMMUNITY ANALYSIS

The subject is located in the Paducah, Kentucky market, in McCracken County. The subject's location in relation to the overall community is shown on the following map, with the community being more fully discussed on the following pages.

Community Map



Population: According to the 2010 Census, the city of Paducah had a population of 25,024, which represented a 4.9% decrease from the 26,307 population in 2000, which represented a 3.5% decrease from the results of the 1990 Census. McCracken County had a 2010 population of 65,565, which was almost identical to the 2000 population of 65,514, which represented a 4.2% increase from the results of the 1990 Census. This continues a longer-term trend, with the city of Paducah having a decrease in population of 7.0% between the 1980 and the 1990 Census, while McCracken County had a 2.6% increase in population between the 1980 and the 1990 Census. The drop in the population of Paducah reflects an exodus of residents from the city to the county, which offers comparable amenities with a lower tax rate. Despite attempts by the city leaders to halt the population shift, the trend does not appear to be reversing. The City of Paducah has an area of 20.0 square miles, which indicates a population density of 1,251 persons per square mile, while McCracken County has an area of 268.1 square miles, with a population

density of 245 persons per square mile.

Governmental & Financial Sectors: There is a Mayor and City Commissioner government in the city of Paducah, with a Judge Executive and County Commissioner government in McCracken County, with Paducah being the County Seat. There are six banks in the community, although only one is locally owned, with one being a branch of an Illinois bank, one being a branch of a Mayfield, Kentucky bank, and four being owned by larger institutions. The last significant change in the governmental sector was the implementation of a zoning ordinance for the portions of McCracken County outside the Paducah city limits in 2001. While all existing uses were permitted, this permits more orderly growth patterns in the county. It is noted that there was a proposal for merger of the city and county governments in 2012, but it was defeated by a significant margin.

Transportation Sector: Arterial highways include U.S. Highways 45, 60, 62, 68 and I-24. The area is served by bus lines, three railroads, and Barkley Regional Airport, which has commercial service to Chicago. There are several river transport and barge lines and service operations, with Paducah benefiting from being the Northern terminus of the Tennessee-Tombigbee Waterway, and being at the confluence of the Ohio and Tennessee Rivers. This has resulted in the river industry being one of the primary employers in Paducah for many years. In 2016, the Paducah-McCracken County Riverport Authority was designated as a foreign-trade zone, which could enhance the influence of the river industry.

Educational Sector: The community has dual city and county public school systems and private religious schools. The McCracken County school system had historically included three school districts, but they were combined into a single countywide high school in 2013. Other institutions include West Kentucky Community and Technical College, a two-year college. There is also an engineering program associated with the University of Kentucky, which began in 1997, located on the campus. Murray State University, which is in the nearby Murray community, opened a satellite campus in Paducah in 2014. In addition, Paducah Public Library serves the community.

Churches & Cultural Activities: The area includes over 100 churches in 20 denominations. Cultural attractions include the Market House Theater, Paducah Symphony, Paducah Art Guild Gallery, and City-County Arts Council, as well as the Luther Carson Performing Arts Center, which was developed in downtown Paducah in 2004. There are three country clubs and numerous civic, fraternal and social organizations that serve the community.

Recreational Sector: There are 450 acres of parks, including Noble Park. Kentucky Lake and Lake Barkley recreational complexes are approximately 25 miles away. There is a twelve-screen theater complex that was constructed in 2002, replacing an older complex, and a one-screen theater, which opened in the downtown in 2001. There is an auto racetrack, a drag strip, and a horse racing track, as well as four golf courses, one of which is a public course, an indoor tennis center that was constructed in 2004, and another sports complex featuring basketball, volleyball, and soccer, which opened in 2008. Player's International River Boat Casino, now owned by Caesar's, opened in Metropolis, Illinois, which is immediately across the Ohio River from Paducah, in 1993. Illinois allows riverboat gambling, but Kentucky does not. The proximity of the riverboat has resulted in tourist traffic in Paducah, as well as Metropolis.

Medical Sector: Paducah is a regional medical center with approximately 200 physicians, and 50 dentists. Baptist Health Paducah includes 373 beds, while Mercy Health, which was known as Lourdes Hospital until 2018, has 359 beds. There are crippled children's and mental health clinics, as well as four extended care nursing homes, one of which relocated to a new facility in 2014, and five other elderly housing facilities, with a new assisted living facility opening in 2015, with 42 units in the initial phase. A medical office park containing several offices was developed along Lone Oak Road in the early 1990's. The park includes a 145,000 square foot, four-story multi-tenant office building, including a privately owned outpatient surgery center, which is now owned by Mercy Health, as well as several smaller buildings.

The supply of medical office space was further increased by the development of an adjacent office complex by Baptist Health Paducah. Baptist Health Paducah has continued to expand over the years. This included major expansions including considerable rental office space, with expansions in 1997, 1999, and 2003, with 204,000 SR square feet of rental office space now in this structure. Furthermore, a 79,000 SR square foot heart center addition was completed in 2007, with a 44,000 SR square foot cancer center opening in 2017. Mercy Health Hospital had a 133,000 SR square foot addition, including medical office space, in 2004. The shifting of the medical sector in the 2000's did not have a significant negative effect on the demand for freestanding medical office buildings in the community. The overall strength of Paducah's medical community and the expansion of the hospitals should continue to provide a strong level of demand from this sector.

Industrial Sector: While manufacturing has not historically been a primary base for the Paducah market, a varied manufacturing base has historically included chemical and nuclear products, railroad locomotives, food and kindred products, lumber, furniture, apparel, textiles, printing and publishing, rubber, minerals, primary metals, machinery, metal products, and marine equipment. The local industrial market had remained generally stable for many years until 2013, when USEC announced that it would cease operation of the Paducah Gaseous Diffusion Plant (PGDP), with the facility having been turned over to the U.S. Department of Energy in October 2014. It had originally been announced in 2004 that production would be replaced by a new facility in Ohio in 2010, but there were several delays prior to the official announcement of the closing. The facility is located on 3,556 acres in northwest McCracken County, with this facility having been one of McCracken County's primary employers since the 1950's, with 1,100 employees at the time of the announcement.

The facility should continue to have an impact on the area for the next several years, with many years of site cleanup. It is noted that there were lawsuits and press reports regarding the possible contamination of workers, and possibly surrounding properties, throughout much of the 2000's, but this did not have a dramatic effect on the market. The long term impact of the closing of the plant could potentially be devastating to the community due to the sheer number of employees as well as the relative level of pay, but it now appears that the initial impact has been somewhat lessened by the cleanup by the Department of Energy, with a peak of approximately 1,500 people, and stabilized employment of 1,300 onsite for the cleanup and monitoring operations. It appears that the cleanup will take several years and the eventual long term impact cannot be projected due to the presence of considerable employment in the cleanup, as well as the interest in other firms outsourcing some or all of the facility for related uses. In 2013, there was an announcement that GE Hitachi's GLE division was granted the right to negotiate with the Department of Energy to use the facility to re-enrich depleted uranium. This project appears to be progressing, but it does not appear that construction of this facility will occur in the near term.

Most of the other industrial employers in the community are smaller facilities, but they appear to have a stable future. The area has an abundant supply of industrial properties but vacancies have remained moderate. While Paducah has not traditionally been an industrial center, some new construction occurred in the 2000's in the community, with some new construction continuing into the 2010's. The local development authority developed a 192± acre industrial park on Olivet Church Road in the early 2000's. A 56,000 square foot "spec building" was constructed in late 2001 and it was occupied as a distribution warehouse for Coca Cola in 2005. In addition a 100,000 square foot manufacturing plant and distribution center was built in the park for Infiniti Media in 2004, with eventual employment of 100 people proposed, but it did not achieve the employment levels promised and it closed in 2013. In 2014, Genova Products occupied this building, with employment of approximately 125 people.

H. T. Hackney constructed a 150,000 square foot distribution warehouse in the park in 2011, to replace an older, smaller facility. In 2013, Whitehall Industries announced that it would occupy a portion of the former Tyler Mountain Water plant, which had closed in 2009, with projected

employment of 150.
This plan was terminated due to environmental issues, however, with the company building a new building in this park in 2014 instead. The building was occupied by E & Portable Buildings in 2014, however, with employment of 90 projected. A FedEx distribution facility was developed in 2008, on John Puryear Highway, off I-24. In 2007, a 213 acre industrial park was opened, with this park including frontage along the Ohio River. It is now marketed as the Ohio River Triple Rail Megasite, with up to 2,126 acres available, although much of this land has not actually been acquired. In 2013, development of a coal transfer terminal began along the Ohio River after approval of this project was denied on three separate occasions in the late 2000's through 2011 due to considerable local opposition. Other than the USEC closing, the most recent negative events in the industrial sector were US Foods closing its distribution center, which had 250 employees, in 2012, and AmerisourceBergen closing its facility, with 90 employees, in 2017. The US Foods facility was acquired by Darling Ingredients in 2015, but it has a minimal number of employees. It was announced in 2018 that the AmerisourceBergen facility would be occupied by GenCanna Global USA, Inc. for use as a hemp derived product manufacturing facility.

Other than these, there have been no significant industrial developments in Paducah for several years. The community has ongoing activity in locating smaller industrial facilities, however. The industrial market has historically demonstrated reasonably stable demand for these relatively small properties, despite the limited activity in locating larger facilities. The nationwide recession that extended from 2007 through 2009 did not have a dramatic impact on the local industrial market due to the limited number of major industrial employers. Conversely, the relatively weak recovery throughout most of the 2010's has not resulted in any significant improvement in the industrial sector. The relatively limited strength of the national economy diminishes the probability of any major new employers in the community in the near term.

Retail Sector: The commercial core of the Paducah market is at the interchange of I-24 and U.S. Highway 60, around the Kentucky Oaks Mall complex. Kentucky Oaks Mall is a regional mall containing 1,025,000 square feet, which is located at the I-24/U.S. Highway 60 interchange, and which opened in 1982. Retail development was very active around the Kentucky Oaks Mall throughout most of the 2000's before slowing in the late 2000's, but has continued at a moderate pace in the 2010's. Larger stores in the area include a 190,000± square foot Wal-Mart Super Center developed in 1992, a 120,000 square foot Lowe's store, which opened in 1995, a Home Depot containing 115,000± square feet, which was constructed in 2002, and a 134,326 square foot Sam's Club store built in 2004.

A mixed-use development, West Park Village, began in 1993 at the corner of Olivet Church Road and Highway 60. This development includes retail, office and residential uses, with sporadic development continuing. The land in the rear of the Kentucky Oaks Mall was developed with a mixed-use retail project, the Oaks II, in 1996. There were only three parcels developed for several years, but the opening of the Sam's Club in the subdivision in 2004 resulted in increased interest. A 17,000 square foot shopping center was developed in 2006, with a 66,725 square foot shopping center built in 2008 in this subdivision. The former Strawberry Hill farm, behind the Wal-Mart, is continuing to be developed with a mixed-use commercial subdivision, with development beginning in 1999. Retail developments in Strawberry Hill include a 27,000± square foot strip center and a 10,000± square foot strip center that were built in 2001, as well as a 12,600 square foot center built in 2006. A 29,750 square foot center was developed in the subdivision in 2007, with other smaller properties as well. More recently, a new 17,000 square foot strip center was constructed in the subdivision in 2015.

A 128,500 square foot shopping center, Paducah Specialty Center, was built on U.S. Highway 60 and James Sanders Blvd., in 1999. A 165,538 square foot shopping center anchored by an 80,408 square foot Kohl's was developed at the corner of Highway 60 and Olivet Church Road in 2005. The previously discussed 17,000 square foot center, the 12,600 square foot center, and a 7,000 square foot dual-tenant building, were constructed in 2006. The previously discussed 29,750 square foot shopping center was developed in 2007, with a 66,725 square foot

shopping center developed in 2008.
A new strip center was built at the corner of Hinkleville Road, West Park Drive, and Olivet Church Road in 2014, with the building expanded in 2016 and including 16,000+ square feet. Development of a 50+ acre multi-tenant project began on Highway 60, immediately west of Olivet Church Road in 2016, with the anchor to be a Menard's.

Vacancies increased somewhat in the late 2000's due to the state of the overall economy. This resulted in the closing of the Paducah stores of several national retailers in 2008, but it stabilized in the early 2010's. Otherwise, the most significant adverse factor influencing this area is attributable to traffic problems. The widening of U.S. Highway 60 and the Hobt Road relocation resulted in a small improvement in the access to the area, as did improvements to Olivet Church Road.

The opening of the Kentucky Oaks Mall in 1982, devastated the downtown retail market as most tenants moved to the mall and surrounding area. The downtown retail market never fully recovered, and will likely never return to its former state. There were some positive developments during the 2000's, with some conversion to office space and the renovation for several lower intensity retail uses. In addition to the downtown, the Southside retail area was adversely affected by the opening of the mall, but it experienced a recovery during the 2000's. The former Paducah Mall was raged and a 190,000+ square foot Wal-Mart Super Center was constructed on the site in 1996 as part of a 316,110+ square foot shopping center known as Paducah Towne Center. This improved the outlook for the Southside somewhat, but it did not significantly change the overall state of the neighborhood. The sporadic construction of smaller developments is continuing in the area, however. Another static commercial location for years has been Cairo Road, with no major developments for many years until Rural King opened a new store east of the I-24 interchange in 2014. Despite this, there is nothing to suggest any significant change in the commercial sector along this artery.

There has also been some recent commercial development in the Lone Oak area, although it has been on a smaller scale. This area includes two commercial subdivisions, the Magnolia Village Commercial Subdivision, which was opened around 1990, and Brian Centre, a mixed-use commercial and residential development that opened in 1996. The frontage lots in both projects were developed quickly, but construction has been slower within the subdivisions. Commercial developed increased in the Lone Oak area in the mid 2000's, with a 12,000± square foot, multi-tenant office building built in 2006, while a 14,000+ square foot office/retail building, and a 15,000+ square foot retail center were constructed along the Lone Oak Road commercial corridor in 2007, with a 13,700+ square foot center located immediately off Lone Oak Road having been built in 2012. Other suburban retail areas have remained stable without excessive vacancies. The nationwide recession that extended from 2007 through June 2009 resulted in increased vacancy rates, particularly in the mall area, which has more national tenants. This sector stabilized in the early 2010's, with vacancies having remained moderate. Recognizing the state of the location economy, as well as national retail trends, some new development is possible within the overall retail sector, but at a more moderate pace in the foreseeable future.

Office Sector: The local office market continued to experience construction of new office space in the suburban areas of Lone Oak and along Highway 60, near the mall, throughout most of the 2000's and into the 2010's. In addition, there is ongoing renovation of older buildings in the downtown area, although the rate of renovation in the 2010's has been somewhat slower than that during much of the 2000's. Much of the development of office space in the 2000's was attributed to the construction of new medical office space by the hospitals, as previously discussed. The last significant project in the downtown area was the conversion of 70,000 R+ square feet of retail space for office usage in 2004, with the occupancy of this structure having improved the downtown office sector somewhat. More recently, TeleTech Holdings, Inc. occupied the building formerly utilized by Regions Bank in 2015, with 150+ employees in this building. The other most recent new office developments have been along U.S. Highway 45, and along U.S. Highways 62 and 60 to the west.

Significant new office construction in the late 2000's included a 15,000± square foot Paducah Bank Financial Center and a multi-tenant building anchored by the Social Security Administration, which were each developed in Strawberry Hill in 2008. Construction of offices continued in the subdivision in the 2010's, including two single-tenant medical offices completed in 2011, with a 22,700 square foot, multi-tenant building built in 2012 and a 9,300 square foot multi-tenant office building completed in 2013. The largest recent office development was the construction of a 41,400 square foot orthopedic facility on U.S. Highway 62 in 2012, with a 26,300 square foot building completed off Highway 45 in 2016 for use by another medical practice. The only other significant development in the office market in the 2000's was the 22,000± square foot Ulrich Medical Concepts building, which was built in 2005 in the Paducah Commerce Park, formerly known as the Information Age Park. Most of the larger projects have been built for owner occupancy, but some smaller properties have also been built on a speculative basis. Some smaller multi-tenant offices were constructed in the early 2010's, with most having relatively slow rates of absorption.

The Paducah Commerce Park, formerly known as the Information Age Park, located between U.S. Highways 62 and 60, was developed in 1992 in conjunction with South Central Bell. The park was designed for development of office space to be utilized by information processing tenants rather than the traditional industrial clients. The construction of support buildings was completed, but only eight tenants have located in the park since the opening. Three of these were essentially expansions by local companies, although the LYNX Company constructed a new office building in the park in 1999, and the Ulrich Medical Concepts building was completed in 2005. New offices for Marquette Transportation and Pepsi were constructed in 2007, as was the completion of a former spec office building by A & K Construction. The most recent developments included the relocation of Superior Care nursing home into the park, and the construction of a new office for TeleTech Holdings, Inc., each in 2014, with System Solutions constructing a 10,000 square foot office in the park in 2015. Although the absorption rate of the park has been well below initial expectations and projections, the park should continue to have a positive effect on the area economy.

Due to the new construction, particularly within the medical sector, vacancy rates are higher than desirable in some secondary locations within the community, though much lower than in most larger cities. The primary vacancy risks have typically been in the new construction and in older, poorly located properties. This was demonstrated by the 2007 closing of the Katterjohn Building, an old multi-tenant office building that had previously been converted to office space from its original use as a hospital. It was closed due to the inability to maintain rental rates and occupancy rates sufficient to warrant its continued operation. In addition, the former Professional Arts Buildings, another multi-story, multi-tenant, office building, was acquired by Baptist Health, with this building being removed from the private sector in 2014. These closings actually benefitted the balance of the office sector by removing low cost competitors from the market. The well-located, modern facilities are not experiencing excessive vacancies, with vacancy rates remaining moderate for the existing units. The vacancy risk must still be recognized throughout the market.

Lodging Sector: The Paducah market includes approximately 28 motels and hotels with over 2,300 rooms. Most facilities contain less than 100 rooms and were constructed five to thirty years ago. There are fewer than ten facilities with over 100 rooms. The Executive Inn, with 434 rooms and a convention center, was the largest hotel in Paducah since its original construction in the early 1980's until the hotel closed in 2008 and razed by the city. It was effectively replaced by a 123 room Holiday Inn, which opened in 2017. Otherwise, the local market includes two distinct segments, with the most recent developments located at the I-24/U.S. Highway 60 interchange, near the Kentucky Oaks Mall, and at the I-24/Highway 305 interchange. Most of the facilities in other areas are older facilities developed prior to the opening of the mall.

The Paducah lodging market experienced considerable development in the 1990's, but development then slowed until the late 2000's. This included a 100 room Marriott Courtyard which opened in 1997, a 144 room Drury Suites and a 60 room Quality Inn, rebranded from a Comfort Suites in 2015, both of which opened in 1996, as well as a 118 unit Drury Inn and a 77 unit Auburn Place, which was constructed as a Holiday Inn Express in 1995 but rebranded in 2013, all at the U.S. 60/I-24 interchange. The Highway 305/I-24 interchange also experienced new development, including a 66 room Ramada Suites, which opened in 1997, an 80 room Baymont Inn Suites in 1996, and a 42 unit Super 8 motel Suites in 1995, with some of these having since been rebranded. In addition, a 50 room Best Western opened in 1998 at the I-24/Husbands Road interchange. There was no other construction in this sector as these units were absorbed until the construction of a 60 room Country Inn at the I-24 interchange with Highway 60 in 2003. A 108 room Hampton Inn and a 74 room Residence Inn were constructed in 2007, with an 85 room Candlewood Suites Suites in 2008, an 82 room Fairfield Inn & Suites opening in 2011, an 85 room Holiday Inn Express opening in 2013, a 77 room La Quinta Inn opening in 2014, and a 97 room Homewood Suites opening in 2017. An older Thrifty Inn was razed in 2018 and is to be redeveloped with a new facility and an 80 room Comfort Suites is also proposed at the interchange.

After considerable construction in the late 1990's, the Paducah lodging sector had remained stable for several years, until the new development in the late 2000's and early 2010's. The nationwide economic weakness in the late 2000's, resulted in a moderation in the historically high occupancy rates of the existing facilities at the interchanges. This was somewhat offset by the removal of the Executive Inn from the supply, however. Some improvement has continued in the market in the mid 2010's, but any further significant new development in the near term could have adverse effects on the market.

Residential Sector: The local residential market was relatively active in the suburban areas and the "West End" of Paducah throughout most of the 2000's before moderating somewhat in the late 2000's and early 2010's. The rest of the city has experienced stable or decreasing property values for several years, as residents move to the suburbs, which offer similar amenities with lower taxes. Development of new residential subdivisions had been relatively active during most of the 2000's, with the most active developments near the West End and in the Lone Oak suburb, as well as smaller new developments in the Concord and Reidland suburban areas. The market was strengthened by low interest rates throughout most of the 2000's, and the local housing market remained reasonably strong, although it slowed somewhat in the late 2000's due to the nationwide recession that extended from 2007 until June 2009. The recovery of the national economy has since been relatively weak, resulting in only moderate improvement in the residential sector during most of the 2010's.

There was considerable development in the Lone Oak and Concord areas throughout most of the 2000's, with development on a smaller scale in Reidland and the rural areas of Heath. While most residential development has been in the suburban areas, there was some infill development in the older, but active, West End area of Paducah. The former Westwood Country Club was closed in 2006 for redevelopment into a residential subdivision. In addition, a new subdivision was proposed on Buchner Lane at I-24, with these representing the last significant tracts in the West End area. The Westwood development experienced financial difficulties before new ownership in 2010, while the Buchner Lane project was cancelled due to local opposition. This area has nevertheless remains a large residential area over time, despite the trend of the population relocating to the suburbs. There were some smaller projects but there had been no major developments in the community in the 2010's until the announcement that The Paddock at The Oaks Subdivision would open in 2019 in the Lone Oak area.

Interest rates have remained relatively low, helping offset the weak recovery in the national economy, with decreases in rates in 2011 and 2012. While the long term trend is for increases, interest rates are projected to remain relatively low in the foreseeable future. The Paducah market has not typically experienced the wide swings in residential values of many large markets.

The potential for deterioration in the residential sector due to the closing of the Paducah Gaseous Diffusion Plant and the loss of numerous high paying jobs, has not been a significant issue due to the employment for the cleanup but the final impact of the plant closing cannot yet be determined. In addition to the impact of the USEC closing, the risk associated with the state of the national economy, as well as any long term increases in interest rates are noted. As a result, there is little potential for any dramatic improvement in the single-family residential sector in the near term. This sector is likely to remain reasonably stable, with the risk of deterioration noted.

Multi-family Residential Sector: Vacancy rates have historically remained moderate for modern, well-located apartments, although the rental rates remained relatively flat. There was new development in the apartment market during the mid 2000's, with this including several smaller properties containing 30 units or less, many of which were in the Lone Oak area. This new development resulted in some moderation in the occupancy rates, but occupancy levels remained relatively strong throughout the 2000's and into the early 2010's.

New units added in the late 2000's included a 42 unit rent restricted complex was developed in the Concord area in 2008, with a 76 unit market rent complex developed in 2008-2009 and a 51 market rent complex developed in 2009-2010, each in the Lone Oak area. In addition, a 40 unit expansion of the Quail Run apartment complex, which was originally developed in the mid 1980's, was completed in 2006. New construction within the Paducah residential rental market has historically occurred at a moderate rate, which allowed the new units to be absorbed with no significant increases in overall market vacancy rates. There was significant new construction during the mid 2010's, however.

The first project is a complex located off Hinkleville Road at County Park Road, which began in 2012. It is to include 192 units upon completion of the final units in 2018. Another project is a 96 unit complex behind the mall, with this project beginning in 2015 and completed in 2017. In addition, a 24 unit property was developed on Offutt Church Road in 2014-2015. There are also 27 units that were constructed in 2015 near the intersection of Bandline Road and North Friendship Road. Another project is a 72 unit complex that was completed in 2017 on Stanley Road, with this property including land for additional expansion. A 72 unit complex is currently being developed on Hansen Road, beginning in 2015, with completion in 2018. Finally, a 240 unit complex has been developed in the Strawberry Hill subdivision, with construction having begun in 2015 and been completed in 2017.

This is a total of over 700 units either under construction or completed between 2014 and 2018, with this representing an increase of over 30% in the supply of apartment units in the community. The rate of development within this sector has historically included a moderate number of new units, and the sector had remained reasonably strong. This increase in the number of units is likely to result in increased vacancies, however and it is doubtful that the market can support any additional significant increase in the supply of units or in rental rates in the near term.

Developments & Trends: Positive trends in the commercial sector throughout the 2000's included considerable commercial development near Kentucky Oaks Mall and some new construction along Lone Oak Road. Some new construction is possible, but at a more moderate rate, particularly until the impact of the Paducah Gaseous Diffusion Plant closing has been fully absorbed. No significant growth is projected in the other areas, except for sporadic development. The industrial sector has historically been relatively stable with the periodic construction of the small industrial buildings continuing. There have been no major industrial facilities built in over 30 years, with none projected in the near term, although the new industrial park has improved the outlook for this sector slightly. The long term future of the USEC plant will likely impact the industrial sector to some degree, but it has historically had limited impact on the overall industrial sector. The Paducah Commerce Park should continue to be an asset to the economy in the long term, despite its slow absorption. The office sector benefitted from the announcement that TeleTech Holdings, Inc. would occupy an underutilized building in the CBD in 2015 and construct the new building in the Paducah Commerce Park in 2014, with a total of 550 employees.

This sector should otherwise remain stable, despite the vacancy risk associated with the renovation to the older buildings and the new construction in the 2000's and has continued into the 2010's. A vacancy rate risk is present in this market, particularly for larger users, but it is not excessive for the overall office market.

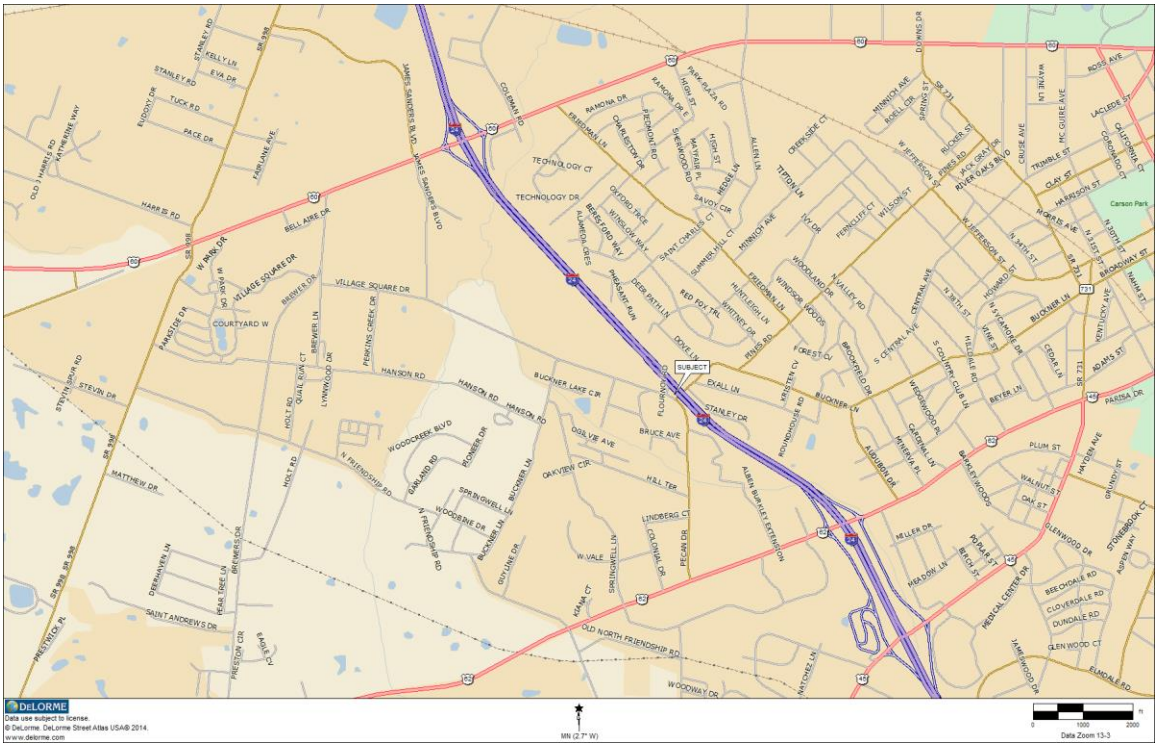
Interest rates remained relatively low throughout the early 2010's, with rates decreasing in 2011 and 2012 due to continuing economic weakness from the recession in the late 2000's. While the long term trend is for increases, interest rates remain relatively low in the near term. The national economy began to recover in the 2010's, but the recovery has been relatively weak, which is consistent with the local market. Paducah has historically benefited less from expansions and suffered less from recessions than larger cities with more industry. The loss of the USEC plant, as well as the current state of the national economy, is likely to result in no major new developments in the near term. The long term impact of the USEC closing on the market cannot yet be determined, but it is possible that it will cause some deterioration in the residential sector in the event that employment levels should decrease in the cleanup of the facility.

Recognizing these factors, limited growth is possible in most areas in the near term. Interest rates began increasing in late 2016 but have been relatively stable and it is doubtful that there will be any dramatic changes in interest rates in the near term. Nevertheless, the relationship between the economy, particularly the real estate market, and interest rates must be recognized.

NEIGHBORHOOD ANALYSIS

The subject property is located on the periphery of the West End area of Paducah, Kentucky. The West End extends from U.S. Highway 60 on the north to U.S. Highway 45 on the south. It is bounded on the east by North 32nd Street with the western boundary being the city limits running along Buckner Lane and North Friendship Road. The subject's location in relation to the neighborhood is shown on the following map.

Neighborhood Map



The West End had historically represented the most active residential area within the city limits. It is the highest area inside the city limits, and began to develop after Paducah's 1937 flood, although some of the homes in the older sections are 80 years old or older. Over 90% of the area is developed and sporadic development is still continuing. There are some moderately priced homes in the neighborhood, but most of the homes are in a much higher price range, with the highest priced homes in the area being over $750,000 in value, though the value extremes are the exception. Area property values have generally increased with time, although the recession that extended from 2007 through 2009 resulted in some softening in property values in the late 2000's. The market was relatively stable thus far in the 2010's, and demand should remain reasonably stable within the residential sector in the area with time, however.

Most of the homes may be categorized into one of several groups. Many of the older homes are between 50 and 80 years old, with the more modern homes, built in the 1970's and 1980's typically in subdivisions. The more recently constructed homes, built in the late 1990's through the 2010's, are typically in the Pines and Fairfield Subdivisions. These subdivisions experienced rapid development through the late 1980's and early 1990's. The development slowed somewhat during the late 1990's, but it remained active throughout most of the 2000's. The other major subdivision of high priced homes is Heather Hills which was developed in 1972, although several smaller subdivisions are scattered throughout the neighborhood. In addition to these subdivisions, a more moderate priced subdivision, Conrad Heights, is located adjacent to Heather Hills. The subdivision was originally developed in the 1950's and contains more moderately priced homes.

There were two announcements in the mid to late 2000's that significant new development would take place in the area for the first time in several years. This included the closing of Westwood Country Club for redevelopment into a residential subdivision, with the development including 80 lots, with a small tract retained for future development. There were few lot sales and some of the infrastructure was not installed, with the development having been foreclosed upon in 2009. It has now been purchased by a new developer and it is being developed once again. In addition, the Barkley Village development was announced off Buchner Lane and Audubon Drive, near I-24 in 2007. This tract was to be developed with single-family homes and townhouses, after originally proposed to include apartments and office space. No zoning change could be obtained due to local opposition, and the higher density developments were abandoned prior to the beginning of any development. Continued opposition to any development by local residents resulted in the abandoning of this property in early 2008 and the property was later sold to Murray State University for eventual development of a satellite campus.

In addition to the single-family residential properties, the West End also includes several duplexes scattered throughout the area. Most multi-family residential development is in areas outside the West End, although several multi-family developments are located on the periphery of the West End. As a result, the demand for multi-family properties in the West End is somewhat limited.

The major routes in the West End are Buchner Lane, Friedman Lane and Pines Road. These two lane roads represent the primary access into as well as through the West End. Most of the area is zoned R-1, Low Density Residential. A small area is zoned R-2, Low/Medium Density Residential, however.

The Kentucky Oaks Mall is located a few blocks from the West End. It is the commercial core of the region. The Central Business District is located within two miles of the area. There is essentially no commercial usage within the West End, although there are some small, older commercial properties on the periphery of the neighborhood serving the local population. These include properties along North 32nd Street and extending along Lone Oak Road from its intersection with Broadway. The area around the intersection of Lone Oak Road and Broadway has experienced increased interest in the mid and late 2010's, however. This has been centered around the former "Coke Plant", at the intersection of these two arteries. In the mid 2010's, it was converted to multi-tenant commercial use, and it is anchored by a Melow Mushroom restaurant.

In addition, Independence Bank constructed a new bank at the intersection in the 2010's. More recently, a plan for the beginning of redevelopment of the area between Lone Oak Road and South 31st Street for commercial use has been announced. These factors have increased the commercial interest in this area.

The West End is serviced by all utilities including electricity, water, sewers and natural gas. Much of the West End has streetlights, curbs and gutters. The area is serviced by busses from the Paducah Area Transit Service. Most of the area is in the Paducah Public School System, but the Pines, Fairfield and Conrad Heights subdivisions are in the McCracken County School System.

The main competition for homes in the upper price range in most of the 1990's through the 2010's has been from Country Club Estates and Stinespring Estates, adjacent subdivisions located a mile and a half from the West End. Each is located on Hobt Road, off U.S. Highway 62, in proximity to the Paducah Country Club, which was originally developed in the middle 1980's. Country Club Estates experienced an initial boom, while Stinespring Estates had a slower growth rate, but demand remains strong for properties in each subdivision. In addition, The Grove subdivision opened in the mid 2000's and continues to provide competition for properties within the core of the West End. Continued new development in this area is projected, but it does not appear to present a significant threat to the demand for existing properties in the West End. Several other areas around the Country Club of Paducah have experienced some development of higher priced properties such as the area around the Highland Church Road and Offset Church Road, however, much of the development has been in the form of a few single-family residences located on small acreage tracts. Furthermore, competition from new subdivisions in the Lone Oak and Concord areas is a consideration, although the suburban markets appeal to a somewhat different market.

The West End should continue to be the most marketable residential area inside the Paducah city limits in the near future, although a gradual shifting toward the suburban areas should continue. The Westwood Subdivision will eventually be developed, but there is little potential for the area to again see development at a rate consistent with that in the 1980's and 1990's. There will essentially be no vacant land remaining in the neighborhood upon completion of this development. Overall property values are likely to remain stable in the short term and should continue to increase with time.

PROPERTY IDENTIFICATION AND DATA

LEGAL DESCRIPTION

The legal description of the subject property, based on a new survey, has been provided by the client and is as follows:

> BEING A TRIANGULAR SHAPED TRACT OF LAND SITUATED WEST OF THE INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF INTERSTATE 24 WITH THE NORTH RIGHT-OF-WAY LINE OF PECAN DRIVE IN PADUCAH, KENTUCKY. SAID TRACT OF LAND IS A PART OF PROPERTY DESCRIBED AND RECORDED IN DEED BOOK 1076, PAGE 127 IN THE McCRACKEN COUNTY CLERKS OFFICE IN THE NAME OF THE CITY OF PADUCAH, DATED SEPTEMBER 28, 2005. SAID TRACT BEING DESCRIBED AS FOLLOWS:
>
> BEGINNING AT AN IRON ROD FOUND AT THE NORTHEAST CORNER OF A TRACT OF LAND SHOWN AS TRACT "1" ON THE WAIVER OF SUBDIVISION FOR JOHN E., LESLIE A., AND JOSEPH D. MAY, JR., RECORDED IN PLAT SECTION "L", PAGE 790 IN THE McCRACKEN COUNTY CLERKS OFFICE, SAID POINT BEING LOCATED 180 FEET RIGHT OF INTERSTATE 24 CENTERLINE STATION 1541+50; THENCE S45°32'36"E 249.20 FEET ALONG THE SOUTH RIGHT-OF-WAY LINE OF INTERSTATE 24 TO A POINT IN THE NORTH RIGHT-OF-WAY LINE OF PECAN DRIVE; THENCE N 70°26'08"W 224.13 FEET ALONG SAID NORTH RIGHT-OF-WAY LINE TO A POINT IN THE EAST LINE OF THE CITY OF PADUCAH PROPERTY (SEE DEED BOOK 1064, PAGE 577); THENCE N 18°31'04"E 104.91 FEET ALONG SAID CITY OF PADUCAH PROPERTY TO THE POINT OF BEGINNING, CONTAINING 0.270 ACRES, MORE OR LESS.

The legal description for the parent tract is recorded in Deed Book 1,076, page 127. This legal description is for purposes of property identification only and no warranty for its accuracy is made or implied.

PROPERTY DATA

Site Data

The subject property is a triangular shaped parcel located on Pecan Drive, which contains approximately 11,800 square feet, or 0.27 acre. Photographs of the subject taken by Russell M. Sloan, MAI on October 10, 2018 are included in the addenda to this report. The subject site is a triangular shaped parcel, with the approximate shape being shown on the aerial photograph included on page 23 of this report and the survey included on page 24 of this report.

As noted above, the subject site is located on Pecan Drive, with Pecan Drive having been improved in the 2010's and including two lanes as well as a turn lane. It extends from Bandana Road until it enters the Strawberry Hill commercial subdivision and it is becoming an increasingly heavily traveled artery, although it is noted that the properties in the immediate area around the subject remain residential in character due to the zoning. This provides adequate access in relation to competing properties.

The site includes primarily recreational woodland, with the site having level to rolling topography, with the majority of the site having rolling topography, and it would require considerable site preparation and clearing prior to being suitable for development. There were no drainage problems noted and it does not appear to be in a flood hazard area, as shown on National Flood Insurance Program Map 21145C0133F, dated November 2, 2011, which is published by the Federal Emergency Management Agency (FEMA).

The appraiser is not an expert in the valuation of mineral rights and is not a timber cruiser, and the determination of any significant value from either of these components would be subject to determination by an expert in the appropriate field. It is noted that there are typically no significant mineral rights in this area, however.

Electricity, natural gas, public water and sewers are all reportedly available to the site. On-site improvements include electric streetlights, concrete curbs and gutters, as well as the asphalt paved roadway. No rail service is available to the site. Other than utility easements, no apparent adverse easements or encroachments were observed at the time of inspection. As will be more fully discussed later in this report, the property is subject to R-1, Low Density Residential Zoning restrictions.

In summary, the site has reasonably good utility in relation to the surrounding properties, with no significant adverse factors noted other than the topography, although the irregular shape is somewhat less than ideal due to the limited development potential of the eastern end of the site.

Environmental Disclaimer

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances.

The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas, underground storage tanks (UST's), or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Zoning

As previously discussed, the subject property is subject to R-1, Low Density Residential Zoning restrictions, based on information available to the appraiser. This classification is the most restrictive zoning classification in Paducah, and is to provide for residential development of an open nature. Permitted uses include single-family dwellings, two-family dwellings and town houses with no more than two units per town house, and parks, playgrounds, and community centers which are owned by governmental agencies. Conditionally permitted uses include multi-family dwellings, day care nurseries, and home occupations.

All dwellings shall include at least 1,200 square feet of ground floor area, and the maximum building height is 35 feet. Minimum yard requirements are for 40 foot front yards, 25 foot rear yards, and 8 foot side yards. In addition, single-family uses require a 12,000 square foot minimum lot area, and a 75 foot minimum lot width, while a two-family dwelling requires a minimum lot area of 7,000 square feet per unit, and a minimum lot width of 75 feet. Minimum yard requirements for multi-family dwellings are the same, except that there is no maximum building height, and the minimum lot area is 5,000 square feet per unit, with 4,000 square feet per unit for four or more units. Day care nurseries require a minimum lot area of 100 square feet per child.

The minimum parking requirement is two spaces per unit for a single-family residence, unless it include four or more bedrooms, in which case a minimum of three spaces is required. Duplexes require two parking spaces per unit for one and two bedroom units, while three spaces per units are required if there are three or more bedrooms.

According to information available to the appraiser, the property is subject to no private restrictions, and it is assumed that there are none.

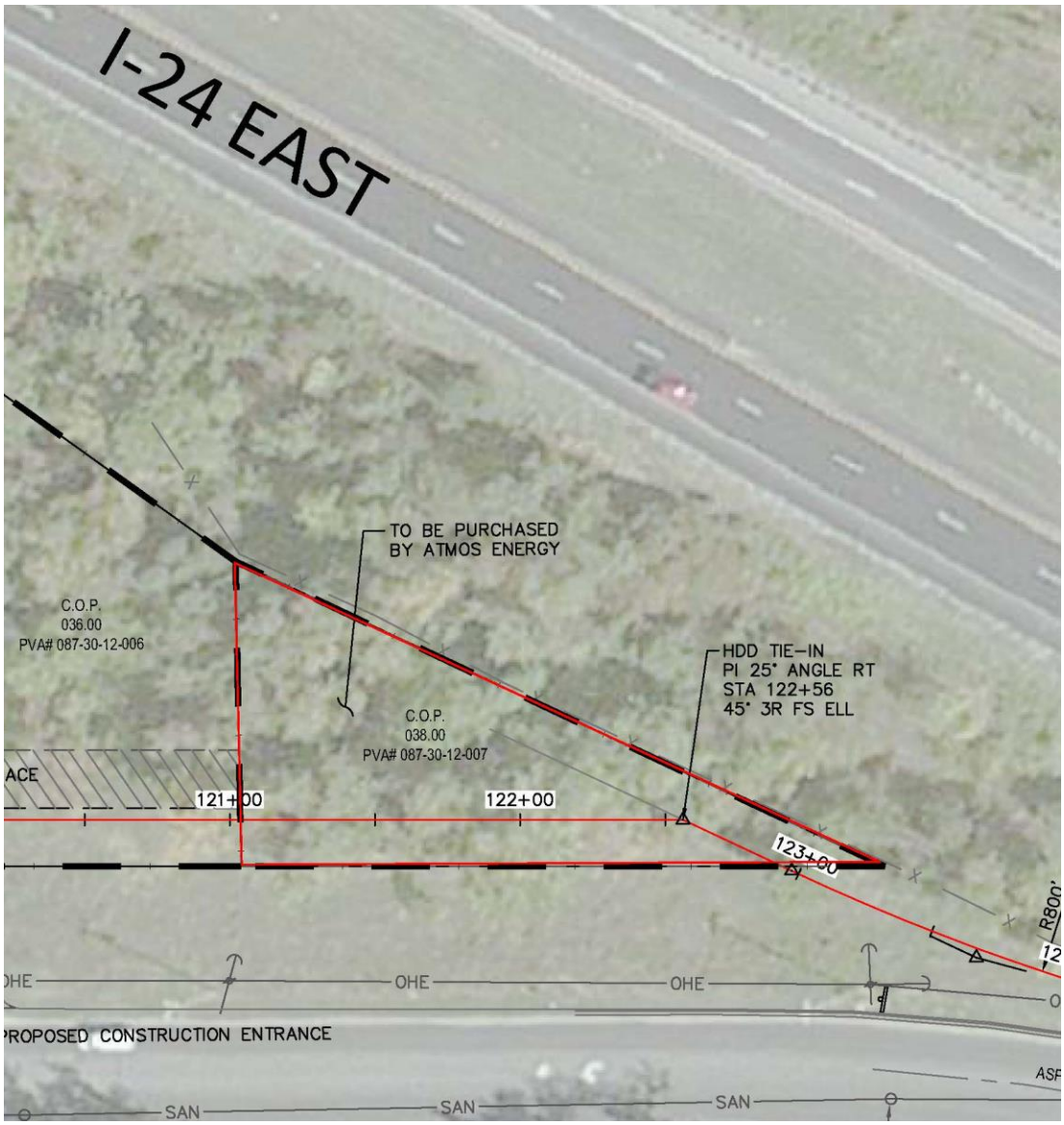
Improvement Data

The subject includes no improvements.

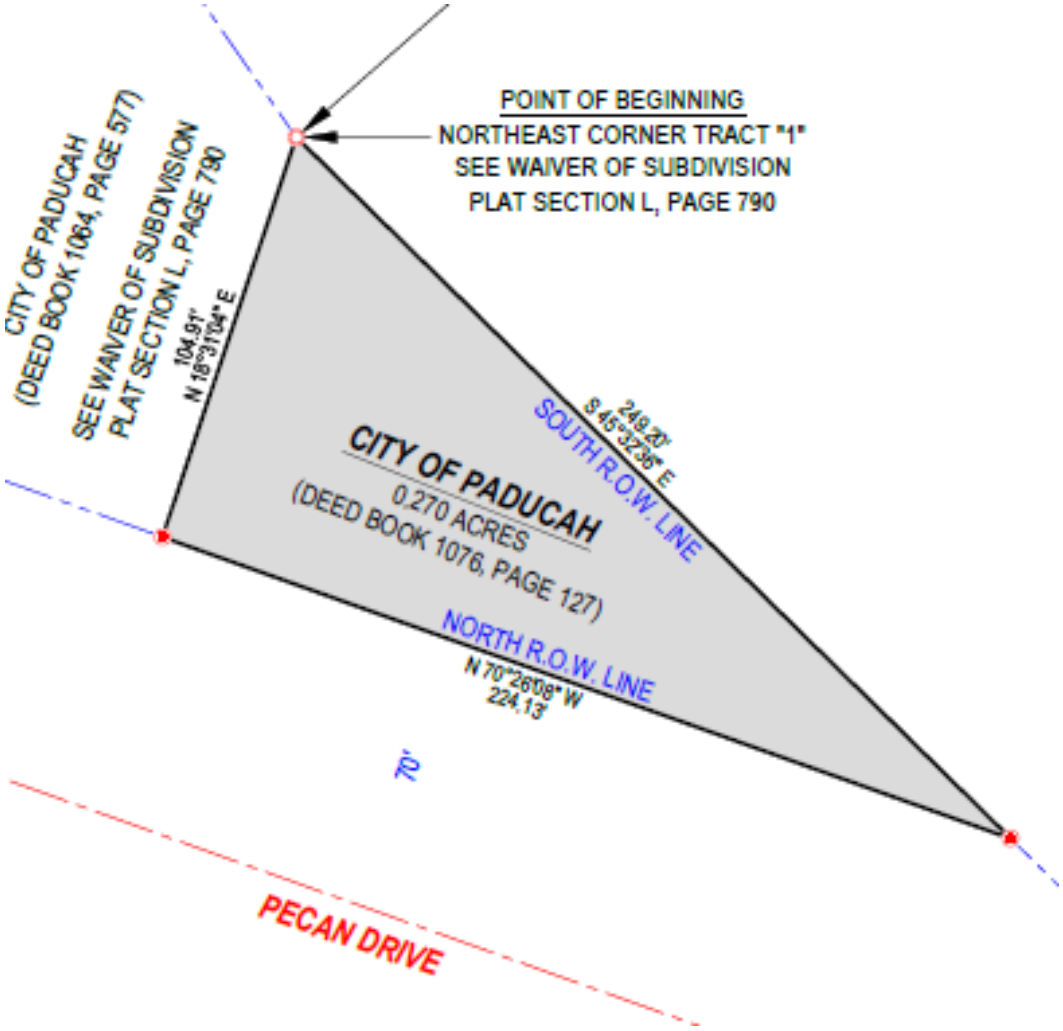
Furniture, Fixtures & Equipment (FF&E)

This appraisa□re□ects no □a□ue □or any □urniture, □i□tures and e□uipment, or any other persona□ property.

AERIAL PHOTOGRAPH



SURVEY


POINT OF BEGINNING
NORTHEAST CORNER TRACT "1"
SEE WAIVER OF SUBDIVISION
PLAT SECTION L, PAGE 790
CITY OF PADUCAH
(DEED BOOK 1064, PAGE 577)
SEE WAIVER OF SUBDIVISION
PLAT SECTION L, PAGE 790
104.91'
N 18°31'04" E
249.20'
S 45°32'35" E
SOUTH R.O.W. LINE
CITY OF PADUCAH
0.270 ACRES
(DEED BOOK 1076, PAGE 127)
NORTH R.O.W. LINE
N 70°26'08" W
224.13'
72'
PECAN DRIVE

HIGHEST AND BEST USE

Highest and □est use is de□ined as the reasona□y pro□a□e use o□property that resu□ts in the highest □a□ue. The □our criteria that the highest and □est use must meet are □ega□permissi□i□ity, physica□y possi□i□ty, □inancia□easi□i□ity, and ma□imum producti□ity.

Appraisa□Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. □Chicago: Appraisa□Institute, 2015□, 109.

The highest and □est use must meet the □o□owing □our criteria in this ana□ysis: □1□ Lega□y Permissi□e, □2□ Physica□y Possi□e, □3□ Financia□y Feasi□e, and □4□ Ma□ima□y Producti□e. Highest and □est use conc□usions are de□e□oped □or □oth the site as i□□acant and a□ai□a□e □or de□e□opment and the property as impro□ed. The su□ject property is curren□y unimpro□ed and on□y one ana□ysis is needed in this instance.

Highest and Best Use Analysis

Legal Possibilities

The site is su□ject to R-1, Low Density Residentia□□oning restrictions, as pre□ious□y discussed. This c□assi□ication is the most restricti□e □oning c□assi□ication in Paducah, and is to pro□ide □or residentia□de□e□opment o□an open nature. Permitted uses inc□ude sing□e-□ami□y dwe□i□ngs, two-□ami□y dwe□i□ngs and town houses with no more than two units per town house, and par□s, p□aygrounds, and community centers which are owned □y go□ernmenta□agencies. According to in□ormation a□ai□a□e to the appraiser, the property is su□ject to no pri□ate restrictions, and it is assumed that there are none.

Physical Possibilities

The su□ject site is □ocated on Pecan Dri□e and has genera□y □e□e□to ro□i□ng topography. It contains appro□imate□y 11,800 s□uare □eet, and the on□y physica□restrictions are upon the si□e o□ any possi□e de□e□opment, a□though the irregu□ar shape is noted. On□y an agricu□tura□use may □e e□iminated due to the si□e o□the tract.

Financial Feasibility

The □ega□y permitted uses may essentia□y □e considered to □e sing□e-□ami□y residentia□ de□e□opment or mu□ti-□ami□y residentia□de□e□opment, with on□y a □ow density de□e□opment □eing permitted under the current □oning c□assi□ication.

The su□ject site is o□insu□i□cient si□e □or a □arge residentia□su□di□ision, □ut it is o□a si□e suita□e □or a sma□□er residentia□de□e□opment. Construction o□a sing□e-□ami□y residentia□de□e□opment wou□d □e consistent with many o□the properties in the surrounding area. The su□ject is □ocated in an area with primari□y o□der homes, as we□□as se□era□mu□ti-□ami□y residentia□properties. In addition, Pecan Dri□e is □ecoming an increasing□y hea□i□y tra□e□ed residentia□artery. These □actors wou□d tend to diminish the appea□□or sing□e-□ami□y residentia□de□e□opment somewhat, □ut de□e□opment has continued to ta□e p□ace throughout the community. Furthermore, the subject's surrounding neigh□orhood has remained a □a□e residentia□□ocation □or many years. The o□era□□ residentia□mar□et in Paducah has □een reasona□y sta□e, a□though the ris□ associated with the state o□the o□era□□economy and the potentia□□or □ong term increases in interest rates is noted. There are no other ad□erse □actors in□uencing the o□era□□mar□et, howe□er. The □easi□i□ity o□a sing□e-□ami□y residentia□de□e□opment is supported □y continued demand in other simi□ar □ocations throughout the community. The ris□ □actors are noted, howe□er.

A higher intensity use, such as a multi-family residential development, is also considered, particularly considering the proximity to other rental units. The subject is located in an area that includes several multi-family residential properties, and which has demonstrated a reasonably strong demand for rental units for many years. The overall rental market within the surrounding area had experienced only a moderate vacancy risk over the past several years, with sporadic new construction having taken place. This began to change in the mid 2010's, however, with significant new construction of residential rental units in the area, as previously discussed. It must be recognized that the development over the past several years diminishes the probability of any other significant new development in the near term, but the recent construction is likely to cause some deterioration in the market. The area around the subject has nevertheless remained a viable location for residential rental units, however. Furthermore, the subject's zoning and size would prohibit a large development. Although there has been little recent population growth to support new rental units, any new units would likely command a capture rate above the fair share due to the appeal of new developments. Recognizing these factors, a multi-family residential development would be considered feasible for the subject site, although the potential risk factors within the overall market are recognized.

Maximum Productivity

The subject has two feasible uses, but both are forms of residential development. As a result, residential development is therefore considered to be most productive user for the subject site, if vacant.

Ideal Improvement

Recognizing the lower degree of locational risk present with a multi-family residential development in relation to a single-family residential development, multi-family residential development is considered appropriate. Properties with multi-family residential development for a highest and best use do not typically have a single ideal improvement. The type of development is typically up to the whim of the developer. Some general guidelines should be followed. The most popular units in the local market are two bedroom units, although a mixture of one, two and three bedroom units would increase the potential market and reduce vacancies.

COST APPROACH OMISSION

The first approach considered in this appraisal as a potential indicator of value is the cost approach. The cost approach is defined as a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of or replacement for the existing structure, including an entrepreneurial incentive or profit deducting depreciation from the total cost and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. Chicago: Appraisal Institute, 2015, 54.

The cost approach is developed by adding the depreciated cost of the improvements to the land value. The subject is a vacant site and the cost approach would therefore represent a repetition of the sales comparison approach, and it is omitted from the valuation process in this instance.

INCOME CAPITALIZATION APPROACH OMISSION

This appraisal considers the income capitalization approach as a potential indicator of value for the subject. The income capitalization approach is defined as specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. Chicago: Appraisal Institute, 2015, 115.

There are few rentals of vacant land in the local market. As a result, little rental data was available and the appraiser was unable to locate any rentals of similar properties. A greater weakness in the approach is attributable to the thought process of the market. There are occasional rentals for this type property, but it is not typically purchased based on its rental income stream. This type property is usually purchased for owner utilization rather than based on a potential income stream. As a result, the income capitalization approach is omitted from the valuation process in this instance.

SALES COMPARISON APPROACH

The sales comparison approach is considered as a value indicator in this appraisal. It is defined as the process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices for unit prices, as appropriate, of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

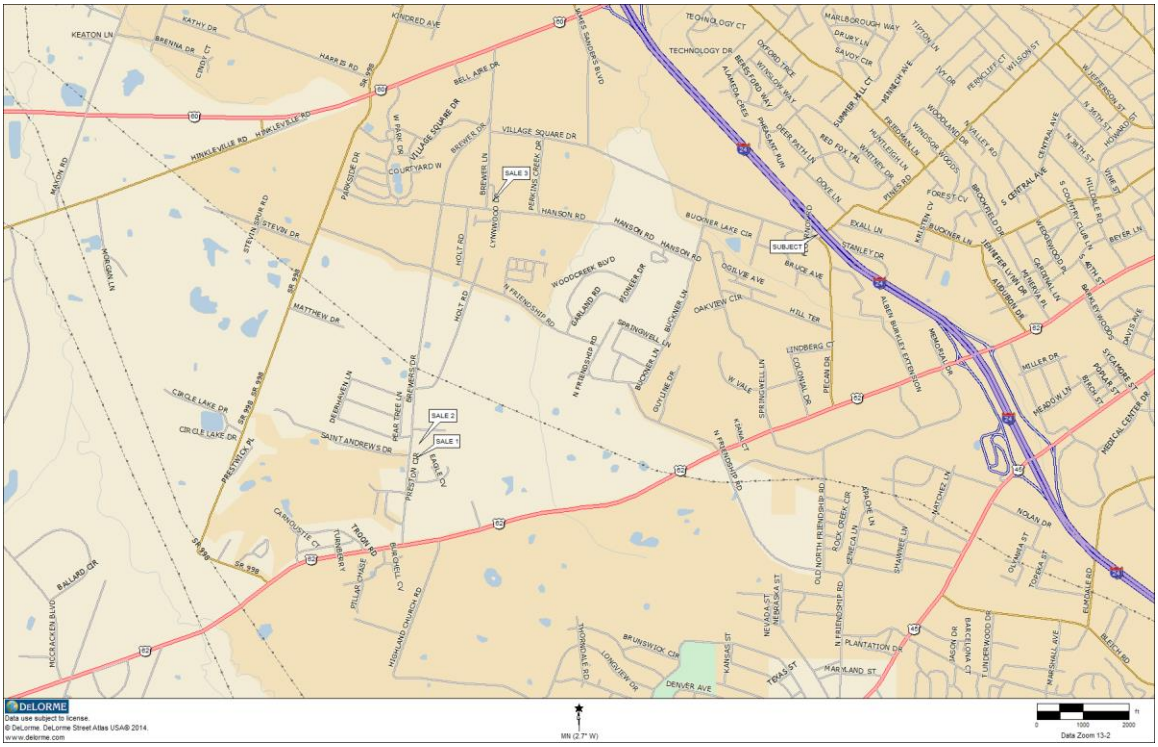
Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. Chicago: Appraisal Institute, 2015, 207.

The appropriate units of comparison for vacant land include the price per square foot, or acre, the price per front foot, and the price per permissible unit. The most reliable value indicator for tracts of this type in the local market is the **Sale Price Per Square Foot**. This appraisal considers the following sales as indicators of value for the subject:

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	4051 Pecan Drive	1760 New Holt Road	1720 New Holt Road	2536 New Holt Road
Sale Price	N/A	$450,000	$725,000	$580,359
Date of Sale	N/A	12/29/2017	11/9/2017	7/31/2014
Land SF	11,800	127,700	250,500	288,846
Price / SF of Land	N/A	$3.52	$2.89	$2.01

The relative location of the subject and the sales is shown on the following map.

Land Sales Map



The first two sales are relatively recent transactions involving tracts that are located within a block of one another, which were purchased by the same party. They are each located along New Holt Road, which is an increasingly active artery providing access to the Kentucky Oaks Mall area, however they are in a residential area. This is considered to be a highly similar location in relation to the subject. These tracts are each generally level to gently rolling tracts that were open and they required no significant site improvement expense prior to being suitable for development. As a result, they each require downward adjustments in relation to the subject, which would require a significant site preparation expense prior to being suitable for development. They are each larger than the subject but the difference is not excessive and it is considered insufficient to warrant an adjustment when compared on this basis. These sales therefore are considered to have no other significant differences for which an adjustment is warranted.

Sale 3 is also located on New Holt Road, as are the first two sales, with this property being located on the periphery of the commercial developments, however it was purchased for a residential development, with this sale also needing no location adjustment. It is noted that this parcel was subject to a less restrictive zoning classification, which permitted a higher density residential development, with the tract purchased for a multi-family residential development. The sale therefore requires a downward adjustment due to differences in zoning. The tract had rolling topography, with a similar level of site preparation and clearing in relation to that of the zoning, and it requires no other adjustments.

The differences between the subject and sales are shown on the adjustment grid on the following page, and explained in more detail on the following pages, with detailed data sheets included in the rear of this report.

ADJUSTMENT GRID

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	4051 Pecan Dri□e	1760 New Ho□□Road	1720 New Ho□□Road	2536 New Ho□□Road
Sa□e Price	N/A	□450,000	□725,000	□580,359
Land S□ Ft	11,800	127,700	250,500	288,846
Unadjusted Price/SF	N/A	□3.52	□2.89	□2.01
Property Rights Conveyed		Simi□ar	Simi□ar	Simi□ar
Adjustment		□0.00	□0.00	□0.00
Financing		Cash E□ui□.	Cash E□ui□.	Cash E□ui□.
Adjustment		□0.00	□0.00	□0.00
Conditions of Sale		Simi□ar	Simi□ar	Simi□ar
Adjustment		□0.00	□0.00	□0.00
Expenditures After Purchase		Simi□ar	Simi□ar	Simi□ar
Adjustment		□0.00	□0.00	□0.00
Market Conditions (Time)	N/A	Dec-17	No□-17	Ju□-14
Adjustment		□0.00	□0.00	□0.00
Current Cash Equivalent Price/SF		□3.52	□2.89	□2.01
Location		Simi□ar	Simi□ar	Simi□ar
Adjustment		□0.00	□0.00	□0.00
Topography		Superior	Superior	Simi□ar
Adjustment		-□1.80	-□1.40	□0.00
Corner Influence/Access		Simi□ar	Simi□ar	Simi□ar
Adjustment		□0.00	□0.00	□0.00
Zoning		Simi□ar	Simi□ar	Superior
Adjustment		□0.00	□0.00	-□0.50
Improvement Demolition		Simi□ar	Simi□ar	Simi□ar
Adjustment		□0.00	□0.00	□0.00
Utilities		Simi□ar	Simi□ar	Simi□ar
Adjustment		□0.00	□0.00	□0.00
Unit Size		Simi□ar	Simi□ar	Simi□ar
Adjustment		□0.00	□0.00	□0.00
FF&E		Simi□ar	Simi□ar	Simi□ar
Adjustment		□0.00	□0.00	□0.00
Adjusted Price/SF		□1.72	□1.49	□1.51

ANALYSIS AND EXPLANATION OF ADJUSTMENTS

Property Rights Conveyed

The su□ject and the sa□es a□represent the □ee simp□e interest in the properties as mentioned in the discussion o□property rights appraised in the introduction to this report.

Financing

Sa□es 1 and 3 in□o□□ed cash sa□es or con□entiona□□inancing, and they re□uire no adjustments □or □inancing. Sa□e 2 inc□□ded se□□er □inancing o□a portion o□the sa□e price, howe□er this was due to ta□considerations □y the se□□er, with the purchaser ha□ing the a□□ity to pay cash □or the property. It reported□y did no impact the purchase price and this sa□e a□so re□uires no adjustment due to the □inancing.

Conditions of Sale

All sales considered in this appraisal are considered arm's-length transactions. The properties were allowed to the market for sufficient periods, none of the parties acted under duress and none of the sales involved condemnation proceedings.

Expenditures Made Immediately After Purchase

None of the sales required any significant expenditure by the grantee immediately after the purchase, and the sales need no adjustments for this item.

Market Conditions (Time)

The first two sales are recent transactions from late 2017, while Sale 3 is a somewhat older transaction and it potentially requires an adjustment due to changes in market conditions since the sale date. The market for properties of this type has generally been relatively stable due to the limited number of market participants. The potential adjustment is based on an analysis of the following sales.

Property	Sale Price 1	Date 1	DB/Page	Sale Price 2	Date 2	DB/Page	Change
1211 North 12th Street, Murray, KY	$285,000	6/2016	1,089/533	$305,000	8/2018	MLS#93284	3.0%
5025 Blandville Road, Paducah, KY	$650,000	6/2014	1,279/208	$480,000	5/2018	1,365/339	-7.5%
6321 Kentucky Dam Rd., Paducah, KY	$199,000	7/2013	1,259/481	$205,000	5/2018	1,366/404	0.6%
701-711 Jefferson St., Paducah, KY	$375,000	8/2015	1,306/761	$440,000	8/2018	1,372/179	5.5%
1300 West Main Street, Salem, IL	$105,000	5/2015	2015/3387	$110,000	5/2018	2018/2483	1.6%

The first sale is an older retail building located along the primary commercial artery in Murray, Kentucky, with this sale suggesting some appreciation in the market. The next sale is a vacant tract in Paducah, Kentucky that was purchased for office use but not developed, and resold for another office user, with a significant decrease between these sales. The third sale is a vacant commercial tract in Paducah, Kentucky, with this sale indicating a minimal appreciation rate. The fourth sale is an older multi-tenant office building in Paducah, Kentucky, which suggests some appreciation. The final sale is a former gas station located in Salem, Illinois that was purchased for redevelopment, with this property suggesting a minimal rate of price appreciation.

In addition to these sales, overall trends in the market are noted. Property values over the last several years have been heavily impacted by the low interest rate environment, improving the affordability of real estate and enhancing the value for most properties in relation to the income producing potential of the property. The current trend is for increases in interest rates in the debt market, but rates have thus far remained relatively low. The increases in rates do not yet appear to have had a dramatic impact on property values, but should interest rates increase significantly, it could potentially cause a decrease in property values. These sales would suggest that the overall market for properties in markets of this size in the region has experienced minor price appreciation over the past few years, but has generally remained reasonably stable. Recognizing these factors, and in the absence of any indication that increasing interest rates have had a significant negative impact on the market, the sales require no adjustments for market conditions, or time.

Location

All of the sales are taken from similar locations to that of the subject and they warrant no location adjustments.

Topography

Sale 3 was a similar wooded tract with rolling topography and this sale needs no adjustment for this factor. The other sales are level to gently rolling sites that required no significant site preparation expense, indicating the need for downward adjustments to these sales.

The adjustment is □uanti□ied □ased on a comparison □etween the □o□owing sa□es. They were each su□ject to commercia□□oning restrictions and were purchased □or commercia□de□e□opment. As a resu□t, they ha□e □imited direct compara□i□ity to the su□ject, □ut they may □e compared to one another in order to □uanti□y this adjustment. It is noted that Sa□e 5 actua□y trans□erred in three deeds □ut the three parce□s were ac□uired at the same time □or use as a sing□e parce□and it is considered to e□ecti□e□y represent a sing□e transaction. These sa□es are summari□ed □e□ow.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
4	Co□eman Crossing Circ□e	DB 1307 P 189	8/2015	□735,000	6.07 Ac	□8.58/SF
5	McBride Lane	DB 1333 P 409	11/2016	□1,930,000	9.99 Ac.	□4.44/SF

These are each sma□□ acreage tracts in the commercia□ area a□ong the Hin□e□i□e Road commercia□strip, a□though they are each □ocated at the end o□secondary arteries. They are there□ore considered to ha□e consistent access and □ocationa□in□□uences to one another. The primary di□□erence in the properties is that Sa□e 4 is □ocated outside the □ood p□ain, whi□e Sa□e 5 is in a □ood ha□ard area and re□uired a signi□icant site preparation e□pense. In the a□sence o□any other signi□icant di□□erences, the □4.14 per s□uare □oot, or 48□, di□□erence in the unit rates is attri□uted to si□e □actors. In order to a□oid the appearance o□a higher degree o□accuracy, this rate is rounded to 50□ and it is app□ied to the unit rates o□Sa□es 1 and 2. This indicates the need □or downward adjustments o□□1.80 and □1.40 □R□per s□uare □oot to these sa□es.

Corner Influence/Access

Sites purchased □or residentia□de□e□opment do not typica□y command a premium □or corner in□□uence, i□the access is otherwise compara□□e. In this instance, the su□ject and the sa□es a□□ ha□e consistent access, and no adjustments are necessary □or this □actor.

Zoning

The su□ject and the □irst two sa□es a□□ha□e simi□ar □oning restrictions and these sa□es need no adjustments □or □oning. Sa□e 3 was actua□y su□ject to commercia□□oning restrictions □ut it was purchased □or a high density residentia□de□e□opment. The potentia□□or this higher intensity use indicates the need □or a downward adjustment to this sa□e. The adjustment is □ased on a comparison □etween the □o□owing two sa□es in□o□□ing a tract □ocated within a □□oc□o□the su□ject. It is a □ar □arger tract than the su□ject and it is not uti□i□ed in the adjustment grid, □ut it may □e used in the de□e□opment o□this adjustment.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
6	4201 Pecan Dri□e	DB 1345 P 58	5/2017	□1,000,000	18.25 Ac	□1.26/SF
7	4201 Pecan Dri□e	DB 1276 P 446	5/2014	□630,000	18.25 Ac	□0.79/SF

At the time o□Sa□e 7, the property was su□ject to R-1 □oning, which is consistent with the □oning o□the su□ject. The purchaser was a□□e to o□tain a □oning change to R-4 □oning, which permits high density residentia□use, □etween these two transactions. In the a□sence o□any other signi□icant di□□erences, this □0.50 □R□per s□uare □oot di□□erence in the unit rates represents the premium □or the higher density residentia□□oning restrictions and Sa□e 3 is adjusted downward □ased on this rate.

Improvement Demolition

None o□the sa□es re□uired signi□icant impro□ement demo□ition.

Utilities

The su□ject and the sa□es a□□ha□e compara□□e uti□ities and no adjustments are necessary.

Unit Size

The market typically pays a premium for the initial square footage in a tract, however, the unit contribution decreases for the excess land. This is due to the smaller market for larger tracts and the limited utility of extra land. Conversely, very small parcels, which are of insufficient size for optimal development, may have lower rates. The sales are all larger than the subject, but they are of a reasonably similar size to the subject, with the size differences insufficient to warrant adjustments to the sales. The size factor is noted in the reconciliation, however.

Furniture, Fixtures, and Equipment (FF&E)

The sales require no adjustments for furniture, fixtures and equipment.

After adjustments, the sales indicate a range in unit rates between the value extremes of $0.23 per square foot, or 13.4% , a realistic range for a property of this type. There are two final items that are reflected in the reconciliation. As noted above, the subject is somewhat smaller than any of the sales, which would suggest a unit rate nearer to the upper end of the range. The irregular shape tends to offset this, however, with a unit rate between the extremes considered appropriate. Considering all factors, the estimated value of the subject, based on the sales comparison approach, is

11,800 Square Feet @ $1.60 Per Square Foot = $19,000 (R).

RECONCILIATION AND FINAL ESTIMATE OF VALUE

The cost approach is developed by adding the depreciated cost of the improvements to the land value. The subject is a vacant site and the cost approach would represent a repetition of the sales comparison approach, and it is omitted from the valuation process in this instance.

There are few rentals of vacant land in the local market. As a result, little rental data was available and the appraiser was unable to locate any rentals of similar properties. A greater weakness in the approach is attributable to the thought process of the market. There are occasional rentals for this type property, but it is not typically purchased based on its rental income stream. This type property is usually purchased for owner utilization rather than based on a potential income stream. As a result, the income capitalization approach is omitted from the valuation process in this instance.

The sales comparison approach is a highly reliable indicator of value for real estate in the presence of sufficient market data. It is the only reliable value indictor for the subject in this instance. Considering all factors, it is the appraiser's opinion that the market value of the subject property, as of October 10, 2018, was

$19,000.

Finally, it is noted that this value estimate reflects the estimated value as of the effective date of the appraisal. Property values over the last several years have been heavily impacted by the low interest rate environment, improving the affordability of real estate and enhancing the value for most properties in relation to the income producing potential of the property. The current trend is for increases in interest rates in the debt market, but rates have thus far remained relatively low. The increases in rates do not yet appear to have had a dramatic impact on property values, however this may be attributable to the relatively illiquid market, with limited activity. It is not realistic to assume that increasing interest rates will have no impact on the real estate market. The current moderate rate of increases in rates is recognized, however the long term impact of rising interest rates cannot be accurately projected. Furthermore, should interest rates increase significantly, it could potentially cause a dramatic decrease in property values.

COMPARABLE MARKET DATA

LAND SALE NO. 1

Address:	1760 New Holt Road, Paducah, Kentucky 42001
Sale Price:	$450,000
Sale Price/SF:	$3.52/SF
Sale Price/Acre:	$153,500/Acre
Sale Date:	12-29-2017
Grantor:	Mack Williams, Administrator of the Estate of Mary Virginia Williams & Doris Ann Ray
Grantee:	EMD Properties, LLC
Data Source/Verification:	DB 1357 P 754/MLS #93137/Nancy Black, Broker
Financing:	Cash equivalent
Tax ID Number:	19-45C-10
Property Data	
Land Size:	2.93 Ac., or 127,700 SF
Zoning:	R-1, Low Density Residential
Topography:	Level
Shape:	Irregular
Access:	Adequate
In Flood Plain?:	No
Site Description:	The site is irregularly shaped, is primarily open, and includes generally level topography, and all utilities available. See Tract 2, Plat Section M, page 1,032. The property was purchased by an adjacent landowner. It had a marketing time of 168 days and sold for list price.

LAND SALE NO. 2

Address:	1720 New Holt Road, Paducah, Kentucky 42001
Sale Price:	$725,000
Sale Price/SF:	$2.89/SF
Sale Price/Acre:	$126,072/Acre
Sale Date:	11-09-2017
Grantor:	Randy & Farzin Mitchell
Grantee:	EMD Properties, LLC
Data Source/Verification:	DB 135 P 40/Nancy Black, Broker
Financing:	The seller financed $575,000 at market rates.
Tax ID Number:	19-45C-8A
Property Data	
Land Size:	5.75 Ac., or 250,500 SF
Zoning:	R-1, Low Density Residential
Topography:	Level
Shape:	Irregular
Access:	Adequate
In Flood Plain?:	No
Site Description:	The site is irregularly shaped, is primarily open, and includes generally level topography, and all utilities available. A 50' access easement extends along the northern property line but was not used. The property was purchased by an adjacent landowner. It had a marketing time of 616 days, with an original list price of $850,000 and a list price of $825,000 at the time of sale.

LAND SALE NO. 3

Address:	2536 New Holt Road, Paducah, Kentucky 42001
Sale Price:	$580,359
Sale Price/SF:	$2.01/SF
Sale Price/Acre:	$87,522/Acre
Sale Price/Unit:	$8,061
Sale Date:	07-31-2014
Grantor:	Jayne Brown
Grantee:	M & M Real Estate, LLC
Data Source/Verification:	DB 1282 P 737/Grantee
Financing:	Cash equivalent
Tax ID Number:	19-46-8
Property Data	
Land Size:	6.63 Ac., or 288,846 SF
Zoning:	C, Commercial
Topography:	Rolling
Shape:	Irregular
Access:	Adequate, corner
In Flood Plain?:	No 211450129F
Site Description:	The property is wooded and has rolling topography. It includes a 2.631 acre site and a 4.000 acre site. The parties had originally agreed to sell 4.00 acres for $350,000 ($87,500/Acre), but the purchaser required a larger site area, with the additional parcel added and the price increased based on the additional site area. The 2.62 acre portion of the property at the corner had been listed for sale for $425,000 for 1,150+/- days, while the remaining 4.00 acres was listed for sale for $550,000 for 1,040+/- days prior to the sale. Purchased for construction of 64 unit apartment complex, with size increased to 72 units after construction began, while the southern portion of the site was to be used for long term commercial development.

PHOTOGRAPHS OF SUBJECT

PHOTOGRAPHS OF SUBJECT

SUBJECT SITE (Photo Taken October 10, 2018)

SUBJECT SITE (Photo Taken October 10, 2018)

PHOTOGRAPHS OF SUBJECT

SUBJECT SITE (Photo Taken October 10, 2018)

SUBJECT SITE (Photo Taken October 10, 2018)

PHOTOGRAPHS OF SUBJECT

PECAN DRIVE, FACING EAST (Photo Taken October 10, 2018)

PECAN DRIVE, FACING WEST (Photo Taken October 10, 2018)

ADDENDA

Commonwealth of Kentucky

Kentucky Real Estate Appraisers Board

2018 - 19

Hereby grants a *Certified General Real Property Appraiser*

To Russell Sloan
Sloan Appraisal & Realty Services
2218 Kentucky Avenue
Paducah, KY 42003

License № 335

who has complied with the provisions of Chapter 324A of the Kentucky Revised Statutes IN WITNESS WHEREOF, we have caused the official seal to be fixed and attested for the year shown above.

John G. Kenkel, Jr., Chair
Russ C. Lohan, Vice Chair
Terry L. Bunnell
Neil Tong
M. Alan Hensley

This certificate expires 6/30/2019

PLAT NOTES:

1. NO VISIBLE EASEMENTS OR CLAIMS OF EASEMENTS WERE FOUND THROUGH PHYSICAL INSPECTION OF THE PROPERTY OTHER THAN THOSE SHOWN HEREON.
2. BOUNDARY LINES WERE ESTABLISHED PER DEED RECORDS IN DIRECT CORRELATION WITH EXISTING MONUMENTS AND PHYSICAL EVIDENCE FOUND THROUGH INSPECTION AND MAY NOT DEPICT ACTUAL RIGHTS OF OCCUPANCY.
3. THE RIGHT-OF-WAY OF INTERSTATE 24 AND PECAN DRIVE WERE ESTABLISHED PER RIGHT-OF-WAY PLANS PROVIDED BY THE KENTUCKY TRANSPORTATION CABINET AND THE CITY OF PADUCAH..
4. NO UTILITIES (UNDERGROUND OR OVERHEAD) WERE LOCATED PER THIS SURVEY.

SURVEYOR'S STATEMENT

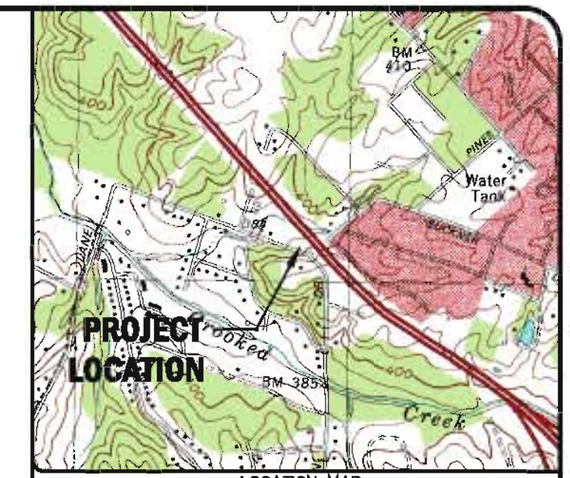
State of Kentucky
County of McCracken } SS

The survey shown hereon was made under my supervision and the measurements and notes shown hereon are a true representation of said survey and are correct to the best of my knowledge and belief.

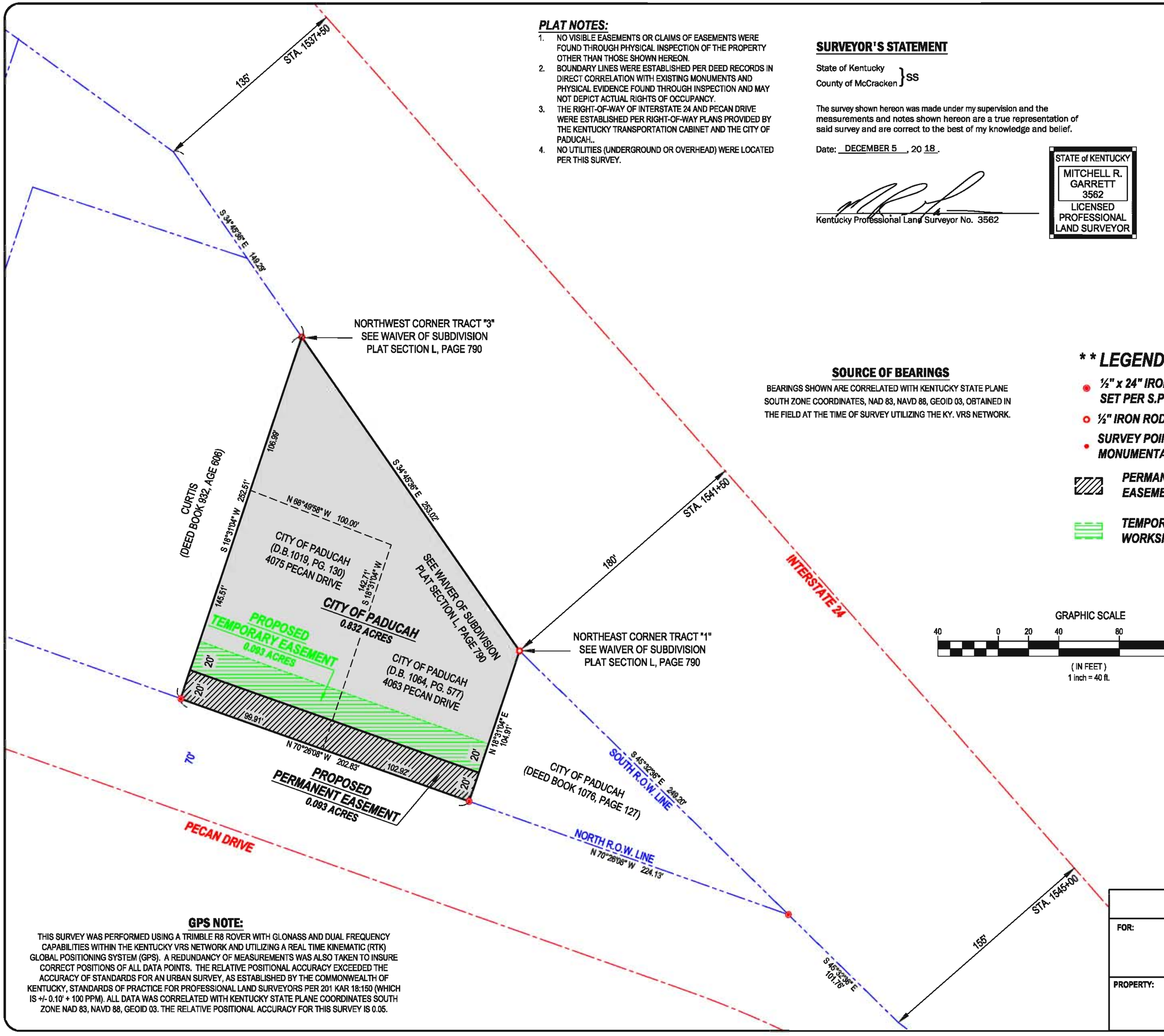
Date: DECEMBER 5 , 20 18 .

Kentucky Professional Land Surveyor No. 3562

STATE of KENTUCKY
MITCHELL R. GARRETT
3562
LICENSED PROFESSIONAL LAND SURVEYOR



LOCATION MAP
SCALE: 1" = 2,000'



SOURCE OF BEARINGS

BEARINGS SHOWN ARE CORRELATED WITH KENTUCKY STATE PLANE SOUTH ZONE COORDINATES, NAD 83, NAVD 88, GEOID 03, OBTAINED IN THE FIELD AT THE TIME OF SURVEY UTILIZING THE KY. VRS NETWORK.

* * LEGEND * *

- ½" x 24" IRON ROD SET PER S.P.S.
- ½" IRON ROD FOUND
- SURVEY POINT NO MONUMENTATION
- PERMANENT EASEMENT
- TEMPORARY WORKSPACE

GRAPHIC SCALE

40 0 20 40 80 160

(IN FEET)
1 inch = 40 ft.

N W E S

THIS PLAT REPRESENTS A BOUNDARY SURVEY THAT WAS PERFORMED IN ACCORDANCE WITH 201 KAR 18:150

Shawnee Professional Services
Engineers, Surveyors, Acquisition, & Energy
www.ShawneePSI.com

901 NORTH DUQUOIN STREET
P.O. DRAWER 130
BENTON, ILLINOIS 62812
(618) 439-9447

104 SOUTH 4TH STREET
P.O. BOX 125
VIENNA, ILLINOIS 62995
(618) 658-6965

Path: S:\SOFTWARE\CIVIL 3D\2018-12D MAGNOLIA RIVER\DELIVERABLES\DWG\BIT\CITY OF PADUCAH 1\08.00 ALTA\07.01.DWG

Revisions

#	Date	Note

Drafted by:	BJA
Project Manager:	BJA
Date:	12/5/2018
Reviewed by:	MRG
Scale:	1"=40'
Job Number:	2018-120
Sheet:	1 OF 1

Drawing Status
☐ Preliminary Drawing
■ Final Drawing

Requested By:

GPS NOTE:

THIS SURVEY WAS PERFORMED USING A TRIMBLE R8 ROVER WITH GLONASS AND DUAL FREQUENCY CAPABILITIES WITHIN THE KENTUCKY VRS NETWORK AND UTILIZING A REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS). A REDUNDANCY OF MEASUREMENTS WAS ALSO TAKEN TO INSURE CORRECT POSITIONS OF ALL DATA POINTS. THE RELATIVE POSITIONAL ACCURACY EXCEEDED THE ACCURACY OF STANDARDS FOR AN URBAN SURVEY, AS ESTABLISHED BY THE COMMONWEALTH OF KENTUCKY, STANDARDS OF PRACTICE FOR PROFESSIONAL LAND SURVEYORS PER 201 KAR 18:150 (WHICH IS +/- 0.10' + 100 PPM). ALL DATA WAS CORRELATED WITH KENTUCKY STATE PLANE COORDINATES SOUTH ZONE NAD 83, NAVD 88, GEOID 03. THE RELATIVE POSITIONAL ACCURACY FOR THIS SURVEY IS 0.05.

PLAT OF SURVEY

FOR:
ATMOS ENERGY
810 CRESCENT CENTRE DR. SUITE 600
FRANKLIN, TN 37067-6626

PROPERTY:
CITY OF PADUCAH
PECAN DRIVE & BUCKNER DRIVE
McCRACKEN COUNTY, KENTUCKY

APPRAISAL OF 0.832± ACRE TRACT
OWNED BY
OWNED BY THE
CITY OF PADUCAH, KENTUCKY,
LOCATED AT
4063-4075 PECAN DRIVE,
PADUCAH, KENTUCKY 42001

Effective Date of Appraisal

October 10, 2018

Prepared By

Russell M. Sloan, MAI

Sloan Appraisal & Realty Services

2218 Kentucky Avenue
Paducah, Kentucky 42003

For Atmos Energy

Sloan Appraisal & Realty Services
2218 KENTUCKY AVENUE
PADUCAH, KENTUCKY 42003
TELEPHONE (270) 442-6379

RUSSELL M. SLOAN, MAI,
Member, Appraisal Institute

JOE L. SLOAN, MAI
1945 - 2007
JOSEPH E. SLOAN, IFA, FOUNDER
1920 - 2000

December 11, 2018

Atmos Energy
3275 Highland Pointe Drive
Owensboro, Kentucky 42303

Re: Appraisal of 0.832± acre tract owned by the City of Paducah, Kentucky, located at 4063-4075 Pecan Drive, Paducah, Kentucky 42001

Gentlemen:

In accordance with your request, I have made an appraisal of the above property for the purpose of estimating the loss in market value of the fee simple interest in the property due to the acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement, as of October 10, 2018, with the property inspected by the appraiser on October 10, 2018. This loss in value is developed based on the "before and after" technique. This technique will be more fully discussed within the Scope of Work section, on page six of this report. The data, analyses, opinions and conclusions are included in this self-contained appraisal report. Market value is defined in the body of this report.

As a result of the analysis and the appraisal, it is my opinion that the market value of the property in its current unimpaired condition, as of October 10, 2018, was **$60,000.**

As a result of the analysis and the appraisal, it is my opinion that the market value of the property subject to the acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement, as of October 10, 2018, was **$56,000.**

The difference in these value indications, in conjunction with **$600** in compensation due to the presence of a temporary easement, results in indicated compensation, as of October 10, 2018, of **$4,600.**

To the best of my knowledge and belief, no matters or information that is pertinent has been intentionally overlooked or withheld. I have no interest, either present or contemplated in the property, and employment and compensation for the making of this appraisal are in no way contingent upon the value reported. No responsibility is assumed for matters that are legal in nature nor has any opinion on title or survey been rendered by me. Liens, encumbrances and encroachments, if any, have been disregarded and the property appraised as though free of debt and with good and marketable title.

Respectfully submitted,

Russell M. Sloan, MAI
Kentucky State Certified General Real Estate Appraiser, #00335, Illinois State Certified General Real Estate Appraiser, #553001372, Missouri State Certified General Real Estate Appraiser, #RA002466, Tennessee State Certified General Real Estate Appraiser, #CG-1246, Indiana State Certified General Real Estate Appraiser, #CG40200146

RMS:pc
Enclosures

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CERTIFICATION

The undersigned does hereby certify that, to the best of my knowledge and belief and except as otherwise noted in this report:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or the parties involved with the assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. The employment of the appraiser was not conditioned upon the appraisal producing a specific value or within a given value range.

7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

8. This appraisal was made and the appraisal report prepared in conformity with the requirements of the Uniform Appraisal Standards for Federal Land Acquisitions. This appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice (USPAP), except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions.

9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

10. No one provided significant real property appraisal assistance to the person signing this report, except as otherwise explicitly noted in this report.

11. I have made a personal inspection of the appraised property which is the subject of this report and all comparable sales used in developing the estimate of value. The date of inspection was October 10, 2018, with the appraiser having physically inspected the property on this date.

12. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

13. As of the date of this report, I, Russell M. Sloan, have completed the requirements under the continuing education program of the Appraisal Institute.

As a result of my investigation and after careful consideration of the facts contained within this report, it is my unbiased opinion that the values, as well as the estimated compensation to the owner of the subject property, under financing conditions generally available in the local market and equivalent to cash, as of October 10, 2018, which is the effective date of this appraisal, are

VALUE ESTIMATE "BEFORE ACQUISITION"	**$60,000**
VALUE ESTIMATE "AFTER ACQUISITION"	**$56,000**
COMPENSATION FOR TEMPORARY EASEMENT	**$600**
ESTIMATED COMPENSATION	**$4,600**

Date: December 11, 2018 Appraiser:

Kentucky State Certified General Real Estate Appraiser, #00335, Illinois State Certified General Real Estate Appraiser, #553001372, Missouri State Certified General Real Estate Appraiser, #RA002466, Tennessee State Certified General Real Estate Appraiser, #CG-1246, Indiana State Certified General Real Estate Appraiser, #CG40200146

STATEMENT OF QUALIFICATIONS OF APPRAISER: RUSSELL M. SLOAN, MAI

EDUCATION
MBA, Murray State University
BS In Business Administration, Murray State University

SPECIALIZED EDUCATION
American Institute of Real Estate Appraisers Course 1A-1, Atlanta, GA
American Institute of Real Estate Appraisers Exam 1A-2, Norman, OK
American Institute of Real Estate Appraisers Course 1B-A, Chapel Hill, NC
American Institute of Real Estate Appraisers Course 1B-B, Bloomington, IN
American Institute of Real Estate Appraisers Course 2-1, Nashville, TN
American Institute of Real Estate Appraisers Course 2-2, Nashville, TN
American Institute of Real Estate Appraisers Course 2-3, Gatlinburg, TN
Valuation of Conservation Easements, Appraisal Institute, Nashville, TN
MAP Appraisals and Marketability Studies, HUD, Louisville, KY
Numerous seminars through the Appraisal Institute

PROFESSIONAL AFFILIATIONS, LICENSES, & CERTIFICATIONS
MAI, Member Appraisal Institute, Kentucky State Certified General Real Estate Appraiser, Certificate #000335, Illinois State Certified General Real Estate Appraiser, License #553001372, Missouri State Certified General Real Estate Appraiser, Certificate #RA002466, Tennessee State Certified General Real Estate Appraiser, Certificate #CG-1246, Certified Fee Appraiser, Indiana State Certified General Real Estate Appraiser, License #CG40200146, Real Estate Broker, Kentucky Real Estate Commission, Member: Paducah Board of Realtors, Kentucky Association of Realtors & National Association of Realtors. President of My Old Kentucky Home Chapter of the Appraisal Institute, 1999. Member of Kentucky Real Estate Appraisers Board, 2003-2007, Chairman, 2006-2007.

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Fifth Third Bank
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Independence Bank
FNB Bank, Mayfield, KY
PNC Bank, N.A.
PGP Valuation
BSB Bank & Trust Company, Binghamton, NY
First Tennessee Bank, Nashville, TN
Commerce Bank, Charleston, West Virginia
TriStar Bank, Dickson, TN
Community Financial Services Bank, Benton, KY
First Kentucky Bank, Mayfield, KY
Gallatin County State Bank, Ridgway, IL
First National Bank of Harrisburg, IL
Farmer's Bank of Princeton, Princeton, KY
National State Bank of Metropolis, Metropolis, IL
Citizens State Bank, Bardwell, KY
Farmers Bank of Marion, Marion, KY
First National Bank of Clinton, Clinton, KY
First State Community Bank, Sikeston, MO
Southwest Bank of St. Louis, St. Louis, MO
PBI Bank, Bowling Green, KY
BMO Harris Bank
Jackson Purchase Agricultural Credit Association
Paducah Federal Credit Union
Murray State University
McCracken County Board of Education
Marshall County Board of Education
United States General Services Administration
Commonwealth of Kentucky
United States Department of the Interior
Kentucky Housing Corporation
United States Department of Housing & Urban Development
FDIC
Paducah-McCracken County Riverport Authority
McCracken County Fiscal Court
City of Paducah, Kentucky
City of Fulton, Kentucky
City of Hickman, Kentucky
Purchase Area Development District
Ballard County Economic & Industrial Development Board
USDA Rural Development
GE Capital Realty Group, Inc.
RER Solutions, Inc.
Colliers International
Phillips Development, Little Rock, AR
Wabuck Development
Plotkin & Company, Chicago, IL
American Commercial Barge Lines
Marquette Transportation, Inc.
Southern Pacific Real Estate
Vulcan Materials Company
Baptist Hospitals, Inc.
Livingston Hospital & Health Services, Inc.
Lourdes Hospital
Paxton Media Group, Inc.
The Nature Conservancy
Farris, McIntosh & Tremper, Inc.
Kemper CPA Group, LLC
Whitlow, Roberts, Houston, & Straub, attys.
McMurry & Livingston, attys.
James A. Harris, atty.
Denton & Keuler, attys.

COURT EXPERIENCE
Testimony as expert witness in various Circuit Courts

TEACHING EXPERIENCE
Instructor, Real Estate Appraisal, Paducah Community College, Fall, 1998

SUMMARY OF SALIENT DATA AND CONCLUSIONS

Address of Subject: 4063-4075 Pecan Drive, Paducah, Kentucky 42001

Effective Date of Appraisal: October 10, 2018

Purpose of Appraisal: Estimate Appropriate Compensation

Function of Appraisal: Estimate Compensation for Use in Decision Making Regarding an Offer to the Property Owner by the Client

Financing Premise: Generally Available Local Terms Equivalent to Cash

Property Owner(s): City of Paducah, Kentucky

Property Rights Appraised: Fee Simple

Tax Assessment: $80,600

Zoning: R-1, Low Density Residential

Highest and Best Use of Site-“Before Value: Residential Development

Highest and Best Use of Site-“After Value”: Residential Development

Highest and Best Use of Property As Improved: Not Developed-Vacant Land, See Discussion

Furniture, Fixtures and Equipment (FF&E): $0

Cost Approach: Not Developed-Vacant Land, See Discussion

Income Capitalization Approach: Not Developed-Vacant Land, See Discussion

Sales Comparison Approach-“Before Value”: $60,000

Sales Comparison Approach-“After Value”: $56,000

Estimated Market Value-“Before Value”: $60,000

Estimated Market Value-“After Value”: $56,000

Compensation for Temporary Easement: $600

Estimated Total Compensation: $4,600

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. The Appraiser assumes no responsibility for the legal description or matters of a legal nature affecting the property appraised or the title thereto, nor does he render any opinion as to the title, which is assumed to be good and marketable.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. Information, estimates and opinions furnished to the Appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
5. The sketch in this report is included to assist the reader in visualizing the property, and the Appraiser assumes no responsibility for their accuracy. The Appraiser has made no survey of the property. It is assumed that the utilization of the land & improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise noted.
6. The distribution of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations between land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
7. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures, code violations, or the presence of subsidence, asbestos, UFFI, Radon gas, underground storage tanks, or toxic materials which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering that might be required to discover such factors.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. The Appraiser is not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have previously been made thereof.
11. Disclosure by the Appraiser of the contents of this appraisal report is subject to review in accordance with the bylaws and regulations of the Appraisal Institute and Appraisal Foundation.
12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
13. The physical elements of the property were viewed to determine their impact on value in the decision-making processes of the market. This viewing should not be construed as a structural inspection. Such an inspection is outside the area of expertise of the appraiser and beyond the scope of this appraisal. The appraiser is not an expert in the field of building inspection and/or engineering. Except as otherwise noted in this report, the value estimate is predicated on the assumption that there are no structural defects in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering or architectural knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

SCOPE OF THE APPRAISAL AND COMPETENCY OF THE APPRAISER

This appraisal has been prepared in order to determine the appropriate compensation due to the acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement, for the client, Atmos Energy, which is the intended user, with this being the intended use of this appraisal. The physical characteristics of the property, both in its current condition and after this change referred to as the "acquisition" in the balance of this report, will be more fully discussed and described later in this report. The technique for arriving at this compensation is the use of a "before and after" analysis, in which a value estimate is developed for the property in its current unimpaired condition, and a value estimate is developed for the property after the acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement. The difference in these values represents the compensation due to the property owner. Each of these analyses reflects the market value of the property, as defined on page seven of this report. This appraisal is developed subject to no other extraordinary assumptions or hypothetical conditions other than those relating to the change in the property associated with the acquisition. It is noted that the assignment results are potentially impacted by all extraordinary assumptions and hypothetical conditions included in this appraisal.

The analysis in this appraisal includes the development of the appraiser's opinion of the highest and best use of the property. This appraisal is developed based on three approaches to value: the cost approach, the sales comparison approach, and the income capitalization approach. The use of all three approaches is pertinent in the solution of most appraisal problems; with their application being well established in appraisal technique and held to be part of the fundamental procedure. All approaches have been considered, although it is inappropriate to develop the cost and income capitalization approaches in this instance due to the lack of applicability. The sales comparison approach, as well as the exclusion of these other two approaches, will be explained more fully later in this report.

The data, analyses, opinions and conclusions, including all pertinent data, are included in this self-contained appraisal report. The analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation, as well as the Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP). *It is noted that this appraisal has not been prepared under the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), as per the request of the clien*t.

The appraiser physically inspected the subject property on October 10, 2018. The physical attributes of the property included in this appraisal are based on this inspection as well as information obtained from the survey provided by the client, the legal description, and information obtained from tax records. The condition of the overall subject property is assumed to be consistent with the portion of the property inspected as of the date of value, subject to the results of any more detailed inspection of the property.

The appraiser is not an engineer or surveyor, and is not an expert in the field of building inspection and/or engineering. An expert in the field of engineering/seismic hazards detection should be consulted if an analysis of seismic safety and seismic structural integrity is desired. This appraisal does not constitute an expert inspection of the property and it should not be relied upon to disclose the condition of the property. It is assumed that there are not any hidden or unapparent conditions of the property. This appraisal is therefore subject to the discovery of any more accurate information with respect to the physical property. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.

During the preparation of the appraisal, the appraiser researched the market for comparable market data.

The appraiser has collected and confirmed data in the local market through research of public records found in the McCracken County Courthouse and Paducah City Hall, as well as conversations with related parties and investors in the marketplace. In addition, the appraiser has investigated several nearby counties, as appropriate, for additional market data. Details of the individual transactions were verified by buyers, sellers, brokers, agents, bankers, appraisers, recording documents, multiple listing services, assessor's records, and/or other sources believed to be reliable as shown on the data sheets included in this report.

The appraiser has experience in the valuation of this type property as well as being familiar with the subject's market area. The qualifications of the appraiser, which demonstrate the competency of the appraiser, are included in the statement of qualifications, on page four of this report. The appraiser has disclosed, within this report, any additional steps that were necessary or appropriate to comply with the competency provision of the USPAP.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to provide an unbiased opinion of the estimated compensation due to the property owner due to the previously described "acquisition", for the client, Atmos Energy, which is the intended user.

FUNCTION AND INTENDED USE OF THE APPRAISAL

The function of the appraisal, and its intended use, is for use by the client, Atmos Energy, which is the intended user, to determine the appropriate offer to the property owner for the estimated compensation due to the previously described "acquisition". Neither all or any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI designation. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, the client shall make such party aware of all of the assumptions, limiting conditions, and additional language of the assignment.

PROPERTY INTEREST APPRAISED

This appraisal reflects a value for the fee simple interest in the subject property, except that the value estimated after the acquisition reflects the value subject to an additional utility easement.

A fee simple estate is absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 90.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;

2. Both parties are well informed, or well advised, and acting in what they consider their own best interests;

3. A reasonable time is allowed for exposure in the open market;

4. Payment is made in cash, in U.S. dollars, or in terms of financial arrangements comparable thereto; and

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

[12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992, 59 *Federal Register* 29499, June 7, 1994]

FINANCING PREMISE

This market value estimate is based on a premise of financing terms generally available in the community equivalent to cash. This concept recognizes that a seller receives all cash, but also recognizes that a typical purchaser's funds are derived from both equity and mortgages. The current mortgage market is based on a range of rates and terms typical in the market.

REASONABLE MARKETING TIME AND REASONABLE EXPOSURE TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement of Appraisal Standers No. 6 "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 140.

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Uniform Standards of Professional Appraisal Practice 2018-2019 ed. (The Appraisal Foundation, 2017), 4.

Estimating these two time periods requires analysis of data from the variety of sources. Sales, offerings, options, and transactions involving properties having similar marketability characteristics are considered. Information from multiple listing services, Realtors, lenders, owners and investors and the PricewaterhouseCoopers Real Estate Investor Survey has been considered. All data is considered in relation to current national, regional and local economic and development trends. Recognizing the current state of the local market, the marketing period and the exposure time for the subject are identical in this instance. Considering these factors, both the estimated marketing time and the estimated exposure time for the subject are up to one year.

EFFECTIVE DATE OF THE APPRAISAL

The effective date of the appraisal is October 10, 2018, with the property inspected by the appraiser on October 10, 2018. The date of the report is December 11, 2018.

OWNERSHIP DATA

The subject property is currently owned by the City of Paducah, Kentucky.

PADUCAH-MCCRACKEN COUNTY COMMUNITY ANALYSIS

The subject is located in the Paducah, Kentucky market, in McCracken County. The subject's location in relation to the overall community is shown on the following map, with the community being more fully discussed on the following pages.

Community Map

Population: According to the 2010 Census, the city of Paducah had a population of 25,024, which represented a 4.9% decrease from the 26,307 population in 2000, which represented a 3.5% decrease from the results of the 1990 Census. McCracken County had a 2010 population of 65,565, which was almost identical to the 2000 population of 65,514, which represented a 4.2% increase from the results of the 1990 Census. This continues a longer-term trend, with the city of Paducah having a decrease in population of 7.0% between the 1980 and the 1990 Census, while McCracken County had a 2.6% increase in population between the 1980 and the 1990 Census. The drop in the population of Paducah reflects an exodus of residents from the city to the county, which offers comparable amenities with a lower tax rate. Despite attempts by the city leaders to halt the population shift, the trend does not appear to be reversing. The City of Paducah has an area of 20.0 square miles, which indicates a population density of 1,251 persons per square mile, while McCracken County has an area of 268.1 square miles, with a population density of 245 persons per square mile.

Governmental & Financial Sectors: There is a Mayor and City Commissioner government in the city of Paducah, with a Judge Executive and County Commissioner government in McCracken County, with Paducah being the County Seat. There are six banks in the community, although only one is locally owned, with one being a branch of an Illinois bank, one being a branch of a Mayfield, Kentucky bank, and four being owned by larger institutions. The last significant change in the governmental sector was the implementation of a zoning ordinance for the portions of McCracken County outside the Paducah city limits in 2001. While all existing uses were permitted, this permits more orderly growth patterns in the county. It is noted that there was a proposal for merger of the city and county governments in 2012, but it was defeated by a significant margin.

Transportation Sector: Arterial highways include U.S. Highways 45, 60, 62, 68 and I-24. The area is served by bus lines, three railroads, and Barkley Regional Airport, which has commercial service to Chicago. There are several river transport and barge lines and service operations, with Paducah benefiting from being the Northern terminus of the Tennessee-Tombigbee Waterway, and being at the confluence of the Ohio and Tennessee Rivers. This has resulted in the river industry being one of the primary employers in Paducah for many years. In 2016, the Paducah-McCracken County Riverport Authority was designated as a foreign-trade zone, which could enhance the influence of the river industry.

Educational Sector: The community has dual city and county public school systems and private religious schools. The McCracken County school system had historically included three school districts, but they were combined into a single countywide high school in 2013. Other institutions include West Kentucky Community and Technical College, a two-year college. There is also an engineering program associated with the University of Kentucky, which began in 1997, located on the campus. Murray State University, which is in the nearby Murray community, opened a satellite campus in Paducah in 2014. In addition, Paducah Public Library serves the community.

Churches & Cultural Activities: The area includes over 100 churches in 20 denominations. Cultural attractions include the Market House Theater, Paducah Symphony, Paducah Art Guild Gallery, and City-County Arts Council, as well as the Luther Carson Performing Arts Center, which was developed in downtown Paducah in 2004. There are three country clubs and numerous civic, fraternal and social organizations that serve the community.

Recreational Sector: There are 450 acres of parks, including Noble Park. Kentucky Lake and Lake Barkley recreational complexes are approximately 25 miles away. There is a twelve-screen theater complex that was constructed in 2002, replacing an older complex, and a one-screen theater, which opened in the downtown in 2001. There is an auto racetrack, a drag strip, and a horse racing track, as well as four golf courses, one of which is a public course, an indoor tennis center that was constructed in 2004, and another sports complex featuring basketball, volleyball, and soccer, which opened in 2008. Player's International Riverboat Casino, now owned by Caesar's, opened in Metropolis, Illinois, which is immediately across the Ohio River from Paducah, in 1993. Illinois allows riverboat gambling, but Kentucky does not. The proximity of the riverboat has resulted in tourist traffic in Paducah, as well as Metropolis.

Medical Sector: Paducah is a regional medical center with approximately 200 physicians, and 50± dentists. Baptist Health Paducah includes 373 beds, while Mercy Health, which was known as Lourdes Hospital until 2018, has 359 beds. There are crippled children's and mental health clinics, as well as four extended care nursing homes, one of which relocated to a new facility in 2014, and five other elderly housing facilities, with a new assisted living facility opening in 2015, with 42 units in the initial phase. A medical office park containing several offices was developed along Lone Oak Road in the early 1990's. The park includes a 145,000± square foot, four-story multi-tenant office building, including a privately owned outpatient surgery center, which is now owned by Mercy Health, as well as several smaller buildings.

The supply of medical office space was further increased by the development of an adjacent office complex by Baptist Health Hospital. The Baptist Health Hospital has expanded over many years.

This included major expansions including considerable rental office space, with expansions in 1997, 1999, and 2003, with 204,000 (R) square feet of rental office space now in this structure. Furthermore, a 79,000 (R) square foot heart center addition was completed in 2007, with a 44,000 (R) square foot cancer center opening in 2017. Mercy Health Hospital had a 133,000 (R) square foot addition, including medical office space, in 2004. The shifting of the medical sector in the 2000's did not have a significant negative effect on the demand for freestanding medical office buildings in the community. The overall strength of Paducah's medical community and the expansion of the hospitals should continue to provide a strong level of demand from this sector.

Industrial Sector: While manufacturing has not historically been a primary base for the Paducah market, a varied manufacturing base has historically included chemical and nuclear products, railroad locomotives, food and kindred products, lumber, furniture, apparel, textiles, printing and publishing, rubber, minerals, primary metals, machinery, metal products, and marine equipment. The local industrial market had remained generally stable for many years until 2013, when USEC announced that it would cease operation of the Paducah Gaseous Diffusion Plant (PGDP), with the facility having been turned over to the U.S. Department of Energy in October 2014. It had originally been announced in 2004 that production would be replaced by a new facility in Ohio in 2010, but there were several delays prior to the official announcement of the closing. The facility is located on 3,556± acres in northwest McCracken County, with this facility having been one of McCracken County's primary employers since the 1950's, with 1,100± employees at the time of the announcement.

The facility should continue to have an impact on the area for the next several years, with many years of site cleanup. It is noted that there were lawsuits and press reports regarding the possible contamination of workers, and possibly surrounding properties, throughout much of the 2000's, but this did not have a dramatic effect on the market. The long term impact of the closing of the plant could potentially be devastating to the community due to the sheer number of employees as well as the relative level of pay, but it now appears that the initial impact has been somewhat lessened by the cleanup by the Department of Energy, with a peak of approximately 1,500 people, and stabilized employment of 1,300± onsite for the cleanup and monitoring operations. It appears that the cleanup will take several years and the eventual long term impact cannot be projected due to the presence of considerable employment in the cleanup, as well as the interest in other firms of utilizing some or all of the facility for related uses. In 2013, there was an announcement that GE Hitachi's GLE division was granted the right to negotiate with the Department of Energy to use the facility to re-enrich depleted uranium. This project appears to be progressing, but it does not appear that construction of this facility will occur in the near term.

Most of the other industrial employers in the community are smaller facilities, but they appear to have a stable future. The area has an abundant supply of industrial properties but vacancies have remained moderate. While Paducah has not traditionally been an industrial center, some new construction occurred in the 2000's in the community, with some new construction continuing into the 2010's. The local development authority developed a 192± acre industrial park on Olivet Church Road in the early 2000's. A 56,000 square foot "spec building" was constructed in late 2001 and it was occupied as a distribution warehouse for Coca Cola in 2005. In addition a 100,000± square foot manufacturing plant and distribution center was built in the park for Infiniti Media in 2004, with eventual employment of 100 people proposed, but it did not achieve the employment levels promised and it closed in 2013. In 2014, Genova Products occupied this building, with employment of approximately 125 people.

H. T. Hackney constructed a 150,000 square foot distribution warehouse in the park in 2011, to replace an older, smaller facility. In 2013, Whitehall Industries announced that it would occupy a portion of the former Tyler Mountain Water plant, which had closed in 2009, with projected employment of 150. This plan was terminated due to environmental issues, however, with the company building a new building in this park in 2014 instead. The building was occupied by E Z Portable Buildings in 2014, however, with eventual employment of 90 projected. A FedEx distribution facility was developed in 2008, on John Puryear Highway, off I-24.

In 2007, a 213 acre industrial park was opened, with this park including frontage along the Ohio River. It is now marketed as the Ohio River Triple Rail Megasite, with up to 2,126 acres available, although much of this land has not actually been acquired. In 2013, development of a coal transfer terminal began along the Ohio River after approval of this project was denied on three separate occasions in the late 2000's through 2011 due to considerable local opposition. Other than the USEC closing, the most recent negative events in the industrial sector were US Foods closing its distribution center, which had 250± employees, in 2012, and AmerisourceBergen closing its facility, which had 90± employees, in 2017. The US Foods facility was acquired by Darling Ingredients in 2015, but it has a minimal number of employees. It was announced in 2018 that the AmerisourceBergen facility would be occupied by GenCanna Global USA, Inc. for use as a hemp derived product manufacturing facility.

Other than these, there have been no significant industrial developments in Paducah for several years. The community has ongoing activity involving smaller industrial facilities, however. The industrial market has historically demonstrated reasonably stable demand for these relatively small properties, despite the limited activity involving larger facilities. The nationwide recession that extended from 2007 through 2009 did not have a dramatic impact on the local industrial market due to the limited number of major industrial employers. Conversely, the relatively weak recovery throughout most of the 2010's has not resulted in any significant improvement in the industrial sector. The relatively limited strength of the national economy diminishes the probability of any major new employers in the community in the near term.

Retail Sector: The commercial core of the Paducah market is at the interchange of I-24 and U.S. Highway 60, around the Kentucky Oaks Mall complex. Kentucky Oaks Mall is a regional mall containing 1,025,000± square feet, which is located at the I-24/U.S. Highway 60 interchange, and which opened in 1982. Retail development was very active around the Kentucky Oaks Mall throughout most of the 2000's before slowing in the late 2000's, but has continued at a moderate pace in the 2010's. Larger stores in the area include a 190,000± square foot Wal-Mart Super Center developed in 1992, a 120,000± square foot Lowe's store, which opened in 1995, a Home Depot containing 115,000± square feet, which was constructed in 2002, and a 134,326± square foot Sam's Club store built in 2004.

A mixed-use development, West Park Village, began in 1993 at the corner of Olivet Church Road and Highway 60. This development includes retail, office and residential uses, with sporadic development continuing. The land in the rear of the Kentucky Oaks Mall was developed with a mixed-use retail project, the Oaks II, in 1996. There were only three parcels developed for several years, but the opening of the Sam's Club in the subdivision in 2004 resulted in increased interest. A 17,000 square foot shopping center was developed in 2006, with a 66,725± square foot shopping center built in 2008 in this subdivision. The former Strawberry Hill farm, behind the Wal-Mart, is continuing to be developed with a mixed-use commercial subdivision, with development beginning in 1999. Retail developments in Strawberry Hill include a 27,000± square foot strip center and a 10,000± square foot strip center that were built in 2001, as well as a 12,600± square foot center built in 2006. A 29,750± square foot center was developed in the subdivision in 2007, with other smaller properties as well. More recently, a new 17,000 square foot strip center was constructed in the subdivision in 2015.

A 128,500± square foot shopping center, Paducah Specialty Center, was built on U.S. Highway 60 and James Sanders Blvd., in 1999. A 165,538 square foot shopping center anchored by an 80,408 square foot Kohl's was developed at the corner of Highway 60 and Olivet Church Road in 2005. The previously discussed 17,000 square foot center, the 12,600± square foot center, and a 7,000± square foot dual-tenant building, were constructed in 2006. The previously discussed 29,750± square foot shopping center was developed in 2007, with a 66,725± square foot shopping center developed in 2008. A new strip center was built at the corner of Hinkleville Road, West Park Drive, and Olivet Church Road in 2014, with the building expanded in 2016 and including 16,000± square feet. Development of a 50+ acre multi-tenant project began on Highway 60, immediately west of Olivet Church Road in 2016, with the anchor to be a Menard's.

Vacancies increased somewhat in the late 2000's due to the state of the overall economy. This resulted in the closing of the Paducah stores of several national retailers in 2008, but it stabilized in the early 2010's. Otherwise, the most significant adverse factor influencing this area is attributable to traffic problems. The widening of U.S. Highway 60 and the Holt Road relocation resulted in a small improvement in the access to the area, as did improvements to Olivet Church Road.

The opening of the Kentucky Oaks Mall, in 1982, devastated the downtown retail market as most tenants moved to the mall and surrounding area. The downtown retail market never fully recovered, and will likely never return to its former state. There were some positive developments during the 2000's, with some conversion to office space and the renovation for several lower intensity retail uses. In addition to the downtown, the Southside retail area was adversely affected by the opening of the mall, but it experienced a recovery during the 2000's. The former Paducah Mall was razed and a 190,000± square foot Wal-Mart Super Center was constructed on the site in 1996 as part of a 316,110± square foot shopping center known as Paducah Towne Center. This improved the outlook for the Southside somewhat, but it did not significantly change the overall state of the neighborhood. The sporadic construction of smaller developments is continuing in the area, however. Another static commercial location for years has been Cairo Road, with no major developments for many years until Rural King opened a new store east of the I-24 interchange in 2014. Despite this, there is nothing to suggest any significant change in the commercial sector along this artery.

There has also been some recent commercial development in the Lone Oak area, although it has been on a smaller scale. This area includes two commercial subdivisions, the Magnolia Village Commercial Subdivision, which was opened around 1990, and Brian Centre, a mixed-use commercial and residential development that opened in 1996. The frontage lots in both projects were developed quickly, but construction has been slower within the subdivisions. Commercial developed increased in the Lone Oak area in the mid 2000's, with a 12,000± square foot, multi-tenant office building built in 2006, while a 14,000± square foot office/retail building, and a 15,000± square foot retail center were constructed along the Lone Oak Road commercial corridor in 2007, with a 13,700± square foot center located immediately off Lone Oak Road having been built in 2012. Other suburban retail areas have remained stable without excessive vacancies. The nationwide recession that extended from 2007 through June 2009 resulted in increased vacancy rates, particularly in the mall area, which has more national tenants. This sector stabilized in the early 2010's, with vacancies having remained moderate. Recognizing the state of the location economy, as well as national retail trends, some new development is possible within the overall retail sector, but at a more moderate pace in the foreseeable future.

Office Sector: The local office market continued to experience construction of new office space in the suburban areas of Lone Oak and along Highway 60, near the mall, throughout most of the 2000's and into the 2010's. In addition, there is ongoing renovation of older buildings in the downtown area, although the rate of renovation in the 2010's has been somewhat slower than that during much of the 2000's. Much of the development of office space in the 2000's was attributed to the construction of new medical office space by the hospitals, as previously discussed. The last significant project in the downtown area was the conversion of 70,000 (R) square feet of retail space for office usage in 2004, with the occupancy of this structure having improved the downtown office sector somewhat. More recently, TeleTech Holdings, Inc. occupied the building formerly utilized by Regions Bank in 2015, with 150± employees in this building. The other most recent new office developments have been along Highway 45, and along Highways 62 and 60 to the west.

Significant new office construction in the late 2000's included a 15,000± square foot Paducah Bank Financial Center and a multi-tenant building anchored by the Social Security Administration, which were each developed in Strawberry Hill in 2008. Construction of offices continued in the subdivision in the 2010's, including two single-tenant medical offices completed in 2011, with a 22,700± square foot, multi-tenant building built in 2012 and a 9,300± square foot multi-tenant office building completed in 2013.

The largest recent office development was the construction of a 41,400± square foot orthopedic facility on U.S. Highway 62 in 2012, with a 26,300± square foot building completed off Highway 45 in 2016 for use by another medical practice. The only other significant development in the office market in the 2000's was the 22,000± square foot Ulrich Medical Concepts building, which was built in 2005 in the Paducah Commerce Park, formerly known as the Information Age Park. Most of the larger projects have been built for owner occupancy, but some smaller properties have also been built on a speculative basis. Some smaller multi-tenant offices were constructed in the early 2010's, with most having relatively slow rates of absorption.

The Paducah Commerce Park, formerly known as the Information Age Park, located between U.S. Highways 62 and 60, was developed in 1992 in conjunction with South Central Bell. The park was designed for development of office space to be utilized by information processing tenants rather than the traditional industrial clients. The construction of support buildings was completed, but only eight tenants have located in the park since the opening. Three of these were essentially expansions by local companies, although the LYNX Company constructed a new office building in the park in 1999, and the Ulrich Medical Concepts building was completed in 2005. New offices for Marquette Transportation and Pepsi were constructed in 2007, as was the completion of a former spec office building by A & K Construction. The most recent developments included the relocation of Superior Care nursing home into the park, and the construction of a new office for TeleTech Holdings, Inc., each in 2014, with System Solutions constructing a 10,000± square foot office in the park in 2015. Although the absorption rate of the park has been well below initial expectations and projections, the park should continue to have a positive effect on the area economy.

Due to the new construction, particularly within the medical sector, vacancy rates are higher than desirable in some secondary locations within the community, though much lower than in most larger cities. The primary vacancy risks have typically been in the new construction and in older, poorly located properties. This was demonstrated by the 2007 closing of the Katterjohn Building, an old multi-tenant office building that had previously been converted to office space from its original use as a hospital. It was closed due to the inability to maintain rental rates and occupancy rates sufficient to warrant its continued operation. In addition, the former Professional Arts buildings, another multi-story, multi-tenant, office building, was acquired by Baptist Health, with this building being removed from the private sector in 2014. These closings actually benefitted the balance of the office sector by removing low cost competitors from the market. The well-located, modern facilities are not experiencing excessive vacancies, with vacancy rates remaining moderate for the existing units. The vacancy risk must still be recognized throughout the market.

Lodging Sector: The Paducah market includes approximately 28 motels and hotels with over 2,300± rooms. Most facilities contain less than 100 rooms and were constructed five to thirty years ago. There are fewer than ten facilities with over 100 rooms. The Executive Inn, with 434 rooms and a convention center, was the largest hotel in Paducah since its original construction in the early 1980's until the hotel closed in 2008 and razed by the city. It was effectively replaced by a 123 room Holiday Inn, which opened in 2017. Otherwise, the local market includes two distinct segments, with the most recent developments located at the I-24/U.S. Highway 60 interchange, near the Kentucky Oaks Mall, and at the I-24/Highway 305 interchange. Most of the facilities in other areas are older facilities developed prior to the opening of the mall.

The Paducah lodging market experienced considerable development in the 1990's, but development then slowed until the late 2000's. This included a 100 room Marriott Courtyard which opened in 1997, a 144 room Drury Suites and a 60 room Quality Inn, reflagged from a Comfort Suites in 2015, both of which opened in 1996, as well as a 118 unit Drury Inn and a 77 unit Auburn Place, which was constructed as a Holiday Inn Express in 1995 but reflagged in 2013, all at the U.S. 60/I-24 interchange. The Highway 305/I-24 interchange also experienced new development, including a 66 room Ramada Suites, which opened in 1997, an 80 room Baymont Inn built in 1996, and a 42 unit Super 8 motel built in 1995, with some of these having since been reflagged. In addition, a 50 room Best Western opened in 1998 at the I-24/Husbands Road interchange.

There was no other construction in this sector as these units were absorbed until the construction of a 60 room Country Inn at the I-24 interchange with Highway 60 in 2003. A 108 room Hampton Inn and a 74 room Residence Inn were constructed in 2007, with an 85 room Candlewood Suites built in 2008, an 82 room Fairfield Inn & Suites opening in 2011, an 85 room Holiday Inn Express opening in 2013, a 77 room La Quinta Inn opening in 2014, and a 97 room Homewood Suites opening in 2017. An older Thrifty Inn was razed in 2018 and is to be redeveloped with a new facility and an 80 room Comfort Suites is also proposed at the interchange.

After considerable construction in the late 1990's, the Paducah lodging sector had remained stable for several years, until the new development in the late 2000's and early 2010's. The nationwide economic weakness in the late 2000's, resulted in a moderation in the historically high occupancy rates of the existing facilities at the interchanges. This was somewhat offset by the removal of the Executive Inn from the supply, however. Some improvement has continued in the market in the mid 2010's, but any further significant new development in the near term could have adverse effects on the market.

Residential Sector: The local residential market was relatively active in the suburban areas and the "West End" of Paducah throughout most of the 2000's before moderating somewhat in the late 2000's and early 2010's. The rest of the city has experienced stable or decreasing property values for several years, as residents move to the suburbs, which offer similar amenities with lower taxes. Development of new residential subdivisions had been relatively active during most of the 2000's, with the most active developments near the West End and in the Lone Oak suburb, as well as smaller new developments in the Concord and Reidland suburban areas. The market was strengthened by low interest rates throughout most of the 2000's, and the local housing market remained reasonably strong, although it slowed somewhat in the late 2000's due to the nationwide recession that extended from 2007 until June 2009. The recovery of the national economy has since been relatively weak, resulting in only moderate improvement in the residential sector during most of the 2010's.

There was considerable development in the Lone Oak and Concord areas throughout most of the 2000's, with development on a smaller scale in Reidland and the rural areas of Heath. While most residential development has been in the suburban areas, there was some infill development in the older, but active, West End area of Paducah. The former Westwood Country Club was closed in 2006 for redevelopment into a residential subdivision. In addition, a new subdivision was proposed on Buckner Lane at I-24, with these representing the last sizable tracts in the West End area. The Westwood development experienced financial difficulties before new ownership in 2010, while the Buckner Lane project was cancelled due to local opposition. This area has nevertheless remains a viable residential area over time, despite the trend of the population relocating to the suburbs. There were some smaller projects but there had been no major developments in the community in the 2010's until the announcement that The Paddock at The Oaks Subdivision would open in 2019 in the Lone Oak area.

Interest rates have remained relatively low, helping offset the weak recovery in the national economy, with decreases in rates in 2011 and 2012. While the long term trend is for increases, interest rates are projected to remain relatively low in the foreseeable future. The Paducah market has not typically experienced the wide swings in residential property values of many larger markets. The potential for deterioration in the residential sector due to the closing of the Paducah Gaseous Diffusion Plant and the loss of numerous high paying jobs, has not been a significant issue due to the employment for the cleanup but the final impact of the plant closing cannot yet be determined. In addition to the impact of the USEC closing, the risk associated with the state of the national economy, as well as any long term increases in interest rates are noted. As a result, there is little potential for any dramatic improvement in the single-family residential sector in the near term. This sector is likely to remain reasonably stable, with the risk of deterioration noted.

Multi-family Residential Sector: Vacancy rates have historically remained moderate for modern, well-located apartments, although the rental rates remained relatively flat. There was new development in the apartment market during the mid 2000's, with this including several smaller properties containing 30 units or less, many of which were in the Lone Oak area. This new development resulted in some moderation in the occupancy rates, but occupancy levels remained relatively strong throughout the 2000's and into the early 2010's.

New units added in the late 2000's included a 42 unit rent restricted complex was developed in the Concord area in 2008, with a 76 unit market rent complex developed in 2008-2009 and a 51 market rent complex developed in 2009-2010, each in the Lone Oak area. In addition, a 40 unit expansion of the Quail Run apartment complex, which was originally developed in the mid 1980's, was completed in 2006. New construction within the Paducah residential rental market has historically occurred at a moderate rate, which allowed the new units to be absorbed with no significant increases in overall market vacancy rates. There was significant new construction during the mid 2010's, however.

The first project is a complex located off Hinkleville Road at County Park Road, which began in 2012. It is to include 192 units upon completion of the final units in 2018. Another project is a 96 unit complex behind the mall, with this project beginning in 2015 and completed in 2017. In addition, a 24 unit property was developed on Olivet Church Road in 2014-2015. There are also 27 units that were constructed in 2015 near the intersection of Blandville Road and North Friendship Road. Another project is a 72 unit complex that was completed in 2017 on Stanley Road, with this property including land for additional expansion. A 72 unit complex is currently being developed on Hansen Road, beginning in 2015, with completion in 2018. Finally, a 240 unit complex has been developed in the Strawberry Hill subdivision, with construction having begun in 2015 and been completed in 2017.

This is a total of over 700 units either under construction or completed between 2014 and 2018, with this representing an increase of over 30% in the supply of apartment units in the community. The rate of development within this sector has historically included a moderate number of new units, and the sector had remained reasonably strong. This increase in the number of units is likely to result in increased vacancies, however and it is doubtful that the market can support any additional significant increase in the supply of units or in rental rates in the near term.

Developments & Trends: Positive trends in the commercial sector throughout the 2000's included considerable commercial development near Kentucky Oaks Mall and some new construction along Lone Oak Road. Some new construction is possible, but at a more moderate rate, particularly until the impact of the Paducah Gaseous Diffusion Plant closing has been fully absorbed. No significant growth is projected in the other areas, except for sporadic development. The industrial sector has historically been relatively stable with the periodic construction of the small industrial buildings continuing. There have been no major new industrial facilities developed in over 30 years, with none projected in the near term, although the new industrial park has improved the outlook for this sector slightly. The long term future of the USEC plant will likely impact the industrial sector to some degree, although it has historically had limited impact on the balance of the industrial market. The Paducah Commerce Park should continue to be an asset to the local economy in the long term, despite its slow absorption. The office sector benefitted from the announcement that TeleTech Holdings, Inc. would occupy an underutilized building in the CBD in 2015, as well as constructing the new building in the Paducah Commerce Park in 2014, with a total of 550 employees. This sector should otherwise remain stable, despite the vacancy risk associated with the renovation to the older buildings and the new construction in the 2000's and has continued into the 2010's. A vacancy rate risk is present in this market, particularly for larger users, but it is not excessive for the overall office market.

Interest rates remained relatively low throughout the early 2010's, with rates decreasing in 2011 and 2012 due to continuing economic weakness from the recession in the late 2000's. While the long term trend is for increases, interest rates remain relatively low in the near term.

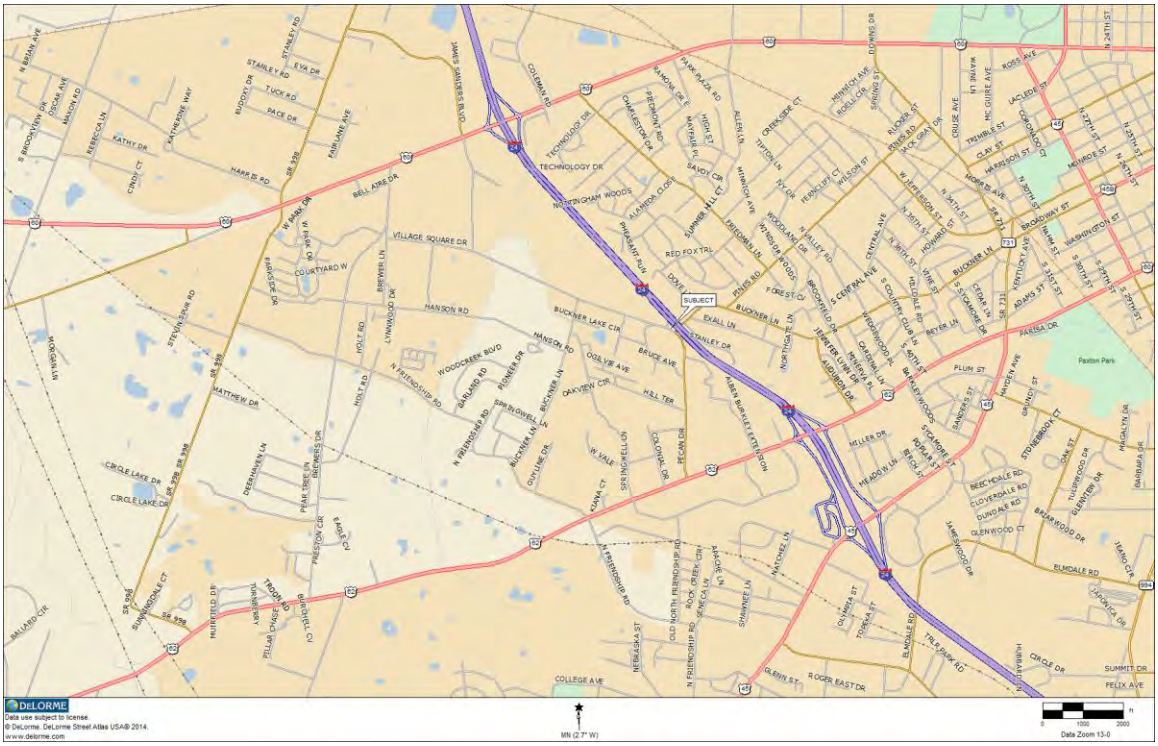
The national economy began to recover in the 2010's, but the recovery has been relatively weak, which is consistent with the local market. Paducah has historically benefited less from expansions and suffered less from recessions than larger cities with more industry. The loss of the USEC plant, as well as the current state of the national economy, is likely to result in no major new developments in the near term. The long term impact of the USEC closing on the market cannot yet be determined, but it is possible that it will cause some deterioration in the residential sector in the event that employment levels should decrease in the cleanup of the facility.

Recognizing these factors, limited growth is possible in most areas in the near term. Interest rates began increasing in late 2016 but have been relatively stable and it is doubtful that there will be any dramatic changes in interest rates in the near term. Nevertheless, the relationship between the economy, particularly the real estate market, and interest rates must be recognized.

NEIGHBORHOOD ANALYSIS

The subject property is located on the periphery of the West End area of Paducah, Kentucky. The West End extends from U.S. Highway 60 on the north to U.S. Highway 45 on the south. It is bounded on the east by North 32nd Street with the western boundary being the city limits running along Buckner Lane and North Friendship Road. The subject's location in relation to the neighborhood is shown on the following map.

Neighborhood Map



The West End had historically represented the most active residential area within the city limits. It is the highest area inside the city limits, and began to develop after Paducah's 1937 flood, although some of the homes in the older sections are 80 years old or older. Over 90% of the area is developed and sporadic development is still continuing. There are some moderately priced homes in the neighborhood, but most of the homes are in a much higher price range, with the highest priced homes in the area being over $750,000 in value, though the value extremes are the exception. Area property values have generally increased with time, although the recession that extended from 2007 through 2009 resulted in some softening in property values in the late 2000's.

The market was relatively stable thus far in the 2010's, and demand should remain reasonably stable within the residential sector in the area with time, however.

Most of the homes may be categorized into of one of several groups. Many of the older homes are between 50 and 80 years old, with the more modern homes, built in the 1970's and 1980's typically in subdivisions. The more recently constructed homes, built in the late 1990's through the 2010's, are typically in the Pines and Fairfield Subdivisions. These subdivisions experienced rapid development through the late 1980's and early 1990's. The development slowed somewhat during the late 1990's, but it remained active throughout most of the 2000's. The other major subdivision of high priced homes is Heather Hills which was developed in 1972, although several smaller subdivisions are scattered throughout the neighborhood. In addition to these subdivisions, a more moderate priced subdivision, Conrad Heights, is located adjacent to Heather Hills. The subdivision was originally developed in the 1950's and contains more moderately priced homes.

There were two announcements in the mid to late 2000's that significant new development would take place in the area for the first time in several years. This included the closing of Westwood Country Club for redevelopment into a residential subdivision, with the development including 80 lots, with a small tract retained for future development. There were few lot sales and some of the infrastructure was not installed, with the development having been foreclosed upon in 2009. It has now been purchased by a new developer and it is being developed once again. In addition, the Barkley Village development was announced off Bucker Lane and Audubon Drive, near I-24 in 2007. This tract was to be developed with single-family homes and townhouses, after originally proposed to include apartments and office space. No zoning change could be obtained due to local opposition, and the higher density developments were abandoned prior to the beginning of any development. Continued opposition to any development by local residents resulted in the abandoning of this property in early 2008 and the property was later sold to Murray State University for eventual development of a satellite campus.

In addition to the single-family residential properties, the West End also includes several duplexes scattered throughout the area. Most multi-family residential development is in areas outside the West End, although several multi-family developments are located on the periphery of the West End. As a result, the demand for multi-family properties in the West End is somewhat limited.

The major routes in the West End are Buckner Lane, Friedman Lane and Pines Road. These two lane roads represent the primary access into as well as through the West End. Most of the area is zoned R-1, Low Density Residential. A small area is zoned R-2, Low/Medium Density Residential, however.

The Kentucky Oaks Mall is located a few blocks from the West End. It is the commercial core of the region. The Central Business District is located within two miles of the area. There is essentially no commercial usage within the West End, although there are some small, older commercial properties on the periphery of the neighborhood serving the local population. These include properties along North 32nd Street and extending along Lone Oak Road from its intersection with Broadway. The area around the intersection of Lone Oak Road and Broadway has experienced increased interest in the mid and late 2010's, however. This has been centered around the former "Coke Plant", which is at the intersection of these two arteries. In the mid 2010's, it was converted to multi-tenant commercial use, anchored by a Mellow Mushroom restaurant. In addition, Independence Bank constructed a new bank at the intersection in the 2010's. More recently, a plan for the beginning of redevelopment of the area between Lone Oak Road and South 31st Street for commercial use has been announced. These factors have increased the commercial interest in this area.

The West End is serviced by all utilities including electricity, water, sewers and natural gas. Much of the West End has streetlights, curbs and gutters. The area is serviced by busses from the Paducah Area Transit Service. Most of the area is in the Paducah Public School System, but the Pines, Fairfield and Conrad Heights subdivisions are in the McCracken County School System.

The main competition for homes in the upper price range in most of the 1990's through the 2010's has been from Country Club Estates and Stinespring Estates, adjacent subdivisions located a mile and a half from the West End. Each is located on Holt Road, off U.S. Highway 62, in proximity to the Paducah Country Club, which was originally developed in the middle 1980's. Country Club Estates experienced an initial boom, while Stinespring Estates had a slower growth rate, but demand remains strong for properties in each subdivision. In addition, The Grove subdivision opened in the mid 2000's and continues to provide competition for properties within the core of the West End. Continued new development in this area is projected, but it does not appear to present a significant threat to the demand for existing properties in the West End. Several other areas around the Country Club of Paducah have experienced some development of higher priced properties such as the area around the Highland Church Road and Olivet Church Road, however, much of the development has been in the form of a few single-family residences located on small acreage tracts. Furthermore, competition from new subdivisions in the Lone Oak and Concord areas is a consideration, although the suburban markets appeal to a somewhat different market.

The West End should continue to be the most marketable residential area inside the Paducah city limits in the near future, although a gradual shifting toward the suburban areas should continue. The Westwood Subdivision will eventually be developed, but there is little potential for the area to again see development at a rate consistent with that in the 1980's and 1990's. There will essentially be no vacant land remaining in the neighborhood upon completion of this development. Overall property values are likely to remain stable in the short term and should continue to increase with time.

PROPERTY IDENTIFICATION AND DATA

LEGAL DESCRIPTION

The legal description of the subject property has been provided by the client and is as follows:

BEGINNING AT A STAKE IN THE NORTH LINE OF BUCKNER LANE, SAID STAKE BEING ON THE SOUTHEAST CORNER OF A 2-1/2 ACRE TRACT CONVEYED TO JOHN G. RUSSELL, AND RUNNING THENCE ALONG WITH THE NORTH LINE OF BUCKNER LANE SOUTH 75 DEGREES 43 MINUTES EAST 100 FEET TO A STAKE; THENCE NORTH 13 DEGREES 18 MINUTES EAST 220 FEET TO A STAKE; RUNS THENCE NORTH 75 DEGREES 43 MINUTES WEST 100 FEET TO A STAKE IN RUSSELL'S EAST LINE; RUNS THENCE WITH RUSSELL'S EAST LINE SOUTH 13 DEGREES 18 MINUTES WEST 220 FEET TO THE POINT OF BEGINNING.

Being that certain tract of real property generally located at 5065 Buckner Lane in Paducah, Kentucky and consisting of approximately 0.6781 acres (approximately 29,538 square feet) as set forth on the Waiver of Subdivision for John E., Leslie A., and Joseph D. May, Jr., and recorded in Plat Section "L", Page 790, McCracken County Clerk's Office. Said certain tract of real property encompasses all of what the Waiver of Subdivison for John E., Leslie A., and Joseph D. May, Jr., of record in Plat Section "L," Page 790, indicates was previously referred to Tract I, II, and III..

These legal descriptions are recorded in Deed Book 1,019, page 130 and Deed Book 1,064, page 577. These legal descriptions are for purposes of property identification only and no warranty for its accuracy is made or implied. It appears they are inaccurate based on the survey provided.

Site Data

The subject property is an irregular shaped parcel located on Pecan Drive, which contains approximately 36,240 square feet, or 0.832± acre, based on the survey provided to the appraiser. As previously discussed, this appraisal includes two different value estimates, one for the property in its current unimpaired condition, and one that reflects the value subject to acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement, each extending along the front of the site. After this "acquisition", the subject will include approximately 36,240 square feet, or 0.83± acre, but will be subject to an easement. The estimated area subject to the permanent easement is 4,050 (R) square feet, with an estimated 4,050 (R) square feet in the temporary easement. Photographs of the subject taken by Russell M. Sloan, MAI on October 10, 2018 are included in the addenda to this report.

The subject site is an irregular shaped parcel, with the approximate shape being shown on the survey of the site included on page 23 of this report. It includes primarily recreational woodland, with the site having level to rolling topography, with the majority of the site having rolling topography, and it would require considerable site preparation and clearing prior to being suitable for development. There were no drainage problems noted and it does not appear to be in a flood hazard area, as shown on National Flood Insurance Program Map 21145C0133F, dated November 2, 2011, which is published by the Federal Emergency Management Agency (FEMA). The appraiser is not an expert in the valuation of mineral rights and is not a timber cruiser, and the determination of any significant value from either of these components would be subject to determination by an expert in the appropriate field. It is noted that there are typically no significant mineral rights in this area, however.

As noted above, the subject site is located on Pecan Drive, with Pecan Drive having been improved in the 2010's and including two lanes as well as a turn lane. It extends from Blandville Road until it enters the Strawberry Hill commercial subdivision and it is becoming an increasingly heavily traveled artery, although it is noted that the properties in the immediate area around the subject remain residential in character due to the zoning. This provides adequate access in relation to competing properties.

Electricity, natural gas, public water and sewers are all reportedly available to the site. Off-site improvements include electric streetlights, concrete curbs and gutters, as well as the asphalt paved roadway. No rail service is available to the site. Other than utility easements, no apparent adverse easements or encroachments were observed at the time of inspection prior to the acquisition. As will be more fully discussed later in this report, the property is subject to R-1, Low Density Residential zoning restrictions.

In summary, the site has reasonably good utility in relation to the surrounding properties, with no significant adverse factors noted in its current unimpaired condition other than the topography. After the acquisition, the subject site will have similar utility except that the portion of the site in the easement area will not be suitable for development. Furthermore, the area within the construction easement will have limited utility during the construction period, which is estimated to be one year.

Environmental Disclaimer

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances.

The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas, underground storage tanks (UST's), or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Improvement Data

The subject includes no improvements.

Furniture, Fixtures & Equipment (FF&E)

This appraisal reflects no value for any furniture, fixtures and equipment, or any other personal property.

FIVE YEAR TRANSACTION HISTORY

According to information available to the appraiser, there have been no sales or transactions involving the subject property during the past five years. Based on information available to the appraiser, the subject property is not currently listed for sale, and there are no current purchase contracts involving the subject.

ASSESSED VALUE AND ANNUAL TAXES

Local assessments are based on 100.0% of fair market value. The subject property, which is identified as Parcels 16-49-30, 32, 32A, 32B in the McCracken County Property Valuation Administrator's office, is currently assessed at $80,600. Based on the current assessment and the most recent tax rate of 1.130000% of assessed value, the subject's current tax burden is $910.78. In the event of a transaction involving the subject, a potential investor would project a new assessment at the sale price based on the local practice. As a result, the tax burden has no significant effect on the market value estimate.

ZONING

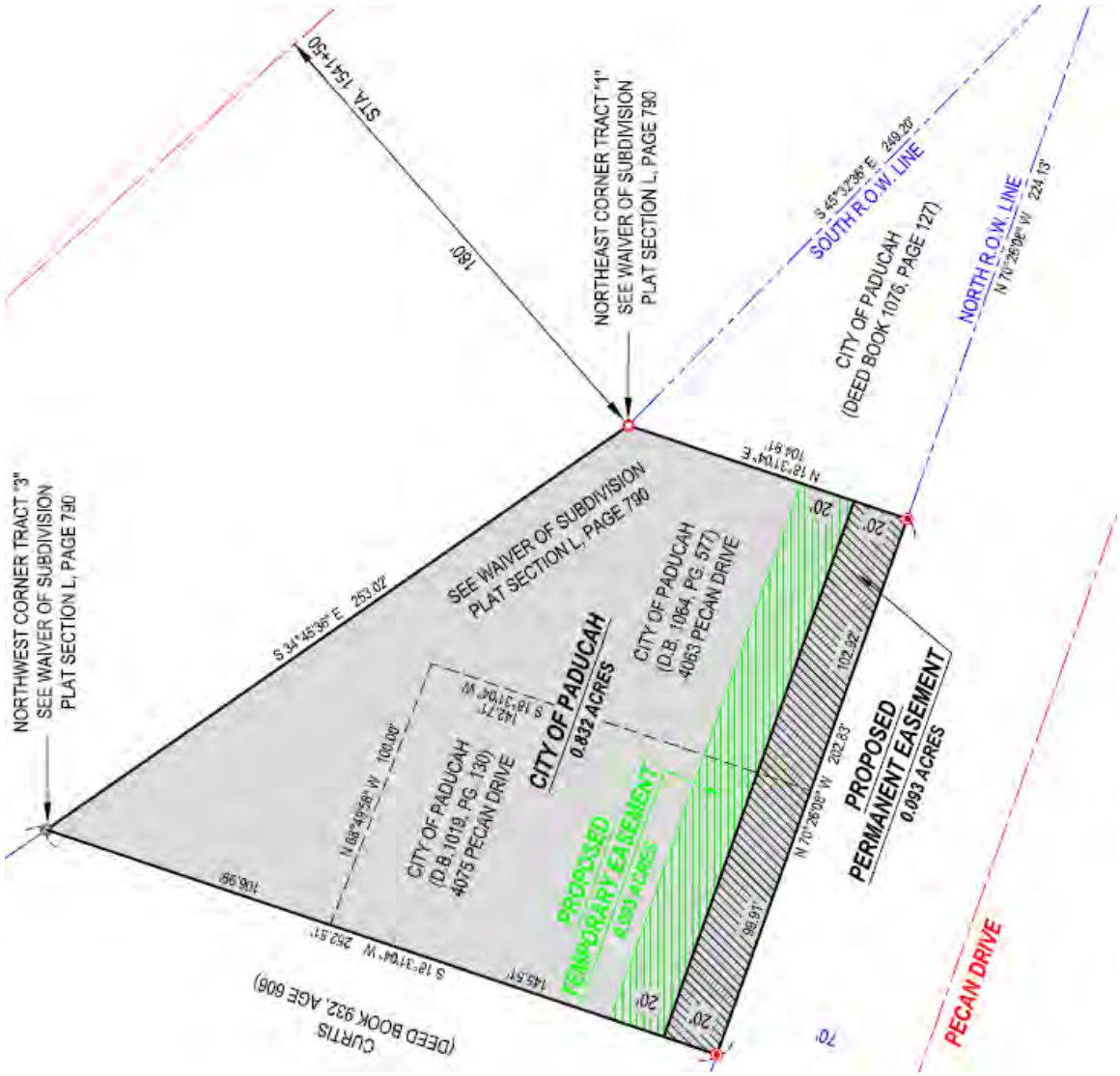
As previously discussed, the subject property is subject to R-1, Low Density Residential zoning restrictions, based on information available to the appraiser. This classification is the most restrictive zoning classification in Paducah, and is to provide for residential development of an open nature. Permitted uses include single-family dwellings, two-family dwellings and town houses with no more than two units per town house, and parks, playgrounds, and community centers which are owned by governmental agencies. Conditionally permitted uses include multi-family dwellings, day care nurseries, and home occupations.

All dwellings shall include at least 1,200 square feet of ground floor area, and the maximum building height is 35 feet. Minimum yard requirements are for 40 foot front yards, 25 foot rear yards, and 8 foot side yards. In addition, single-family uses require a 12,000 square foot minimum lot area, and a 75 foot minimum lot width, while a two-family dwelling requires a minimum lot area of 7,000 square feet per unit, and a minimum lot width of 75 feet. Minimum yard requirements for multi-family dwellings are the same, except that there is no maximum building height, and the minimum lot area is 5,000 square feet per unit, with 4,000 square feet per unit for four or more units. Day care nurseries require a minimum lot area of 100 square feet per child.

The minimum parking requirement is two spaces per unit for a single-family residence, unless it include four or more bedrooms, in which case a minimum of three spaces is required. Duplexes require two parking spaces per unit for one and two bedroom units, while three spaces per units are required if there are three or more bedrooms.

According to information available to the appraiser, the property is subject to no private restrictions, and it is assumed there are none.

SURVEY



HIGHEST AND BEST USE

Highest and best use is defined as the reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physically possibility, financial feasibility, and maximum productivity.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 109.

The highest and best use must meet the following four criteria in this analysis: (1) Legally Permissible, (2) Physically Possible, (3) Financially Feasible, and (4) Maximally Productive. Highest and best use conclusions are developed for both the site as if vacant and available for development and the property as improved. The subject property is currently unimproved and only one analysis would typically be needed. In this instance, however, two analyses are provided, with the first reflecting the value of the property in its unimpaired state, and the second reflecting the highest and best use of the property after the acquisition.

Highest and Best Use Analysis-"Before Value"

Legal Possibilities

The site is subject to R-1, Low Density Residential zoning restrictions, as previously discussed. This classification is the most restrictive zoning classification in Paducah, and is to provide for residential development of an open nature. Permitted uses include single-family dwellings, two-family dwellings and town houses with no more than two units per town house, and parks, playgrounds, and community centers which are owned by governmental agencies. According to information available to the appraiser, the property is subject to no private restrictions, and it is assumed that there are none.

Physical Possibilities

The subject site is located on Pecan Drive and has generally level to rolling topography, with the site containing approximately 0.832 acre. The site would require a significant site clearing and preparation expense, but the only other physical restrictions are upon the size of any possible development.

Financial Feasibility

The legally permitted uses may essentially be considered to be single-family residential development or multi-family residential development, with only a low density development being permitted under the current zoning classification.

The subject site is of insufficient size for a large residential subdivision, but it is of a size suitable for a smaller residential development. Construction of a single-family residential development would be consistent with many of the properties in the surrounding area. The subject is located in an area with primarily older homes, as well as several multi-family residential properties. In addition, Pecan Drive is becoming an increasingly heavily traveled residential artery. These factors would tend to diminish the appeal for single-family residential development somewhat, but development has continued to take place throughout the community. Furthermore, the subject's surrounding neighborhood has remained a viable residential location for many years. The overall residential market in Paducah has been reasonably stable, although the risk associated with the state of the overall economy and the potential for long term increases in interest rates is noted. There are no other adverse factors influencing the overall market, however. The feasibility of a single-family residential development is supported by continued demand in other similar locations throughout the community. The risk factors are noted, however.

A higher intensity use, such as a multi-family residential development, is also considered, particularly considering the proximity to other rental units. The subject is located in an area that includes several multi-family residential properties, and which has demonstrated a reasonably strong demand for rental units for many years. The overall rental market within the surrounding area had experienced only a moderate vacancy risk over the past several years, with sporadic new construction having taken place. This began to change in the mid 2010's, however, with significant new construction of residential rental units in the area, as previously discussed. It must be recognized that the development over the past several years diminishes the probability of any other significant new development in the near term, but the recent construction is likely to cause some deterioration in the market. The area around the subject has nevertheless remained a viable location for residential rental units, however. Furthermore, the subject's zoning and size would prohibit a large development. Although there has been little recent population growth to support new rental units, any new units would likely command a capture rate above the fair share due to the appeal of new developments. Recognizing these factors, a multi-family residential development would be considered feasible for the subject site, although the potential risk factors within the overall market are recognized.

Maximum Productivity

The subject has two feasible uses, but both are forms of residential development. As a result, the estimated highest and best use of the subject property, in its current unimpaired state is residential.

Ideal Improvement

Recognizing the lower degree of locational risk present with a multi-family residential development in relation to a single-family residential development, multi-family residential development is considered appropriate. Properties with multi-family residential development for a highest and best use do not typically have a single ideal improvement. The type of development is typically up to the whim of the developer. Some general guidelines should be followed. The most popular units in the local market are two bedroom units, although a mixture of one, two and three bedroom units would increase the potential market and reduce vacancies.

Highest and Best Use Analysis-"After Value"

Legal Possibilities

The site is subject to R-1, Low Density Residential zoning restrictions, as previously discussed. This classification is the most restrictive zoning classification in Paducah, and is to provide for residential development of an open nature. Permitted uses include single-family dwellings, two-family dwellings and town houses with no more than two units per town house, and parks, playgrounds, and community centers which are owned by governmental agencies. According to information available to the appraiser, the property is subject to no private restrictions, and it is assumed there are none.

Physical Possibilities

After the acquisition, the subject site is located on Pecan Drive and has generally level to rolling topography. It contains approximately 0.832 acre, and the only physical restrictions are upon the size of any possible development, other than the previously noted need for a significant site preparation expense. It is noted that the subject will be subject to an additional easement in this valuation scenario, with the easement area slightly diminishing the area suitable for development but not otherwise significantly impacting the utility of the site.

Financial Feasibility

The legally permitted uses may essentially be considered to be single-family residential development or multi-family residential development, with only a low density development being permitted under the current zoning classification.

The subject site is of insufficient size for a large residential subdivision, but it is of a size suitable for a smaller residential development. Construction of a single-family residential development would be consistent with many of the properties in the surrounding area. The subject is located in an area with primarily older homes, as well as several multi-family residential properties. In addition, Pecan Drive is becoming an increasingly heavily traveled residential artery. These factors would tend to diminish the appeal for single-family residential development somewhat, but development has continued to take place throughout the community. Furthermore, the subject's surrounding neighborhood has remained a viable residential location for many years. The overall residential market in Paducah has been reasonably stable, although the risk associated with the state of the overall economy and the potential for long term increases in interest rates is noted. There are no other adverse factors influencing the overall market, however. The feasibility of a single-family residential development is supported by continued demand in other similar locations throughout the community. The risk factors are noted, however.

A higher intensity use, such as a multi-family residential development, is also considered, particularly considering the proximity to other rental units. The subject is located in an area that includes several multi-family residential properties, and which has demonstrated a reasonably strong demand for rental units for many years. The overall rental market within the surrounding area had experienced only a moderate vacancy risk over the past several years, with sporadic new construction having taken place. This began to change in the mid 2010's, however, with significant new construction of residential rental units in the area, as previously discussed. It must be recognized that the development over the past several years diminishes the probability of any other significant new development in the near term, but the recent construction is likely to cause some deterioration in the market. The area around the subject has nevertheless remained a viable location for residential rental units, however. Furthermore, the subject's zoning and size would prohibit a large development. Although there has been little recent population growth to support new rental units, any new units would likely command a capture rate above the fair share due to the appeal of new developments. Recognizing these factors, a multi-family residential development would be considered feasible for the subject site, although the potential risk factors within the overall market are recognized.

Maximum Productivity

The subject has two feasible uses, but both are forms of residential development. As a result, the estimated highest and best use of the subject property, after reflecting the loss in utility due to the previously discussed acquisition, is residential.

Ideal Improvement

Recognizing the lower degree of locational risk present with a multi-family residential development in relation to a single-family residential development, multi-family residential development is considered appropriate. Properties with multi-family residential development for a highest and best use do not typically have a single ideal improvement. The type of development is typically up to the whim of the developer. Some general guidelines should be followed. The most popular units in the local market are two bedroom units, although a mixture of one, two and three bedroom units would increase the potential market and reduce vacancies.

COST APPROACH OMISSION

The first approach considered in this appraisal as a potential indicator of value is the cost approach. The cost approach is defined as a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 54.

The cost approach is developed by adding the depreciated cost of the improvements to the land value. The subject is a vacant site and the cost approach would therefore represent a repetition of the sales comparison approach, and it is omitted from the valuation process in this instance.

INCOME CAPITALIZATION APPROACH OMISSION

This appraisal considers the income capitalization approach as a potential indicator of value for the subject. The income capitalization approach is defined as specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 115.

There are few rentals of vacant land in the local market. As a result, little rental data was available and the appraiser was unable to locate any rentals of similar properties. A greater weakness in the approach is attributable to the thought process of the market. There are occasional rentals for this type property, but it is not typically purchased based on its rental income stream. This type property is usually purchased for owner utilization rather than based on a potential income stream. As a result, the income capitalization approach is omitted from the valuation process in this instance.

SALES COMPARISON APPROACH-"BEFORE VALUE"

The sales comparison approach is considered as a value indicator in this appraisal. It is defined as the process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

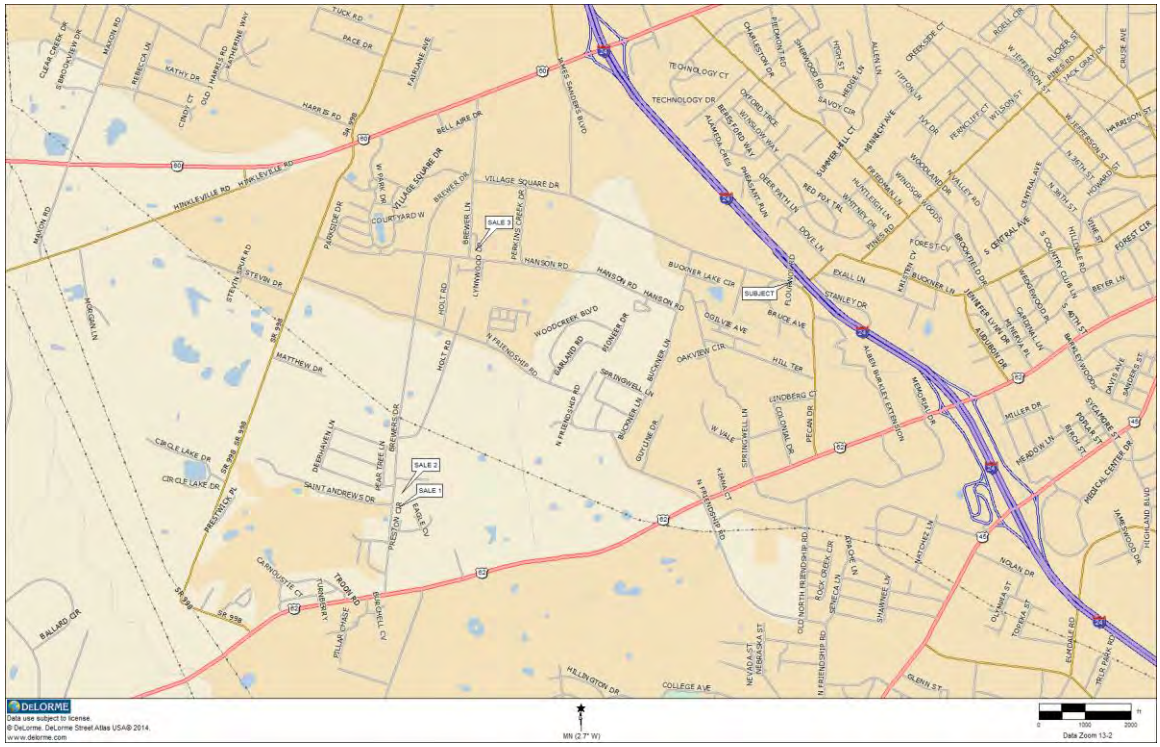
Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 207.

The appropriate units of comparison for vacant land include the price per square foot, or acre, the price per front foot, and the price per permissible unit. The most reliable value indicator for tracts of this type in the local market is the **Sale Price Per Square Foot**. This appraisal considers the following sales as indicators of value for the subject, "before the acquisition".

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	4063-4075 Pecan Drive	1760 New Holt Road	1720 New Holt Road	2536 New Holt Road
Sale Price	N/A	$450,000	$725,000	$580,359
Date of Sale	N/A	12/29/2017	11/9/2017	7/31/2014
Land Sq Ft	36,240	127,700	250,500	288,846
Price / SF of Land	N/A	$3.52	$2.89	$2.01

The relative location of the subject and the comparable sales is shown on the following map.

Land Sales Map



The first two sales are relatively recent transactions involving tracts that are located within a block of one another, which were purchased by the same party. They are each located along New Holt Road, which is an increasingly active artery providing access to the Kentucky Oaks Mall area, however they are in a residential area. This is considered to be a highly similar location in relation to the subject. These tracts are each generally level to gently rolling tracts that were open and they required no significant site improvement expense prior to being suitable for development. As a result, they each require downward adjustments in relation to the subject, which would require a significant site preparation expense prior to being suitable for development. They are each larger than the subject but the difference is not excessive and it is considered insufficient to warrant an adjustment when compared on this basis. These sales therefore are considered to have no other significant differences for which an adjustment is warranted.

Sale 3 is also located on New Holt Road, as are the first two sales, with this property being located on the periphery of the commercial developments, however it was purchased for a residential development, with this sale also needing no location adjustment. It is noted that this parcel was subject to a less restrictive zoning classification, which permitted a higher density residential development, with the tract purchased for a multi-family residential development. The sale therefore requires a downward adjustment due to differences in zoning. The tract had rolling topography, with a similar level of size preparation and clearing in relation to that of the zoning, and it requires no other adjustments.

The differences between the subject and sales are shown on the adjustment grid on the following page, and explained in more detail on the following pages, with detailed data sheets, including photos of the properties, included in the rear of this report.

ADJUSTMENT GRID

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	4063-4075 Pecan Drive	1760 New Holt Road	1720 New Holt Road	2536 New Holt Road
Sale Price	N/A	$450,000	$725,000	$580,359
Land Sq Ft	36,240	127,700	250,500	288,846
Unadjusted Price/SF	N/A	$3.52	$2.89	$2.01
Property Rights Conveyed		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Financing		Cash Equiv.	Cash Equiv.	Cash Equiv.
Adjustment		$0.00	$0.00	$0.00
Conditions of Sale		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Expenditures After Purchase		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Market Conditions (Time)	N/A	Dec-17	Nov-17	Jul-14
Adjustment		$0.00	$0.00	$0.00
Current Cash Equivalent Price/SF		$3.52	$2.89	$2.01
Location		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Topography		Superior	Superior	Similar
Adjustment		-$1.80	-$1.40	$0.00
Corner Influence/Access		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Zoning		Similar	Similar	Superior
Adjustment		$0.00	$0.00	-$0.50
Improvement Demolition		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Utilities		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Unit Size		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
FF&E		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Adjusted Price/SF		$1.72	$1.49	$1.51

ANALYSIS AND EXPLANATION OF ADJUSTMENTS

Property Rights Conveyed

The subject and the sales all represent the fee simple interest in the properties as mentioned in the discussion of property rights appraised in the introduction to this report.

Financing

Sales 1 and 3 involved cash sales or conventional financing, and they require no adjustments for financing. Sale 2 included seller financing of a portion of the sale price, however this was due to tax considerations by the seller, with the purchaser having the ability to pay cash for the property. It reportedly did no impact the purchase price and this sale also requires no adjustment due to the financing.

Conditions of Sale

All sales considered in this appraisal are considered arm's-length transactions. The properties were all exposed to the market for sufficient periods, none of the parties acted under duress and none of the sales involved condemnation proceedings.

Expenditures Made Immediately After Purchase

None of the sales required any significant expenditure by the grantee immediately after the purchase, and the sales need no adjustments for this item.

Market Conditions (Time)

The first two sales are recent transactions from late 2017, while Sale 3 is a somewhat older transaction and it potentially requires an adjustment due to changes in market conditions since the sale date. The market for properties of this type has generally been relatively stable due to the limited number of market participants. The potential adjustment is based on an analysis of the following sales.

Property	Sale Price 1	Date 1	DB/Page	Sale Price 2	Date 2	DB/Page	Change
1211 North 12th Street, Murray, KY	$285,000	6/2016	1,089/533	$305,000	8/2018	MLS#93284	3.0%
5025 Blandville Road, Paducah, KY	$650,000	6/2014	1,279/208	$480,000	5/2018	1,365/339	-7.5%
6321 Kentucky Dam Rd., Paducah, KY	$199,000	7/2013	1,259/481	$205,000	5/2018	1,366/404	0.6%
701-711 Jefferson St., Paducah, KY	$375,000	8/2015	1,306/761	$440,000	8/2018	1,372/179	5.5%
1300 West Main Street, Salem, IL	$105,000	5/2015	2015/3387	$110,000	5/2018	2018/2483	1.6%

The first sale is an older retail building located along the primary commercial artery in Murray, Kentucky, with this sale suggesting some appreciation in the market. The next sale is a vacant tract in Paducah, Kentucky that was purchased for office use but not developed, and resold for another office user, with a significant decrease between these sales. The third sale is a vacant commercial tract in Paducah, Kentucky, with this sale indicating a minimal appreciation rate. The fourth sale is an older multi-tenant office building in Paducah, Kentucky, which suggests some appreciation. The final sale is a former gas station located in Salem, Illinois that was purchased for redevelopment, with this property suggesting a minimal rate of price appreciation.

In addition to these sales, overall trends in the market are noted. Property values over the last several years have been heavily impacted by the low interest rate environment, improving the affordability of real estate and enhancing the value for most properties in relation to the income producing potential of the property. The current trend is for increases in interest rates in the debt market, but rates have thus far remained relatively low. The increases in rates do not yet appear to have had a dramatic impact on property values, but should interest rates increase significantly, it could potentially cause a decrease in property values. These sales would suggest that the overall market for properties in markets of this size in the region has experienced minor price appreciation over the last few years, but has generally remained reasonably stable. Recognizing these factors, and in the absence of any indication that increasing interest rates have had a significant negative impact on the market, the sales require no adjustments for market conditions, or time.

Location

All of the sales are taken from similar locations to that of the subject and they warrant no location adjustments.

Topography

Sale 3 was a similar wooded tract with rolling topography and this sale needs no adjustment for this factor. The other sales are level to gently rolling sites that required no significant site preparation expense, indicating the need for downward adjustments to these sales.

The adjustment is quantified based on a comparison between the following sales. They were each subject to commercial zoning restrictions and were purchased for commercial development. As a result, they have limited direct comparability to the subject, but they may be compared to one another in order to quantify this adjustment. It is noted that Sale 5 actually transferred in three deeds but the three parcels were acquired at the same time for use as a single parcel and it is considered to effectively represent a single transaction. These sales are summarized below.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
4	Coleman Crossing Circle	DB 1307 P 189	8/2015	$735,000	6.07 Ac	$8.58/SF
5	McBride Lane	DB 1333 P 409	11/2016	$1,930,000	9.99 Ac.	$4.44/SF

These are each small acreage tracts in the commercial area along the Hinkleville Road commercial strip, although they are each located at the end of secondary arteries. They are therefore considered to have consistent access and locational influences to one another. The primary difference in the properties is that Sale 4 is located outside the flood plain, while Sale 5 is in a flood hazard area and required a significant site preparation expense. In the absence of any other significant differences, the $4.14 per square foot, or 48%, difference in the unit rates is attributed to size factors. In order to avoid the appearance of a higher degree of accuracy, this rate is rounded to 50% and it is applied to the unit rates of Sales 1 and 2. This indicates the need for downward adjustments of $1.80 and $1.40 (R) per square foot to these sales.

Corner Influence/Access

Sites purchased for residential development do not typically command a premium for corner influence, if the access is otherwise comparable. In this instance, the subject and the sales all have consistent access, and no adjustments are necessary for this factor.

Zoning

The subject and the first two sales all have similar zoning restrictions and these sales need no adjustments for zoning. Sale 3 was actually subject to commercial zoning restrictions but it was purchased for a high density residential development. The potential for this higher intensity use indicates the need for a downward adjustment to this sale. The adjustment is based on a comparison between the following two sales involving a tract located within a block of the subject. It is a far larger tract than the subject and it is not utilized in the adjustment grid, but it may be used in the development of this adjustment.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
6	4201 Pecan Drive	DB 1345 P 58	5/2017	$1,000,000	18.25 Ac	$1.26/SF
7	4201 Pecan Drive	DB 1276 P 446	5/2014	$630,000	18.25 Ac	$0.79/SF

At the time of Sale 7, the property was subject to R-1 zoning, which is consistent with the zoning of the subject. The purchaser was able to obtain a zoning change to R-4 zoning, which permits high density residential use, between these two transactions. In the absence of any other significant differences, this $0.50 (R) per square foot difference in the unit rates represents the premium for the higher density residential zoning restrictions and Sale 3 is adjusted downward based on this rate.

Improvement Demolition

None of the sales required significant improvement demolition.

Utilities

The subject and the sales all have comparable utilities and no adjustments are necessary.

Unit Size

The market typically pays a premium for the initial square footage in a tract, however, the unit contribution decreases for the excess land. This is due to the smaller market for larger tracts and the limited utility of extra land. Conversely, very small parcels, which are of insufficient size for optimal development, may have lower rates. The sales are all larger than the subject, but they are of a reasonably similar size to the subject, with the size differences insufficient to warrant adjustments to the sales. The size factor is noted in the reconciliation, however.

Furniture, Fixtures, and Equipment (FF&E)

The sales require no adjustments for furniture, fixtures and equipment.

After adjustments, the sales indicate a range in values between the extremes of $0.23 per square foot, or 13.4%, a realistic range for a property of this type. As noted above, the subject is somewhat smaller than any of the sales, with the difference insufficient to warrant an adjustment, but this would potentially suggest a unit rate somewhat nearer to the upper end of the range, although the consistent rates of Sales 2 and 3 are noted. Considering all factors, the estimated value of the subject, based on the sales comparison approach, **before the acquisition**, is

36,240 Square Feet @ $1.65 Per Square Foot = $60,000 (R).

SALES COMPARISON APPROACH-"AFTER VALUE"

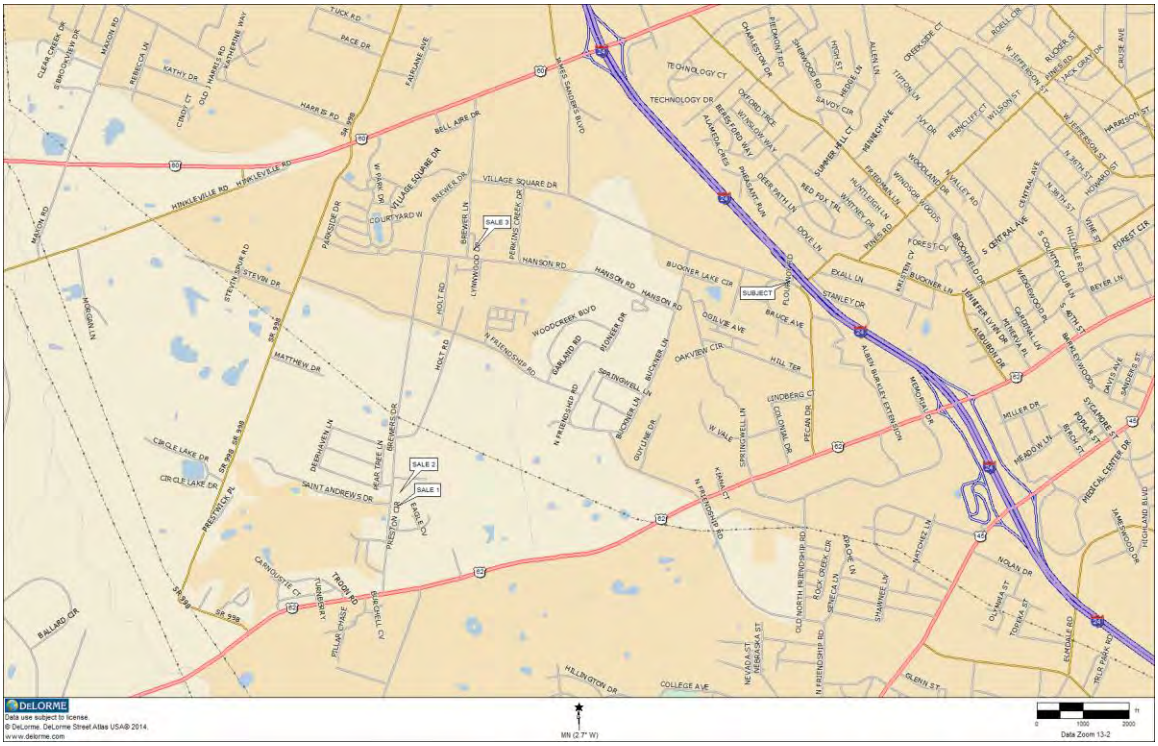
The sales comparison approach is considered as a value indicator in this appraisal. It is defined as the process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 207.

The appropriate units of comparison for vacant land include the price per square foot, or acre, the price per front foot, and the price per permissible unit. The most reliable value indicator for tracts of this type in the local market is the **Sale Price Per Square Foot**. This appraisal considers the following sales as indicators of value for the subject "after the acquisition".

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	4063-4075 Pecan Drive	1760 New Holt Road	1720 New Holt Road	2536 New Holt Road
Sale Price	N/A	$450,000	$725,000	$580,359
Date of Sale	N/A	12/29/2017	11/9/2017	7/31/2014
Land Sq Ft	36,240	127,700	250,500	288,846
Price / SF of Land	N/A	$3.52	$2.89	$2.01

The relative location of the subject and the comparable sales is shown on the following map.



The first two sales are relatively recent transactions involving tracts that are located within a block of one another, which were purchased by the same party. They are each located along New Holt Road, which is an increasingly active artery providing access to the Kentucky Oaks Mall area, however they are in a residential area. This is considered to be a highly similar location in relation to the subject. These tracts are each generally level to gently rolling tracts that were open and they required no significant site improvement expense prior to being suitable for development. As a result, they each require downward adjustments in relation to the subject, which would require a significant site preparation expense prior to being suitable for development. They are each larger than the subject but the difference is not excessive and it is considered insufficient to warrant an adjustment when compared on this basis. The only other necessary adjustment is a downward adjustment to reflect the reduced utility of the area subject to the permanent easement.

Sale 3 is also located on New Holt Road, as are the first two sales, with this property being located on the periphery of the commercial developments, however it was purchased for a residential development, with this sale also needing no location adjustment. It is noted that this parcel was subject to a less restrictive zoning classification, which permitted a higher density residential development, with the tract purchased for a multi-family residential development. The sale therefore requires a downward adjustment due to differences in zoning. The tract had rolling topography, with a similar level of size preparation and clearing in relation to that of the zoning, and it the only other necessary adjustment is a downward adjustment to reflect the reduced utility of the area subject to the permanent easement.

The differences between the subject and sales are shown on the adjustment grid on the following page, and explained in more detail on the following pages, with detailed data sheets, including photos of the properties, included in the rear of this report.

ADJUSTMENT GRID

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	4063-4075 Pecan Drive	1760 New Holt Road	1720 New Holt Road	2536 New Holt Road
Sale Price	N/A	$450,000	$725,000	$580,359
Land Sq Ft	36,240	127,700	250,500	288,846
Unadjusted Price/SF	N/A	$3.52	$2.89	$2.01
Property Rights Conveyed		Superior	Superior	Superior
Adjustment		-$0.30	-$0.25	-$0.15
Financing		Cash Equiv.	Cash Equiv.	Cash Equiv.
Adjustment		$0.00	$0.00	$0.00
Conditions of Sale		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Expenditures After Purchase		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Market Conditions (Time)	N/A	Dec-17	Nov-17	Jul-14
Adjustment		$0.00	$0.00	$0.00
Current Cash Equivalent Price/SF		$3.22	$2.64	$1.86
Location		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Topography		Superior	Superior	Similar
Adjustment		-$1.60	-$1.30	$0.00
Corner Influence/Access		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Zoning		Similar	Similar	Superior
Adjustment		$0.00	$0.00	-$0.50
Improvement Demolition		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Utilities		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Unit Size		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
FF&E		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Adjusted Price/SF		$1.62	$1.34	$1.36

ANALYSIS AND EXPLANATION OF ADJUSTMENTS

Property Rights Conveyed

The sales all represent the fee simple interest in the properties as mentioned in the discussion of property rights appraised in the introduction to this report. This appraisal also reflects a value for the fee simple interest in the subject, except that it is to be subject to a permanent easement over 4,000 (R) square feet of the site area. The sales therefore require downward adjustments to reflect the reduced contribution of this portion of the site area.

The subject's permanent easement covers 4,000 (R) square feet of the site, with this representing 7.9% of the site area. The sales were not subject to atypical easements and they all require downward adjustments to reflect the lost utility of this area. This adjustment is based on a comparison between the two sales shown on the following page.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
8	Paris Road (090-135.00)	DB 446 P 71	4/2008	$300,000	51,429 SF	$5.83/SF
9	Paris Road (106-020.01)	DB 445 P 390	3/2008	$300,000	35,720 SF	$8.40/SF

They are located in Mayfield, Kentucky and lack comparability to the subject, but they may be compared to one another in order to estimate this deduction. These tracts are located along the same artery and sold within one month of one another. They are physically comparable to one another, except that Sale 9 was unencumbered by any easements, while Sale 8 included 21,155 square feet, or 41% of the site area, which was subject to a TVA easement. Assigning the $8.40 per square foot unit rate of Sale 9 to the 30,274 square feet in Sale 8 that is unencumbered by an easement implies a contribution of $254,300 (R) to this space. This implies that the remaining $45,700 (R) of the sale price represents the contribution of the 21,155 square feet under the easement. This indicates a unit contribution of $2.16 per square foot for this space. This represents a 74% discount from the $8.40 (R) per square foot rate of the unencumbered area. This is rounded to 75% in order to avoid the appearance of a greater degree of accuracy than is actually present. Applying this ratio to the subject's 11.2% area that is encumbered by the permanent easement results in a downward adjustment of 8.5% (R) to each sale. This indicates downward adjustments of $0.30 (R), $0.25 (R), and $0.15 (R) per square foot to the sales.

Financing

Sales 1 and 3 involved cash sales or conventional financing, and they require no adjustments for financing. Sale 2 included seller financing of a portion of the sale price, however this was due to tax considerations by the seller, with the purchaser having the ability to pay cash for the property. It reportedly did no impact the purchase price and this sale also requires no adjustment due to the financing.

Conditions of Sale

All sales considered in this appraisal are considered arm's-length transactions. The properties were all exposed to the market for sufficient periods, none of the parties acted under duress and none of the sales involved condemnation proceedings.

Expenditures Made Immediately After Purchase

None of the sales required any significant expenditure by the grantee immediately after the purchase, and the sales need no adjustments for this item.

Market Conditions (Time)

The first two sales are recent transactions from late 2017, while Sale 3 is a somewhat older transaction and it potentially requires an adjustment due to changes in market conditions since the sale date. The market for properties of this type has generally been relatively stable due to the limited number of market participants. The potential adjustment is based on an analysis of the following sales.

Property	Sale Price 1	Date 1	DB/Page	Sale Price 2	Date 2	DB/Page	Change
1211 North 12th Street, Murray, KY	$285,000	6/2016	1,089/533	$305,000	8/2018	MLS#93284	3.0%
5025 Blandville Road, Paducah, KY	$650,000	6/2014	1,279/208	$480,000	5/2018	1,365/339	-7.5%
6321 Kentucky Dam Rd., Paducah, KY	$199,000	7/2013	1,259/481	$205,000	5/2018	1,366/404	0.6%
701-711 Jefferson St., Paducah, KY	$375,000	8/2015	1,306/761	$440,000	8/2018	1,372/179	5.5%
1300 West Main Street, Salem, IL	$105,000	5/2015	2015/3387	$110,000	5/2018	2018/2483	1.6%

The first sale is an older retail building located along the primary commercial artery in Murray, Kentucky, with this sale suggesting some appreciation in the market. The next sale is a vacant tract in Paducah, Kentucky that was purchased for office use but not developed, and resold for another office user, with a significant decrease between these sales. The third sale is a vacant commercial tract in Paducah, Kentucky, with this sale indicating a minimal appreciation rate.

The fourth sale is an older multi-tenant office building in Paducah, Kentucky, which suggests some appreciation. The final sale is a former gas station located in Salem, Illinois that was purchased for redevelopment, with this property suggesting a minimal rate of price appreciation.

In addition to these sales, overall trends in the market are noted. Property values over the last several years have been heavily impacted by the low interest rate environment, improving the affordability of real estate and enhancing the value for most properties in relation to the income producing potential of the property. The current trend is for increases in interest rates in the debt market, but rates have thus far remained relatively low. The increases in rates do not yet appear to have had a dramatic impact on property values, but should interest rates increase significantly, it could potentially cause a decrease in property values. These sales would suggest that the overall market for properties in markets of this size in the region has experienced minor price appreciation over the last few years, but has generally remained reasonably stable. Recognizing these factors, and in the absence of any indication that increasing interest rates have had a significant negative impact on the market, the sales require no adjustments for market conditions, or time.

Location

All of the sales are taken from similar locations to that of the subject and they warrant no location adjustments.

Topography

Sale 3 was a similar wooded tract with rolling topography and this sale needs no adjustment for this factor. The other sales are level to gently rolling sites that required no significant site preparation expense, indicating the need for downward adjustments to these sales. The adjustment is quantified based on a comparison between the following sales. They were each subject to commercial zoning restrictions and were purchased for commercial development. As a result, they have limited direct comparability to the subject, but they may be compared to one another in order to quantify this adjustment. It is noted that Sale 5 actually transferred in three deeds but the three parcels were acquired at the same time for use as a single parcel and it is considered to effectively represent a single transaction. These sales are summarized below.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
4	Coleman Crossing Circle	DB 1307 P 189	8/2015	$735,000	6.07 Ac	$8.58/SF
5	McBride Lane	DB 1333 P 409	11/2016	$1,930,000	9.99 Ac.	$4.44/SF

These are each small acreage tracts in the commercial area along the Hinkleville Road commercial strip, although they are each located at the end of secondary arteries. They are therefore considered to have consistent access and locational influences to one another. The primary difference in the properties is that Sale 4 is located outside the flood plain, while Sale 5 is in a flood hazard area and required a significant site preparation expense. In the absence of any other significant differences, the $4.14 per square foot, or 48%, difference in the unit rates is attributed to size factors. In order to avoid the appearance of a higher degree of accuracy, this rate is rounded to 50% and it is applied to the current cash equivalent unit rates of Sales 1 and 2 after adjusting for the differences in property rights conveyed. This indicates the need for downward adjustments of $1.60 and $1.30 (R) per square foot to these sales.

Corner Influence/Access

Sites purchased for residential development do not typically command a premium for corner influence, if the access is otherwise comparable. In this instance, the subject and the sales all have consistent access, and no adjustments are necessary for this factor.

Zoning

The subject and the first two sales all have similar zoning restrictions and these sales need no adjustments for zoning. Sale 3 was actually subject to commercial zoning restrictions but it was purchased for a high density residential development. The potential for this higher intensity use indicates the need for a downward adjustment to this sale. The adjustment is based on a comparison between the following two sales involving a tract located within a block of the subject. It is a far larger tract than the subject and it is not utilized in the adjustment grid, but it may be used in the development of this adjustment.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
6	4201 Pecan Drive	DB 1345 P 58	5/2017	$1,000,000	18.25 Ac	$1.26/SF
7	4201 Pecan Drive	DB 1276 P 446	5/2014	$630,000	18.25 Ac	$0.79/SF

At the time of Sale 7, the property was subject to R-1 zoning, which is consistent with the zoning of the subject. The purchaser was able to obtain a zoning change to R-4 zoning, which permits high density residential use, between these two transactions. In the absence of any other significant differences, this $0.50 (R) per square foot difference in the unit rates represents the premium for the higher density residential zoning restrictions and Sale 3 is adjusted downward based on this rate.

Improvement Demolition

None of the sales required significant improvement demolition.

Utilities

The subject and the sales all have comparable utilities and no adjustments are necessary.

Unit Size

The market typically pays a premium for the initial square footage in a tract, however, the unit contribution decreases for the excess land. This is due to the smaller market for larger tracts and the limited utility of extra land. Conversely, very small parcels, which are of insufficient size for optimal development, may have lower rates. The sales are all larger than the subject, but they are of a reasonably similar size to the subject, with the size differences insufficient to warrant adjustments to the sales. The size factor is noted in the reconciliation, however.

Furniture, Fixtures, and Equipment (FF&E)

The sales require no adjustments for furniture, fixtures and equipment.

After adjustments, the sales indicate a range in values between the extremes of $0.28 per square foot, or 17.3%. While larger than ideal, this is not an unrealistic range for a property of this type. As noted above, the subject is somewhat smaller than any of the sales, with the difference insufficient to warrant an adjustment, but this would potentially suggest a unit rate somewhat nearer to the upper end of the range. Considering all factors, the estimated value of the subject, based on the sales comparison approach, **after the acquisition**, is

36,240 Square Feet @ $1.55 Per Square Foot = $56,000 (R).

RECONCILIATION AND FINAL ESTIMATE OF VALUE AND ACQUISITION ANALYSIS

The cost approach is developed by adding the depreciated cost of the improvements to the land value. The subject is a vacant site and the cost approach would represent a repetition of the sales comparison approach, and it is omitted from the valuation process in this instance.

There are few rentals of vacant land in the local market. As a result, little rental data was available and the appraiser was unable to locate any rentals of similar properties. A greater weakness in the approach is attributable to the thought process of the market. There are occasional rentals for this type property, but it is not typically purchased based on its rental income stream. This type property is usually purchased for owner utilization rather than based on a potential income stream. As a result, the income capitalization approach is omitted from the valuation process in this instance.

The sales comparison approach is a highly reliable indicator of value for real estate in the presence of sufficient market data. It is the only reliable value indictor for the subject in this instance.

As previously discussed, this appraisal is intended to arrive at the estimated compensation due to the acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement. The analysis has been developed using a "before and after" technique, in which a value estimate is developed for the property in its "as is" condition, prior to the "acquisition", followed by the development of a value estimate for the property after the "acquisition". This previous analysis does not reflect the influence of the temporary easement, however, with 4,050 (R) square feet being encumbered. An additional deduction required for this factor, with this land having limited utility for only a short period. As a result, a reduced rate of 10% of the overall unit rate, or $0.15 (R) per square foot, is applied to this area to reflect the return to the land during the construction period. This results in an additional $600 (R) in compensation. There is considered to be no other significant impact on the property due to the acquisition other than that previously discussed. Considering all factors, it is the appraiser's opinion that the estimated compensation to the owner of the subject property due to the loss in value associated with the "acquisition" is as follows:

VALUE ESTIMATE "BEFORE ACQUISITION"	**$60,000**
VALUE ESTIMATE "AFTER ACQUISITION"	**$56,000**
COMPENSATION FOR TEMPORARY EASEMENT	**$600**
ESTIMATED COMPENSATION	**$4,600**

COMPARABLE MARKET DATA

LAND SALE NO. 1

Address:	1760 New Holt Road, Paducah, Kentucky 42001
Sale Price:	$450,000
Sale Price/SF:	$3.52/SF
Sale Price/Acre:	$153,500/Acre
Sale Date:	12-29-2017
Grantor:	Mack Williams, Administrator of the Estate of Mary Virginia Williams & Doris Ann Ray
Grantee:	EMD Properties, LLC
Data Source/Verification:	DB 1357 P 754/MLS #93137/Nancy Black, Broker
Financing:	Cash equivalent
Tax ID Number:	19-45C-10
Property Data	
Land Size:	2.93 Ac., or 127,700 SF
Zoning:	R-1, Low Density Residential
Topography:	Level
Shape:	Irregular
Access:	Adequate
In Flood Plain?:	No
Site Description:	The site is irregularly shaped, is primarily open, and includes generally level topography, and all utilities available. See Tract 2, Plat Section M, page 1,032. The property was purchased by an adjacent landowner. It had a marketing time of 168 days and sold for list price.

LAND SALE NO. 2

Address:	1720 New Holt Road, Paducah, Kentucky 42001
Sale Price:	$725,000
Sale Price/SF:	$2.89/SF
Sale Price/Acre:	$126,072/Acre
Sale Date:	11-09-2017
Grantor:	Randy & Farzin Mitchell
Grantee:	EMD Properties, LLC
Data Source/Verification:	DB 135 P 40/Nancy Black, Broker
Financing:	The seller financed $575,000 at market rates.
Tax ID Number:	19-45C-8A
Property Data	
Land Size:	5.75 Ac., or 250,500 SF
Zoning:	R-1, Low Density Residential
Topography:	Level
Shape:	Irregular
Access:	Adequate
In Flood Plain?:	No
Site Description:	The site is irregularly shaped, is primarily open, and includes generally level topography, and all utilities available. A 50' access easement extends along the northern property line but was not used. The property was purchased by an adjacent landowner. It had a marketing time of 616 days, with an original list price of $850,000 and a list price of $825,000 at the time of sale.

LAND SALE NO. 3

Address:	2536 New Holt Road, Paducah, Kentucky 42001
Sale Price:	$580,359
Sale Price/SF:	$2.01/SF
Sale Price/Acre:	$87,522/Acre
Sale Price/Unit:	$8,061
Sale Date:	07-31-2014
Grantor:	Jayne Brown
Grantee:	M & M Real Estate, LLC
Data Source/Verification:	DB 1282 P 737/Grantee
Financing:	Cash equivalent
Tax ID Number:	19-46-8
Property Data	
Land Size:	6.63 Ac., or 288,846 SF
Zoning:	C, Commercial
Topography:	Rolling
Shape:	Irregular
Access:	Adequate, corner
In Flood Plain?:	No 211450129F
Site Description:	The property is wooded and has rolling topography. It includes a 2.631 acre site and a 4.000 acre site. The parties had originally agreed to sell 4.00 acres for $350,000 ($87,500/Acre), but the purchaser required a larger site area, with the additional parcel added and the price increased based on the additional site area. The 2.62 acre portion of the property at the corner had been listed for sale for $425,000 for 1,150+/- days, while the remaining 4.00 acres was listed for sale for $550,000 for 1,040+/- days prior to the sale. Purchased for construction of 64 unit apartment complex, with size increased to 72 units after construction began, while the southern portion of the site was to be used for long term commercial development.

PHOTOGRAPHS OF SUBJECT

PHOTOGRAPHS OF SUBJECT

SUBJECT SITE (Photo Taken October 10, 2018)

SUBJECT SITE (Photo Taken October 10, 2018)

PHOTOGRAPHS OF SUBJECT

SUBJECT SITE (Photo Taken October 10, 2018)

SUBJECT SITE (Photo Taken October 10, 2018)

PHOTOGRAPHS OF SUBJECT

PECAN DRIVE, FACING EAST (Photo Taken October 10, 2018)

PECAN DRIVE, FACING WEST (Photo Taken October 10, 2018)

ADDENDA

Commonwealth of Kentucky

Kentucky Real Estate Appraisers Board

2018 - 19

Hereby grants a *Certified General Real Property Appraiser*

To Russell Sloan
Sloan Appraisal & Realty Services
2218 Kentucky Avenue
Paducah, KY 42003

License № 335

who has complied with the provisions of Chapter 324A of the Kentucky Revised Statutes IN WITNESS WHEREOF, we have caused the official seal to be fixed and attested for the year shown above.

John G. Kenkel, Jr., Chair
Russ C. Lohan, Vice Chair
Terry L. Bunnell
Neil Tong
M. Alan Hensley

This certificate expires 6/30/2019

ORDER OF PAYMENT

Date_____

Upon route acquisition, approval of the agreement associated herewith by Management, and approval of title to same, Atmos Energy Corporation, will make payment as indicated herein by check within 30 days of receipt. No default shall be declared for failure to make payment until 30 days after receipt of written notice from payee of intention to declare such default.

PAY TO: **City of Paducah** __ph# 270-444-8511

ADDRESS: 300 South 5th St., P.O. Box 2267, Paducah, KY. 42002-2267

THE AMOUNT OF:

Two Thousand Five Hundred Twenty ----------& NO/100----------($2,520.00)

NOTICE: a completed W-9 must be submitted for payment

STATE OF:___Kentucky_____ COUNTY OF __McCracken_____

PROJECT:_ HCA-06__ ROW NUMBER_____

This payment is for: ROW dated _____

Which covers property described as follows: Said right-of-way and easement being a portion of Grantor's Property identified as PVA Parcel number 087-30-12-005, described in Deed dated August 29, 2003 recorded in Deed Book 1019, Page 130, in the McCracken County Kentucky Clerk's Office

Completed by: Ed Smith_____
Land Agent for Atmos Energy Corporation

Landowner's signature(s)_____
City of Paducah

_____

APPROVED BY:_____
_____ Atmos Energy Corp.

PREPARED BY: Atmos Energy Corporation
3510 Coleman Rd., Paducah, KY. 42001

GRANT OF PUBLIC UTILITY EASEMENT

STATE OF KENTUCKY §
§ **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF MCCRACKEN §

THAT, the **City of Paducah, a Municipal Corporation**, whose legal address is P.O. Box 2267 Paducah, Kentucky 42002-2267, hereinafter called GRANTOR (whether one or more), for and in consideration of the sum of Ten and NO/100 ($10.00) DOLLARS, and other good and valuable consideration in hand paid by **Atmos Energy Corporation, a Texas and Virginia corporation**, whose address is P.O. Box 650205 Dallas, Texas 75265-0205, hereinafter called Grantee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell and convey, unto the said Grantee, its successors and assigns, a perpetual Public Utility Easement in, across, under, over and through the following described property in McCracken County, State of Kentucky (hereinafter the "Property"), and described as follows, to wit:

Said right-of-way and Public Utility Easement being a portion of Grantor's Property identified as PVA Parcel number 087-30-12-005, described in Deed dated May 3rd, 2005, recorded in Deed Book 1064, Page 570, in the McCracken County Kentucky Clerk's Office, as depicted in Exhibit "A" attached hereto.

Public Utility Easement

Twenty feet (20') wide free and unobstructed **non-exclusive** easement for the purpose of laying, constructing, operating, maintaining, inspecting, repairing, changing the size of, relocating and changing the route or routes of, abandoning in place and removing at will, in whole or in part, a pipeline, and all other facilities, equipment and other appurtenances thereto, including the replacement of such pipeline all within the Property, necessary or convenient to Grantee in the use of said pipeline. Grantee agrees to supply Grantor, and any successor, assigns or tenants of Grantor, with natural gas, whether from the proposed distribution pipeline, or elsewhere, to the property described herein, in accordance with Grantee's Tariff on file with the Kentucky Public Service Commission.

Along with the right to use an additional Twenty (20') feet of Grantor's adjacent land and additional land as reasonably necessary at road and creek crossings for construction purposes, This additional right will terminate upon completion of the initial construction.

_____
Initials

TO HAVE AND TO HOLD the above described rights and easements, together with any other rights necessary to operate and maintain the Pipeline over and across the above described property unto the said Grantee, its successors and assigns.

Grantor shall have the right to fully use and enjoy the surface of the easement area except for the purposes herein granted provided that such use and enjoyment shall not, in the sole judgment of Grantee, hinder, conflict or interfere with the exercise of the Grantee's rights hereunder. No permanent building, house, well, reservoir, structure or obstruction shall be constructed upon, under or across the easements or rights-of-way herein granted without the Grantee's written consent. Further, Grantor shall not fence the easement area or change the grade of the easement area or excavate within the easement area without the written permission of Grantee. Grantor further agrees not to change the grade, remove dirt from the surface of the easement or impound water over the easement without prior approval of Grantee. Grantee shall have the right to install at its expense, permanent gates in any existing fence to permit ingress and egress along the easement herein granted. Grantee agrees to pay for damages to growing crops and other property of Grantor, or any tenant or lessee of Grantor, as their respective interests may appear, arising out of the construction, operation, repair, inspection, maintenance or replacement of the Pipeline and/or Facilities maintained hereunder unless caused by the negligence of Grantor or of Grantor's agents, employees, representatives or assigns. Grantee agrees to hold Grantor harmless from all damages, injuries or claims by third parties resulting from the construction, operation or maintenance of any pipeline(s), facilities and/or appurtenances thereto constructed by Grantee under this easement.

The Grantee shall bury the Pipeline, if applicable, to a depth not less than that required by applicable law or regulation. All construction, maintenance and repairs which shall be made to the Pipeline shall be done at times suitable to Grantee and, if possible, at such times as will least interfere with the agricultural use of the Property. Grantee shall have the full right, at its sole option, to clear, and keep clear, the right-of-way and easement herein granted, of all timber, trees, undergrowth and other obstructions which might interfere with the construction, operation, inspection, repairing or maintenance of the Pipeline, or endanger same. Grantee shall have the right to select the exact location of said Pipeline(s) and any future Pipeline(s) within said easement, and to do whatever may be requisite for the use and enjoyment of the rights herein granted. Grantee agrees to restore the Property to as close to the original condition as is reasonable.

Grantor represents that Grantor is the owner in fee simple of the land above described, free and clear of any unstated liens, encumbrances or imperfections, and warrants the title to the Property, subject to outstanding mortgages, if any, now on record in said County.

Grantor shall retain all oil, gas and other mineral rights in, on and under the right of way and easement granted herein.

This Public Utility Easement shall run with the Property and inure to the benefit of, and be binding upon, the successors in interest of Grantor, in and to the property. Grantee shall have the right to assign this easement in whole or in part to one or more assignees.

Grantee acknowledges that this grant of Public Utility Easement from Grantor is a nonexclusive grant, and Grantee further acknowledges and consents to the conveyance by Grantor of access easements to others, over, under and through the Public Utility Easement herein granted, so long as such other easements do not interfere with Grantee's purposes and uses of the Easement.

This contract is binding upon any subsequent owner or owners of said land, and it is hereby expressly understood that the parties securing this grant on behalf of Grantee are without authority to make any covenant or agreement not herein expressed.

_____
Initials

WITNESS THE EXECUTION HEREOF this ____ day of _____, A.D., 2019.

GRANTOR: **City of Paducah**

_____ _____

By: **Title:**

ACKNOWLEDGMENT
STATE OF _____ §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, A.D., 2019, by _____
Being duly authorized to transact businesses for the City of Paducah.

WITNESS MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC _____

Printed name: _____

My Commission Expires: _____ Notary Identification No.: _____

Prepared by:_____
Printed name: Ryne White, Agent
Address: 3510 Coleman Rd., Paducah, KY. 42001

_____
Initials

ORDER OF PAYMENT

Date_____

Upon route acquisition, approval of the agreement associated herewith by Management, and approval of title to same, Atmos Energy Corporation, will make payment as indicated herein by check within 30 days of receipt. No default shall be declared for failure to make payment until 30 days after receipt of written notice from payee of intention to declare such default.

PAY TO: **City of Paducah** __ph# 270-444-8511

ADDRESS: 300 South 5th St., P.O. Box 2267, Paducah, KY. 42002-2267

THE AMOUNT OF:

Three Thousand Eighty----------& NO/100----------($3,080.00)

NOTICE: a completed W-9 must be submitted for payment

STATE OF:___Kentucky_____ COUNTY OF __McCracken_____

PROJECT:_ HCA-06__ ROW NUMBER_____

This payment is for: ROW dated _____

Which covers property described as follows: Said right-of-way and easement being a portion of Grantor's Property identified as PVA Parcel number 087-30-12-006, described in Deed dated May 3rd, 2005, recorded in Deed Book 1064, Page 570, in the McCracken County Kentucky Clerk's Office

Completed by: Ed Smith_____
Land Agent for Atmos Energy Corporation

Landowner's signature(s)_____
City of Paducah

_____

APPROVED BY:_____
_____ Atmos Energy Corp.

PREPARED BY: Atmos Energy Corporation
3510 Coleman Rd., Paducah, KY. 42001

GRANT OF PUBLIC UTILITY EASEMENT

STATE OF KENTUCKY §
§ **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF MCCRACKEN §

THAT, the **City of Paducah, a Municipal Corporation**, whose legal address is P.O. Box 2267 Paducah, Kentucky 42002-2267, hereinafter called GRANTOR (whether one or more), for and in consideration of the sum of Ten and NO/100 ($10.00) DOLLARS, and other good and valuable consideration in hand paid by **Atmos Energy Corporation, a Texas and Virginia corporation**, whose address is P.O. Box 650205 Dallas, Texas 75265-0205, hereinafter called Grantee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell and convey, unto the said Grantee, its successors and assigns, a perpetual Public Utility Easement in, across, under, over and through the following described property in McCracken County, State of Kentucky (hereinafter the "Property"), and described as follows, to wit:

Said right-of-way and Public Utility Easement being a portion of Grantor's Property identified as PVA Parcel number 087-30-12-006, described in Deed dated September 28th, 2005, recorded in Deed Book 1076, Page 127, in the McCracken County Kentucky Clerk's Office, as depicted in Exhibit "A" attached hereto.

Public Utility Easement

Twenty feet (20') wide free and unobstructed **non-exclusive** easement for the purpose of laying, constructing, operating, maintaining, inspecting, repairing, changing the size of, relocating and changing the route or routes of, abandoning in place and removing at will, in whole or in part, a pipeline, and all other facilities, equipment and other appurtenances thereto, including the replacement of such pipeline all within the Property, necessary or convenient to Grantee in the use of said pipeline. Grantee agrees to supply Grantor, and any successor, assigns or tenants of Grantor, with natural gas, whether from the proposed distribution pipeline, or elsewhere, to the property described herein, in accordance with Grantee's Tariff on file with the Kentucky Public Service Commission.

Along with the right to use an additional Twenty (20') feet of Grantor's adjacent land and additional land as reasonably necessary at road and creek crossings for construction purposes, This additional right will terminate upon completion of the initial construction.

_____
Initials

TO HAVE AND TO HOLD the above described rights and easements, together with any other rights necessary to operate and maintain the Pipeline over and across the above described property unto the said Grantee, its successors and assigns.

Grantor shall have the right to fully use and enjoy the surface of the easement area except for the purposes herein granted provided that such use and enjoyment shall not, in the sole judgment of Grantee, hinder, conflict or interfere with the exercise of the Grantee's rights hereunder. No permanent building, house, well, reservoir, structure or obstruction shall be constructed upon, under or across the easements or rights-of-way herein granted without the Grantee's written consent. Further, Grantor shall not fence the easement area or change the grade of the easement area or excavate within the easement area without the written permission of Grantee. Grantor further agrees not to change the grade, remove dirt from the surface of the easement or impound water over the easement without prior approval of Grantee. Grantee shall have the right to install at its expense, permanent gates in any existing fence to permit ingress and egress along the easement herein granted. Grantee agrees to pay for damages to growing crops and other property of Grantor, or any tenant or lessee of Grantor, as their respective interests may appear, arising out of the construction, operation, repair, inspection, maintenance or replacement of the Pipeline and/or Facilities maintained hereunder unless caused by the negligence of Grantor or of Grantor's agents, employees, representatives or assigns. Grantee agrees to hold Grantor harmless from all damages, injuries or claims by third parties resulting from the construction, operation or maintenance of any pipeline(s), facilities and/or appurtenances thereto constructed by Grantee under this easement.

The Grantee shall bury the Pipeline, if applicable, to a depth not less than that required by applicable law or regulation. All construction, maintenance and repairs which shall be made to the Pipeline shall be done at times suitable to Grantee and, if possible, at such times as will least interfere with the agricultural use of the Property. Grantee shall have the full right, at its sole option, to clear, and keep clear, the right-of-way and easement herein granted, of all timber, trees, undergrowth and other obstructions which might interfere with the construction, operation, inspection, repairing or maintenance of the Pipeline, or endanger same. Grantee shall have the right to select the exact location of said Pipeline(s) and any future Pipeline(s) within said easement, and to do whatever may be requisite for the use and enjoyment of the rights herein granted. Grantee agrees to restore the Property to as close to the original condition as is reasonable.

Grantor represents that Grantor is the owner in fee simple of the land above described, free and clear of any unstated liens, encumbrances or imperfections, and warrants the title to the Property, subject to outstanding mortgages, if any, now on record in said County.

Grantor shall retain all oil, gas and other mineral rights in, on and under the right of way and easement granted herein.

This Public Utility Easement shall run with the Property and inure to the benefit of, and be binding upon, the successors in interest of Grantor, in and to the property. Grantee shall have the right to assign this easement in whole or in part to one or more assignees.

Grantee acknowledges that this grant of Public Utility Easement from Grantor is a nonexclusive grant, and Grantee further acknowledges and consents to the conveyance by Grantor of access easements to others, over, under and through the Public Utility Easement herein granted, so long as such other easements do not interfere with Grantee's purposes and uses of the Easement.

This contract is binding upon any subsequent owner or owners of said land, and it is hereby expressly understood that the parties securing this grant on behalf of Grantee are without authority to make any covenant or agreement not herein expressed.

_____
Initials

WITNESS THE EXECUTION HEREOF this _____ day of _____, A.D., 2019.

GRANTOR: **City of Paducah**

_____ _____

By: **Title:**

ACKNOWLEDGMENT
STATE OF _____ §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, A.D., 2019, by _____
Being duly authorized to transact businesses for the City of Paducah.

WITNESS MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC _____

Printed name: _____

My Commission Expires: _____ Notary Identification No.: _____

Prepared by:_____
Printed name: Ryne White, Agent
Address: 3510 Coleman Rd., Paducah, KY. 42001

_____
Initials

APPRAISAL OF 2.98± ACRE TRACT
OWNED BY
OWNED BY THE
CITY OF PADUCAH, KENTUCKY,
LOCATED AT
4161 PECAN DRIVE,
PADUCAH, KENTUCKY 42001

Effective Date of Appraisal

October 10, 2018

Prepared By

Russell M. Sloan, MAI

Sloan Appraisal & Realty Services

2218 Kentucky Avenue
Paducah, Kentucky 42003

For Atmos Energy

Sloan Appraisal & Realty Services
2218 KENTUCKY AVENUE
PADUCAH, KENTUCKY 42003
TELEPHONE (270) 442-6379

RUSSELL M. SLOAN, MAI,
Member, Appraisal Institute

JOE L. SLOAN, MAI
1945 - 2007
JOSEPH E. SLOAN, IFA, FOUNDER
1920 - 2000

October 22, 2018

Atmos Energy
3275 Highland Pointe Drive
Owensboro, Kentucky 42303

Re: Appraisal of 2.98± acre tract owned by the City of Paducah, Kentucky, located at 4161 Pecan Drive, Paducah, Kentucky 42001

Gentlemen:

In accordance with your request, I have made an appraisal of the above property for the purpose of estimating the loss in market value of the fee simple interest in the property due to the acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement, as of October 10, 2018, with the property inspected by the appraiser on October 10, 2018. This loss in value is developed based on the "before and after" technique. This technique will be more fully discussed within the Scope of Work section, on page six of this report. The data, analyses, opinions and conclusions are included in this self-contained appraisal report. Market value is defined in the body of this report.

As a result of the analysis and the appraisal, it is my opinion that the market value of the property in its current unimpaired condition, as of October 10, 2018, was **$200,000.**

As a result of the analysis and the appraisal, it is my opinion that the market value of the property subject to the acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement, as of October 10, 2018, was **$189,000.**

The difference in these value indications, in conjunction with **$1,000** in compensation due to the presence of a temporary easement, results in indicated compensation, as of October 10, 2018, of **$12,000.**

To the best of my knowledge and belief, no matters or information that is pertinent has been intentionally overlooked or withheld. I have no interest, either present or contemplated in the property, and employment and compensation for the making of this appraisal are in no way contingent upon the value reported. No responsibility is assumed for matters that are legal in nature nor has any opinion on title or survey been rendered by me. Liens, encumbrances and encroachments, if any, have been disregarded and the property appraised as though free of debt and with good and marketable title.

Respectfully submitted,

Russell M. Sloan, MAI
Kentucky State Certified General Real Estate Appraiser, #00335, Illinois State Certified General Real Estate Appraiser, #553001372, Missouri State Certified General Real Estate Appraiser, #RA002466, Tennessee State Certified General Real Estate Appraiser, #CG-1246, Indiana State Certified General Real Estate Appraiser, #CG40200146

RMS:pc
Enclosures

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CERTIFICATION

The undersigned does hereby certify that, to the best of my knowledge and belief and except as otherwise noted in this report:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or the parties involved with the assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. The employment of the appraiser was not conditioned upon the appraisal producing a specific value or within a given value range.

7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

8. This appraisal was made and the appraisal report prepared in conformity with the requirements of the Uniform Appraisal Standards for Federal Land Acquisitions. This appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice (USPAP), except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions.

9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

10. No one provided significant real property appraisal assistance to the person signing this report, except as otherwise explicitly noted in this report.

11. I have made a personal inspection of the appraised property which is the subject of this report and all comparable sales used in developing the estimate of value. The date of inspection was October 10, 2018, with the appraiser having physically inspected the property on this date.

12. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

13. As of the date of this report, I, Russell M. Sloan, have completed the requirements under the continuing education program of the Appraisal Institute.

As a result of my investigation and after careful consideration of the facts contained within this report, it is my unbiased opinion that the values, as well as the estimated compensation to the owner of the subject property, under financing conditions generally available in the local market and equivalent to cash, as of October 10, 2018, which is the effective date of this appraisal, are

VALUE ESTIMATE "BEFORE ACQUISITION"	**$200,000**
VALUE ESTIMATE "AFTER ACQUISITION"	**$189,000**
COMPENSATION FOR TEMPORARY EASEMENT	**$1,000**
ESTIMATED COMPENSATION	**$12,000**

Date: October 22, 2018 Appraiser:

Kentucky State Certified General Real Estate Appraiser, #00335, Illinois State Certified General Real Estate Appraiser, #553001372, Missouri State Certified General Real Estate Appraiser, #RA002466, Tennessee State Certified General Real Estate Appraiser, #CG-1246, Indiana State Certified General Real Estate Appraiser, #CG40200146

STATEMENT OF QUALIFICATIONS OF APPRAISER: RUSSELL M. SLOAN, MAI

EDUCATION
MBA, Murray State University
BS In Business Administration, Murray State University

SPECIALIZED EDUCATION
American Institute of Real Estate Appraisers Course 1A-1, Atlanta, GA
American Institute of Real Estate Appraisers Exam 1A-2, Norman, OK
American Institute of Real Estate Appraisers Course 1B-A, Chapel Hill, NC
American Institute of Real Estate Appraisers Course 1B-B, Bloomington, IN
American Institute of Real Estate Appraisers Course 2-1, Nashville, TN
American Institute of Real Estate Appraisers Course 2-2, Nashville, TN
American Institute of Real Estate Appraisers Course 2-3, Gatlinburg, TN
Valuation of Conservation Easements, Appraisal Institute, Nashville, TN
MAP Appraisals and Marketability Studies, HUD, Louisville, KY
Numerous seminars through the Appraisal Institute

PROFESSIONAL AFFILIATIONS, LICENSES, & CERTIFICATIONS
MAI, Member Appraisal Institute, Kentucky State Certified General Real Estate Appraiser, Certificate #000335, Illinois State Certified General Real Estate Appraiser, License #553001372, Missouri State Certified General Real Estate Appraiser, Certificate #RA002466, Tennessee State Certified General Real Estate Appraiser, Certificate #CG-1246, Certified Fee Appraiser, Indiana State Certified General Real Estate Appraiser, License #CG40200146, Real Estate Broker, Kentucky Real Estate Commission, Member: Paducah Board of Realtors, Kentucky Association of Realtors & National Association of Realtors. President of My Old Kentucky Home Chapter of the Appraisal Institute, 1999. Member of Kentucky Real Estate Appraisers Board, 2003-2007, Chairman, 2006-2007.

APPRAISAL EXPERIENCE
Thousands of appraisals of single-family & multi-family residential, commercial, industrial, agricultural, waterfront, and special purpose properties in Kentucky, Tennessee, Missouri, Illinois, Indiana and Ohio.

APPRAISALS FOR CLIENTS INCLUDING:

Regions Bank
U.S. Bank
Paducah Bank & Trust Company
Old National Bank, Indianapolis, IN
Fifth Third Bank
JP Morgan Chase Bank, NA
Branch Banking & Trust Company
Banterra Bank
Peoples National Bank
Independence Bank
FNB Bank, Mayfield, KY
PNC Bank, N.A.
PGP Valuation
BSB Bank & Trust Company, Binghamton, NY
First Tennessee Bank, Nashville, TN
Commerce Bank, Charleston, West Virginia
TriStar Bank, Dickson, TN
Community Financial Services Bank, Benton, KY
First Kentucky Bank, Mayfield, KY
Gallatin County State Bank, Ridgway, IL
First National Bank of Harrisburg, IL
Farmer's Bank of Princeton, Princeton, KY
National State Bank of Metropolis, Metropolis, IL
Citizens State Bank, Bardwell, KY
Farmers Bank of Marion, Marion, KY
First National Bank of Clinton, Clinton, KY
First State Community Bank, Sikeston, MO
Southwest Bank of St. Louis, St. Louis, MO
PBI Bank, Bowling Green, KY
BMO Harris Bank
Jackson Purchase Agricultural Credit Association
Paducah Federal Credit Union
Murray State University
McCracken County Board of Education
Marshall County Board of Education
United States General Services Administration
Commonwealth of Kentucky
United States Department of the Interior
Kentucky Housing Corporation
United States Department of Housing & Urban Development
FDIC
Paducah-McCracken County Riverport Authority
McCracken County Fiscal Court
City of Paducah, Kentucky
City of Fulton, Kentucky
City of Hickman, Kentucky
Purchase Area Development District
Ballard County Economic & Industrial Development Board
USDA Rural Development
GE Capital Realty Group, Inc.
RER Solutions, Inc.
Colliers International
Phillips Development, Little Rock, AR
Wabuck Development
Plotkin & Company, Chicago, IL
American Commercial Barge Lines
Marquette Transportation, Inc.
Southern Pacific Real Estate
Vulcan Materials Company
Baptist Hospitals, Inc.
Livingston Hospital & Health Services, Inc.
Lourdes Hospital
Paxton Media Group, Inc.
The Nature Conservancy
Farris, McIntosh & Tremper, Inc.
Kemper CPA Group, LLC
Whitlow, Roberts, Houston, & Straub, attys.
McMurry & Livingston, attys.
James A. Harris, atty.
Denton & Keuler, attys.

COURT EXPERIENCE
Testimony as expert witness in various Circuit Courts

TEACHING EXPERIENCE
Instructor, Real Estate Appraisal, Paducah Community College, Fall, 1998

SUMMARY OF SALIENT DATA AND CONCLUSIONS

Address of Subject: 4161 Pecan Drive, Paducah, Kentucky 42001

Effective Date of Appraisal: October 10, 2018

Purpose of Appraisal: Estimate Appropriate Compensation

Function of Appraisal: Estimate Compensation for Use in Decision Making Regarding an Offer to the Property Owner by the Client

Financing Premise: Generally Available Local Terms Equivalent to Cash

Property Owner(s): City of Paducah, Kentucky

Property Rights Appraised: Fee Simple

Tax Assessment: $75,000

Zoning: R-1, Low Density Residential

Highest and Best Use of Site-“Before Value: Residential Development

Highest and Best Use of Site-“After Value”: Residential Development

Highest and Best Use of Property As Improved: Not Developed-Vacant Land, See Discussion

Furniture, Fixtures and Equipment (FF&E): $0

Cost Approach: Not Developed-Vacant Land, See Discussion

Income Capitalization Approach: Not Developed-Vacant Land, See Discussion

Sales Comparison Approach-“Before Value”: $200,000

Sales Comparison Approach-“After Value”: $189,000

Compensation for Temporary Easement: $1,000

Estimated Total Compensation: $12,000

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. The Appraiser assumes no responsibility for the legal description or matters of a legal nature affecting the property appraised or the title thereto, nor does he render any opinion as to the title, which is assumed to be good and marketable.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. Information, estimates and opinions furnished to the Appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
5. The sketch in this report is included to assist the reader in visualizing the property, and the Appraiser assumes no responsibility for their accuracy. The Appraiser has made no survey of the property. It is assumed that the utilization of the land & improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise noted.
6. The distribution of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations between land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
7. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures, code violations, or the presence of subsidence, asbestos, UFFI, Radon gas, underground storage tanks, or toxic materials which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering that might be required to discover such factors.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. The Appraiser is not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have previously been made thereof.
11. Disclosure by the Appraiser of the contents of this appraisal report is subject to review in accordance with the bylaws and regulations of the Appraisal Institute and Appraisal Foundation.
12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
13. The physical elements of the property were viewed to determine their impact on value in the decision-making processes of the market. This viewing should not be construed as a structural inspection. Such an inspection is outside the area of expertise of the appraiser and beyond the scope of this appraisal. The appraiser is not an expert in the field of building inspection and/or engineering. Except as otherwise noted in this report, the value estimate is predicated on the assumption that there are no structural defects in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering or architectural knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

SCOPE OF THE APPRAISAL AND COMPETENCY OF THE APPRAISER

This appraisal has been prepared in order to determine the appropriate compensation due to the acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement, for the client, Atmos Energy, which is the intended user, with this being the intended use of this appraisal. The physical characteristics of the property, both in its current condition and after this change referred to as the "acquisition" in the balance of this report, will be more fully discussed and described later in this report. The technique for arriving at this compensation is the use of a "before and after" analysis, in which a value estimate is developed for the property in its current unimpaired condition, and a value estimate is developed for the property after the acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement. The difference in these values represents the compensation due to the property owner. Each of these analyses reflects the market value of the property, as defined on page seven of this report. This appraisal is developed subject to no other extraordinary assumptions or hypothetical conditions other than those relating to the change in the property associated with the acquisition. It is noted that the assignment results are potentially impacted by all extraordinary assumptions and hypothetical conditions included in this appraisal.

The analysis in this appraisal includes the development of the appraiser's opinion of the highest and best use of the property. This appraisal is developed based on three approaches to value: the cost approach, the sales comparison approach, and the income capitalization approach. The use of all three approaches is pertinent in the solution of most appraisal problems; with their application being well established in appraisal technique and held to be part of the fundamental procedure. All approaches have been considered, although it is inappropriate to develop the cost and income capitalization approaches in this instance due to the lack of applicability. The sales comparison approach, as well as the exclusion of these other two approaches, will be explained more fully later in this report.

The data, analyses, opinions and conclusions, including all pertinent data, are included in this self-contained appraisal report. The analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation, as well as the Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP). *It is noted that this appraisal has not been prepared under the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), as per the request of the clien*t.

The appraiser physically inspected the subject property on October 10, 2018. The physical attributes of the property included in this appraisal are based on this inspection as well as information obtained from any drawings provided by the client, the legal description, any survey information available, and information obtained from tax records. The condition of the overall subject property is assumed to be consistent with the portion of the property inspected as of the date of value, subject to the results of any more detailed inspection of the property.

The appraiser is not an engineer or surveyor, and is not an expert in the field of building inspection and/or engineering. An expert in the field of engineering/seismic hazards detection should be consulted if an analysis of seismic safety and seismic structural integrity is desired. This appraisal does not constitute an expert inspection of the property and it should not be relied upon to disclose the condition of the property. It is assumed that there are not any hidden or unapparent conditions of the property. This appraisal is therefore subject to the discovery of any more accurate information with respect to the physical property. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.

During the preparation of the appraisal, the appraiser researched the market for comparable market data.

The appraiser has collected and confirmed data in the local market through research of public records found in the McCracken County Courthouse and Paducah City Hall, as well as conversations with related parties and investors in the marketplace. In addition, the appraiser has investigated several nearby counties, as appropriate, for additional market data. Details of the individual transactions were verified by buyers, sellers, brokers, agents, bankers, appraisers, recording documents, multiple listing services, assessor's records, and/or other sources believed to be reliable as shown on the data sheets included in this report.

The appraiser has experience in the valuation of this type property as well as being familiar with the subject's market area. The qualifications of the appraiser, which demonstrate the competency of the appraiser, are included in the statement of qualifications, on page four of this report. The appraiser has disclosed, within this report, any additional steps that were necessary or appropriate to comply with the competency provision of the USPAP.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to provide an unbiased opinion of the estimated compensation due to the property owner due to the previously described "acquisition", for the client, Atmos Energy, which is the intended user.

FUNCTION AND INTENDED USE OF THE APPRAISAL

The function of the appraisal, and its intended use, is for use by the client, Atmos Energy, which is the intended user, to determine the appropriate offer to the property owner for the estimated compensation due to the previously described "acquisition". Neither all or any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI designation. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, the client shall make such party aware of all of the assumptions, limiting conditions, and additional language of the assignment.

PROPERTY INTEREST APPRAISED

This appraisal reflects a value for the fee simple interest in the subject property, except that the value estimated after the acquisition reflects the value subject to an additional utility easement.

A fee simple estate is absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 90.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;

2. Both parties are well informed, or well advised, and acting in what they consider their own best interests;

3. A reasonable time is allowed for exposure in the open market;

4. Payment is made in cash, in U.S. dollars, or in terms of financial arrangements comparable thereto; and

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

[12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992, 59 *Federal Register* 29499, June 7, 1994]

FINANCING PREMISE

This market value estimate is based on a premise of financing terms generally available in the community equivalent to cash. This concept recognizes that a seller receives all cash, but also recognizes that a typical purchaser's funds are derived from both equity and mortgages. The current mortgage market is based on a range of rates and terms typical in the market.

REASONABLE MARKETING TIME AND REASONABLE EXPOSURE TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement of Appraisal Standers No. 6 "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 140.

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Uniform Standards of Professional Appraisal Practice 2018-2019 ed. (The Appraisal Foundation, 2017), 4.

Estimating these two time periods requires analysis of data from the variety of sources. Sales, offerings, options, and transactions involving properties having similar marketability characteristics are considered. Information from multiple listing services, Realtors, lenders, owners and investors and the PricewaterhouseCoopers Real Estate Investor Survey has been considered. All data is considered in relation to current national, regional and local economic and development trends. Recognizing the current state of the local market, the marketing period and the exposure time for the subject are identical in this instance. Considering these factors, both the estimated marketing time and the estimated exposure time for the subject are up to one year.

EFFECTIVE DATE OF THE APPRAISAL

The effective date of the appraisal is October 10, 2018, with the property inspected by the appraiser on October 10, 2018. The date of the report is October 22, 2018.

OWNERSHIP DATA

The subject property is currently owned by the City of Paducah, Kentucky.

PADUCAH-MCCRACKEN COUNTY COMMUNITY ANALYSIS

The subject is located in the Paducah, Kentucky market, in McCracken County. The subject's location in relation to the overall community is shown on the following map, with the community being more fully discussed on the following pages.

Community Map

Population: According to the 2010 Census, the city of Paducah had a population of 25,024, which represented a 4.9% decrease from the 26,307 population in 2000, which represented a 3.5% decrease from the results of the 1990 Census. McCracken County had a 2010 population of 65,565, which was almost identical to the 2000 population of 65,514, which represented a 4.2% increase from the results of the 1990 Census. This continues a longer-term trend, with the city of Paducah having a decrease in population of 7.0% between the 1980 and the 1990 Census, while McCracken County had a 2.6% increase in population between the 1980 and the 1990 Census. The drop in the population of Paducah reflects an exodus of residents from the city to the county, which offers comparable amenities with a lower tax rate. Despite attempts by the city leaders to halt the population shift, the trend does not appear to be reversing. The City of Paducah has an area of 20.0 square miles, which indicates a population density of 1,251 persons per square mile, while McCracken County has an area of 268.1 square miles, with a population density of 245 persons per square mile.

Governmental & Financial Sectors: There is a Mayor and City Commissioner government in the city of Paducah, with a Judge Executive and County Commissioner government in McCracken County, with Paducah being the County Seat. There are six banks in the community, although only one is locally owned, with one being a branch of an Illinois bank, one being a branch of a Mayfield, Kentucky bank, and four being owned by larger institutions. The last significant change in the governmental sector was the implementation of a zoning ordinance for the portions of McCracken County outside the Paducah city limits in 2001. While all existing uses were permitted, this permits more orderly growth patterns in the county. It is noted that there was a proposal for merger of the city and county governments in 2012, but it was defeated by a significant margin.

Transportation Sector: Arterial highways include U.S. Highways 45, 60, 62, 68 and I-24. The area is served by bus lines, three railroads, and Barkley Regional Airport, which has commercial service to Chicago. There are several river transport and barge lines and service operations, with Paducah benefiting from being the Northern terminus of the Tennessee-Tombigbee Waterway, and being at the confluence of the Ohio and Tennessee Rivers. This has resulted in the river industry being one of the primary employers in Paducah for many years. In 2016, the Paducah-McCracken County Riverport Authority was designated as a foreign-trade zone, which could enhance the influence of the river industry.

Educational Sector: The community has dual city and county public school systems and private religious schools. The McCracken County school system had historically included three school districts, but they were combined into a single countywide high school in 2013. Other institutions include West Kentucky Community and Technical College, a two-year college. There is also an engineering program associated with the University of Kentucky, which began in 1997, located on the campus. Murray State University, which is in the nearby Murray community, opened a satellite campus in Paducah in 2014. In addition, Paducah Public Library serves the community.

Churches & Cultural Activities: The area includes over 100 churches in 20 denominations. Cultural attractions include the Market House Theater, Paducah Symphony, Paducah Art Guild Gallery, and City-County Arts Council, as well as the Luther Carson Performing Arts Center, which was developed in downtown Paducah in 2004. There are three country clubs and numerous civic, fraternal and social organizations that serve the community.

Recreational Sector: There are 450 acres of parks, including Noble Park. Kentucky Lake and Lake Barkley recreational complexes are approximately 25 miles away. There is a twelve-screen theater complex that was constructed in 2002, replacing an older complex, and a one-screen theater, which opened in the downtown in 2001. There is an auto racetrack, a drag strip, and a horse racing track, as well as four golf courses, one of which is a public course, an indoor tennis center that was constructed in 2004, and another sports complex featuring basketball, volleyball, and soccer, which opened in 2008. Player's International Riverboat Casino, now owned by Caesar's, opened in Metropolis, Illinois, which is immediately across the Ohio River from Paducah, in 1993. Illinois allows riverboat gambling, but Kentucky does not. The proximity of the riverboat has resulted in tourist traffic in Paducah, as well as Metropolis.

Medical Sector: Paducah is a regional medical center with approximately 200 physicians, and 50± dentists. Baptist Health Paducah includes 373 beds, while Mercy Health, which was known as Lourdes Hospital until 2018, has 359 beds. There are crippled children's and mental health clinics, as well as four extended care nursing homes, one of which relocated to a new facility in 2014, and five other elderly housing facilities, with a new assisted living facility opening in 2015, with 42 units in the initial phase. A medical office park containing several offices was developed along Lone Oak Road in the early 1990's. The park includes a 145,000± square foot, four-story multi-tenant office building, including a privately owned outpatient surgery center, which is now owned by Mercy Health, as well as several smaller buildings.

The supply of medical office space was further increased by the development of an adjacent office complex by Baptist Health Hospital. The Baptist Health Hospital has expanded over many years.

This included major expansions including considerable rental office space, with expansions in 1997, 1999, and 2003, with 204,000 (R) square feet of rental office space now in this structure. Furthermore, a 79,000 (R) square foot heart center addition was completed in 2007, with a 44,000 (R) square foot cancer center opening in 2017. Mercy Health Hospital had a 133,000 (R) square foot addition, including medical office space, in 2004. The shifting of the medical sector in the 2000's did not have a significant negative effect on the demand for freestanding medical office buildings in the community. The overall strength of Paducah's medical community and the expansion of the hospitals should continue to provide a strong level of demand from this sector.

Industrial Sector: While manufacturing has not historically been a primary base for the Paducah market, a varied manufacturing base has historically included chemical and nuclear products, railroad locomotives, food and kindred products, lumber, furniture, apparel, textiles, printing and publishing, rubber, minerals, primary metals, machinery, metal products, and marine equipment. The local industrial market had remained generally stable for many years until 2013, when USEC announced that it would cease operation of the Paducah Gaseous Diffusion Plant (PGDP), with the facility having been turned over to the U.S. Department of Energy in October 2014. It had originally been announced in 2004 that production would be replaced by a new facility in Ohio in 2010, but there were several delays prior to the official announcement of the closing. The facility is located on 3,556± acres in northwest McCracken County, with this facility having been one of McCracken County's primary employers since the 1950's, with 1,100± employees at the time of the announcement.

The facility should continue to have an impact on the area for the next several years, with many years of site cleanup. It is noted that there were lawsuits and press reports regarding the possible contamination of workers, and possibly surrounding properties, throughout much of the 2000's, but this did not have a dramatic effect on the market. The long term impact of the closing of the plant could potentially be devastating to the community due to the sheer number of employees as well as the relative level of pay, but it now appears that the initial impact has been somewhat lessened by the cleanup by the Department of Energy, with a peak of approximately 1,500 people, and stabilized employment of 1,300± onsite for the cleanup and monitoring operations. It appears that the cleanup will take several years and the eventual long term impact cannot be projected due to the presence of considerable employment in the cleanup, as well as the interest in other firms of utilizing some or all of the facility for related uses. In 2013, there was an announcement that GE Hitachi's GLE division was granted the right to negotiate with the Department of Energy to use the facility to re-enrich depleted uranium. This project appears to be progressing, but it does not appear that construction of this facility will occur in the near term.

Most of the other industrial employers in the community are smaller facilities, but they appear to have a stable future. The area has an abundant supply of industrial properties but vacancies have remained moderate. While Paducah has not traditionally been an industrial center, some new construction occurred in the 2000's in the community, with some new construction continuing into the 2010's. The local development authority developed a 192± acre industrial park on Olivet Church Road in the early 2000's. A 56,000 square foot "spec building" was constructed in late 2001 and it was occupied as a distribution warehouse for Coca Cola in 2005. In addition a 100,000± square foot manufacturing plant and distribution center was built in the park for Infiniti Media in 2004, with eventual employment of 100 people proposed, but it did not achieve the employment levels promised and it closed in 2013. In 2014, Genova Products occupied this building, with employment of approximately 125 people.

H. T. Hackney constructed a 150,000 square foot distribution warehouse in the park in 2011, to replace an older, smaller facility. In 2013, Whitehall Industries announced that it would occupy a portion of the former Tyler Mountain Water plant, which had closed in 2009, with projected employment of 150. This plan was terminated due to environmental issues, however, with the company building a new building in this park in 2014 instead. The building was occupied by E Z Portable Buildings in 2014, however, with eventual employment of 90 projected. A FedEx distribution facility was developed in 2008, on John Puryear Highway, off I-24.

In 2007, a 213 acre industrial park was opened, with this park including frontage along the Ohio River. It is now marketed as the Ohio River Triple Rail Megasite, with up to 2,126 acres available, although much of this land has not actually been acquired. In 2013, development of a coal transfer terminal began along the Ohio River after approval of this project was denied on three separate occasions in the late 2000's through 2011 due to considerable local opposition. Other than the USEC closing, the most recent negative events in the industrial sector were US Foods closing its distribution center, which had 250± employees, in 2012, and AmerisourceBergen closing its facility, which had 90± employees, in 2017. The US Foods facility was acquired by Darling Ingredients in 2015, but it has a minimal number of employees. It was announced in 2018 that the AmerisourceBergen facility would be occupied by GenCanna Global USA, Inc. for use as a hemp derived product manufacturing facility.

Other than these, there have been no significant industrial developments in Paducah for several years. The community has ongoing activity involving smaller industrial facilities, however. The industrial market has historically demonstrated reasonably stable demand for these relatively small properties, despite the limited activity involving larger facilities. The nationwide recession that extended from 2007 through 2009 did not have a dramatic impact on the local industrial market due to the limited number of major industrial employers. Conversely, the relatively weak recovery throughout most of the 2010's has not resulted in any significant improvement in the industrial sector. The relatively limited strength of the national economy diminishes the probability of any major new employers in the community in the near term.

Retail Sector: The commercial core of the Paducah market is at the interchange of I-24 and U.S. Highway 60, around the Kentucky Oaks Mall complex. Kentucky Oaks Mall is a regional mall containing 1,025,000± square feet, which is located at the I-24/U.S. Highway 60 interchange, and which opened in 1982. Retail development was very active around the Kentucky Oaks Mall throughout most of the 2000's before slowing in the late 2000's, but has continued at a moderate pace in the 2010's. Larger stores in the area include a 190,000± square foot Wal-Mart Super Center developed in 1992, a 120,000± square foot Lowe's store, which opened in 1995, a Home Depot containing 115,000± square feet, which was constructed in 2002, and a 134,326± square foot Sam's Club store built in 2004.

A mixed-use development, West Park Village, began in 1993 at the corner of Olivet Church Road and Highway 60. This development includes retail, office and residential uses, with sporadic development continuing. The land in the rear of the Kentucky Oaks Mall was developed with a mixed-use retail project, the Oaks II, in 1996. There were only three parcels developed for several years, but the opening of the Sam's Club in the subdivision in 2004 resulted in increased interest. A 17,000 square foot shopping center was developed in 2006, with a 66,725± square foot shopping center built in 2008 in this subdivision. The former Strawberry Hill farm, behind the Wal-Mart, is continuing to be developed with a mixed-use commercial subdivision, with development beginning in 1999. Retail developments in Strawberry Hill include a 27,000± square foot strip center and a 10,000± square foot strip center that were built in 2001, as well as a 12,600± square foot center built in 2006. A 29,750± square foot center was developed in the subdivision in 2007, with other smaller properties as well. More recently, a new 17,000 square foot strip center was constructed in the subdivision in 2015.

A 128,500± square foot shopping center, Paducah Specialty Center, was built on U.S. Highway 60 and James Sanders Blvd., in 1999. A 165,538 square foot shopping center anchored by an 80,408 square foot Kohl's was developed at the corner of Highway 60 and Olivet Church Road in 2005. The previously discussed 17,000 square foot center, the 12,600± square foot center, and a 7,000± square foot dual-tenant building, were constructed in 2006. The previously discussed 29,750± square foot shopping center was developed in 2007, with a 66,725± square foot shopping center developed in 2008. A new strip center was built at the corner of Hinkleville Road, West Park Drive, and Olivet Church Road in 2014, with the building expanded in 2016 and including 16,000± square feet. Development of a 50+ acre multi-tenant project began on Highway 60, immediately west of Olivet Church Road in 2016, with the anchor to be a Menard's.

Vacancies increased somewhat in the late 2000's due to the state of the overall economy. This resulted in the closing of the Paducah stores of several national retailers in 2008, but it stabilized in the early 2010's. Otherwise, the most significant adverse factor influencing this area is attributable to traffic problems. The widening of U.S. Highway 60 and the Holt Road relocation resulted in a small improvement in the access to the area, as did improvements to Olivet Church Road.

The opening of the Kentucky Oaks Mall, in 1982, devastated the downtown retail market as most tenants moved to the mall and surrounding area. The downtown retail market never fully recovered, and will likely never return to its former state. There were some positive developments during the 2000's, with some conversion to office space and the renovation for several lower intensity retail uses. In addition to the downtown, the Southside retail area was adversely affected by the opening of the mall, but it experienced a recovery during the 2000's. The former Paducah Mall was razed and a 190,000± square foot Wal-Mart Super Center was constructed on the site in 1996 as part of a 316,110± square foot shopping center known as Paducah Towne Center. This improved the outlook for the Southside somewhat, but it did not significantly change the overall state of the neighborhood. The sporadic construction of smaller developments is continuing in the area, however. Another static commercial location for years has been Cairo Road, with no major developments for many years until Rural King opened a new store east of the I-24 interchange in 2014. Despite this, there is nothing to suggest any significant change in the commercial sector along this artery.

There has also been some recent commercial development in the Lone Oak area, although it has been on a smaller scale. This area includes two commercial subdivisions, the Magnolia Village Commercial Subdivision, which was opened around 1990, and Brian Centre, a mixed-use commercial and residential development that opened in 1996. The frontage lots in both projects were developed quickly, but construction has been slower within the subdivisions. Commercial developed increased in the Lone Oak area in the mid 2000's, with a 12,000± square foot, multi-tenant office building built in 2006, while a 14,000± square foot office/retail building, and a 15,000± square foot retail center were constructed along the Lone Oak Road commercial corridor in 2007, with a 13,700± square foot center located immediately off Lone Oak Road having been built in 2012. Other suburban retail areas have remained stable without excessive vacancies. The nationwide recession that extended from 2007 through June 2009 resulted in increased vacancy rates, particularly in the mall area, which has more national tenants. This sector stabilized in the early 2010's, with vacancies having remained moderate. Recognizing the state of the location economy, as well as national retail trends, some new development is possible within the overall retail sector, but at a more moderate pace in the foreseeable future.

Office Sector: The local office market continued to experience construction of new office space in the suburban areas of Lone Oak and along Highway 60, near the mall, throughout most of the 2000's and into the 2010's. In addition, there is ongoing renovation of older buildings in the downtown area, although the rate of renovation in the 2010's has been somewhat slower than that during much of the 2000's. Much of the development of office space in the 2000's was attributed to the construction of new medical office space by the hospitals, as previously discussed. The last significant project in the downtown area was the conversion of 70,000 (R) square feet of retail space for office usage in 2004, with the occupancy of this structure having improved the downtown office sector somewhat. More recently, TeleTech Holdings, Inc. occupied the building formerly utilized by Regions Bank in 2015, with 150± employees in this building. The other most recent new office developments have been along Highway 45, and along Highways 62 and 60 to the west.

Significant new office construction in the late 2000's included a 15,000± square foot Paducah Bank Financial Center and a multi-tenant building anchored by the Social Security Administration, which were each developed in Strawberry Hill in 2008. Construction of offices continued in the subdivision in the 2010's, including two single-tenant medical offices completed in 2011, with a 22,700± square foot, multi-tenant building built in 2012 and a 9,300± square foot multi-tenant office building completed in 2013.

The largest recent office development was the construction of a 41,400± square foot orthopedic facility on U.S. Highway 62 in 2012, with a 26,300± square foot building completed off Highway 45 in 2016 for use by another medical practice. The only other significant development in the office market in the 2000's was the 22,000± square foot Ulrich Medical Concepts building, which was built in 2005 in the Paducah Commerce Park, formerly known as the Information Age Park. Most of the larger projects have been built for owner occupancy, but some smaller properties have also been built on a speculative basis. Some smaller multi-tenant offices were constructed in the early 2010's, with most having relatively slow rates of absorption.

The Paducah Commerce Park, formerly known as the Information Age Park, located between U.S. Highways 62 and 60, was developed in 1992 in conjunction with South Central Bell. The park was designed for development of office space to be utilized by information processing tenants rather than the traditional industrial clients. The construction of support buildings was completed, but only eight tenants have located in the park since the opening. Three of these were essentially expansions by local companies, although the LYNX Company constructed a new office building in the park in 1999, and the Ulrich Medical Concepts building was completed in 2005. New offices for Marquette Transportation and Pepsi were constructed in 2007, as was the completion of a former spec office building by A & K Construction. The most recent developments included the relocation of Superior Care nursing home into the park, and the construction of a new office for TeleTech Holdings, Inc., each in 2014, with System Solutions constructing a 10,000± square foot office in the park in 2015. Although the absorption rate of the park has been well below initial expectations and projections, the park should continue to have a positive effect on the area economy.

Due to the new construction, particularly within the medical sector, vacancy rates are higher than desirable in some secondary locations within the community, though much lower than in most larger cities. The primary vacancy risks have typically been in the new construction and in older, poorly located properties. This was demonstrated by the 2007 closing of the Katterjohn Building, an old multi-tenant office building that had previously been converted to office space from its original use as a hospital. It was closed due to the inability to maintain rental rates and occupancy rates sufficient to warrant its continued operation. In addition, the former Professional Arts buildings, another multi-story, multi-tenant, office building, was acquired by Baptist Health, with this building being removed from the private sector in 2014. These closings actually benefitted the balance of the office sector by removing low cost competitors from the market. The well-located, modern facilities are not experiencing excessive vacancies, with vacancy rates remaining moderate for the existing units. The vacancy risk must still be recognized throughout the market.

Lodging Sector: The Paducah market includes approximately 28 motels and hotels with over 2,300± rooms. Most facilities contain less than 100 rooms and were constructed five to thirty years ago. There are fewer than ten facilities with over 100 rooms. The Executive Inn, with 434 rooms and a convention center, was the largest hotel in Paducah since its original construction in the early 1980's until the hotel closed in 2008 and razed by the city. It was effectively replaced by a 123 room Holiday Inn, which opened in 2017. Otherwise, the local market includes two distinct segments, with the most recent developments located at the I-24/U.S. Highway 60 interchange, near the Kentucky Oaks Mall, and at the I-24/Highway 305 interchange. Most of the facilities in other areas are older facilities developed prior to the opening of the mall.

The Paducah lodging market experienced considerable development in the 1990's, but development then slowed until the late 2000's. This included a 100 room Marriott Courtyard which opened in 1997, a 144 room Drury Suites and a 60 room Quality Inn, reflagged from a Comfort Suites in 2015, both of which opened in 1996, as well as a 118 unit Drury Inn and a 77 unit Auburn Place, which was constructed as a Holiday Inn Express in 1995 but reflagged in 2013, all at the U.S. 60/I-24 interchange. The Highway 305/I-24 interchange also experienced new development, including a 66 room Ramada Suites, which opened in 1997, an 80 room Baymont Inn built in 1996, and a 42 unit Super 8 motel built in 1995, with some of these having since been reflagged. In addition, a 50 room Best Western opened in 1998 at the I-24/Husbands Road interchange.

There was no other construction in this sector as these units were absorbed until the construction of a 60 room Country Inn at the I-24 interchange with Highway 60 in 2003. A 108 room Hampton Inn and a 74 room Residence Inn were constructed in 2007, with an 85 room Candlewood Suites built in 2008, an 82 room Fairfield Inn & Suites opening in 2011, an 85 room Holiday Inn Express opening in 2013, a 77 room La Quinta Inn opening in 2014, and a 97 room Homewood Suites opening in 2017. An older Thrifty Inn was razed in 2018 and is to be redeveloped with a new facility and an 80 room Comfort Suites is also proposed at the interchange.

After considerable construction in the late 1990's, the Paducah lodging sector had remained stable for several years, until the new development in the late 2000's and early 2010's. The nationwide economic weakness in the late 2000's, resulted in a moderation in the historically high occupancy rates of the existing facilities at the interchanges. This was somewhat offset by the removal of the Executive Inn from the supply, however. Some improvement has continued in the market in the mid 2010's, but any further significant new development in the near term could have adverse effects on the market.

Residential Sector: The local residential market was relatively active in the suburban areas and the "West End" of Paducah throughout most of the 2000's before moderating somewhat in the late 2000's and early 2010's. The rest of the city has experienced stable or decreasing property values for several years, as residents move to the suburbs, which offer similar amenities with lower taxes. Development of new residential subdivisions had been relatively active during most of the 2000's, with the most active developments near the West End and in the Lone Oak suburb, as well as smaller new developments in the Concord and Reidland suburban areas. The market was strengthened by low interest rates throughout most of the 2000's, and the local housing market remained reasonably strong, although it slowed somewhat in the late 2000's due to the nationwide recession that extended from 2007 until June 2009. The recovery of the national economy has since been relatively weak, resulting in only moderate improvement in the residential sector during most of the 2010's.

There was considerable development in the Lone Oak and Concord areas throughout most of the 2000's, with development on a smaller scale in Reidland and the rural areas of Heath. While most residential development has been in the suburban areas, there was some infill development in the older, but active, West End area of Paducah. The former Westwood Country Club was closed in 2006 for redevelopment into a residential subdivision. In addition, a new subdivision was proposed on Buckner Lane at I-24, with these representing the last sizable tracts in the West End area. The Westwood development experienced financial difficulties before new ownership in 2010, while the Buckner Lane project was cancelled due to local opposition. This area has nevertheless remains a viable residential area over time, despite the trend of the population relocating to the suburbs. There were some smaller projects but there had been no major developments in the community in the 2010's until the announcement that The Paddock at The Oaks Subdivision would open in 2019 in the Lone Oak area.

Interest rates have remained relatively low, helping offset the weak recovery in the national economy, with decreases in rates in 2011 and 2012. While the long term trend is for increases, interest rates are projected to remain relatively low in the foreseeable future. The Paducah market has not typically experienced the wide swings in residential property values of many larger markets. The potential for deterioration in the residential sector due to the closing of the Paducah Gaseous Diffusion Plant and the loss of numerous high paying jobs, has not been a significant issue due to the employment for the cleanup but the final impact of the plant closing cannot yet be determined. In addition to the impact of the USEC closing, the risk associated with the state of the national economy, as well as any long term increases in interest rates are noted. As a result, there is little potential for any dramatic improvement in the single-family residential sector in the near term. This sector is likely to remain reasonably stable, with the risk of deterioration noted.

Multi-family Residential Sector: Vacancy rates have historically remained moderate for modern, well-located apartments, although the rental rates remained relatively flat. There was new development in the apartment market during the mid 2000's, with this including several smaller properties containing 30 units or less, many of which were in the Lone Oak area. This new development resulted in some moderation in the occupancy rates, but occupancy levels remained relatively strong throughout the 2000's and into the early 2010's.

New units added in the late 2000's included a 42 unit rent restricted complex was developed in the Concord area in 2008, with a 76 unit market rent complex developed in 2008-2009 and a 51 market rent complex developed in 2009-2010, each in the Lone Oak area. In addition, a 40 unit expansion of the Quail Run apartment complex, which was originally developed in the mid 1980's, was completed in 2006. New construction within the Paducah residential rental market has historically occurred at a moderate rate, which allowed the new units to be absorbed with no significant increases in overall market vacancy rates. There was significant new construction during the mid 2010's, however.

The first project is a complex located off Hinkleville Road at County Park Road, which began in 2012. It is to include 192 units upon completion of the final units in 2018. Another project is a 96 unit complex behind the mall, with this project beginning in 2015 and completed in 2017. In addition, a 24 unit property was developed on Olivet Church Road in 2014-2015. There are also 27 units that were constructed in 2015 near the intersection of Blandville Road and North Friendship Road. Another project is a 72 unit complex that was completed in 2017 on Stanley Road, with this property including land for additional expansion. A 72 unit complex is currently being developed on Hansen Road, beginning in 2015, with completion in 2018. Finally, a 240 unit complex has been developed in the Strawberry Hill subdivision, with construction having begun in 2015 and been completed in 2017.

This is a total of over 700 units either under construction or completed between 2014 and 2018, with this representing an increase of over 30% in the supply of apartment units in the community. The rate of development within this sector has historically included a moderate number of new units, and the sector had remained reasonably strong. This increase in the number of units is likely to result in increased vacancies, however and it is doubtful that the market can support any additional significant increase in the supply of units or in rental rates in the near term.

Developments & Trends: Positive trends in the commercial sector throughout the 2000's included considerable commercial development near Kentucky Oaks Mall and some new construction along Lone Oak Road. Some new construction is possible, but at a more moderate rate, particularly until the impact of the Paducah Gaseous Diffusion Plant closing has been fully absorbed. No significant growth is projected in the other areas, except for sporadic development. The industrial sector has historically been relatively stable with the periodic construction of the small industrial buildings continuing. There have been no major new industrial facilities developed in over 30 years, with none projected in the near term, although the new industrial park has improved the outlook for this sector slightly. The long term future of the USEC plant will likely impact the industrial sector to some degree, although it has historically had limited impact on the balance of the industrial market. The Paducah Commerce Park should continue to be an asset to the local economy in the long term, despite its slow absorption. The office sector benefitted from the announcement that TeleTech Holdings, Inc. would occupy an underutilized building in the CBD in 2015, as well as constructing the new building in the Paducah Commerce Park in 2014, with a total of 550 employees. This sector should otherwise remain stable, despite the vacancy risk associated with the renovation to the older buildings and the new construction in the 2000's and has continued into the 2010's. A vacancy rate risk is present in this market, particularly for larger users, but it is not excessive for the overall office market.

Interest rates remained relatively low throughout the early 2010's, with rates decreasing in 2011 and 2012 due to continuing economic weakness from the recession in the late 2000's. While the long term trend is for increases, interest rates remain relatively low in the near term.

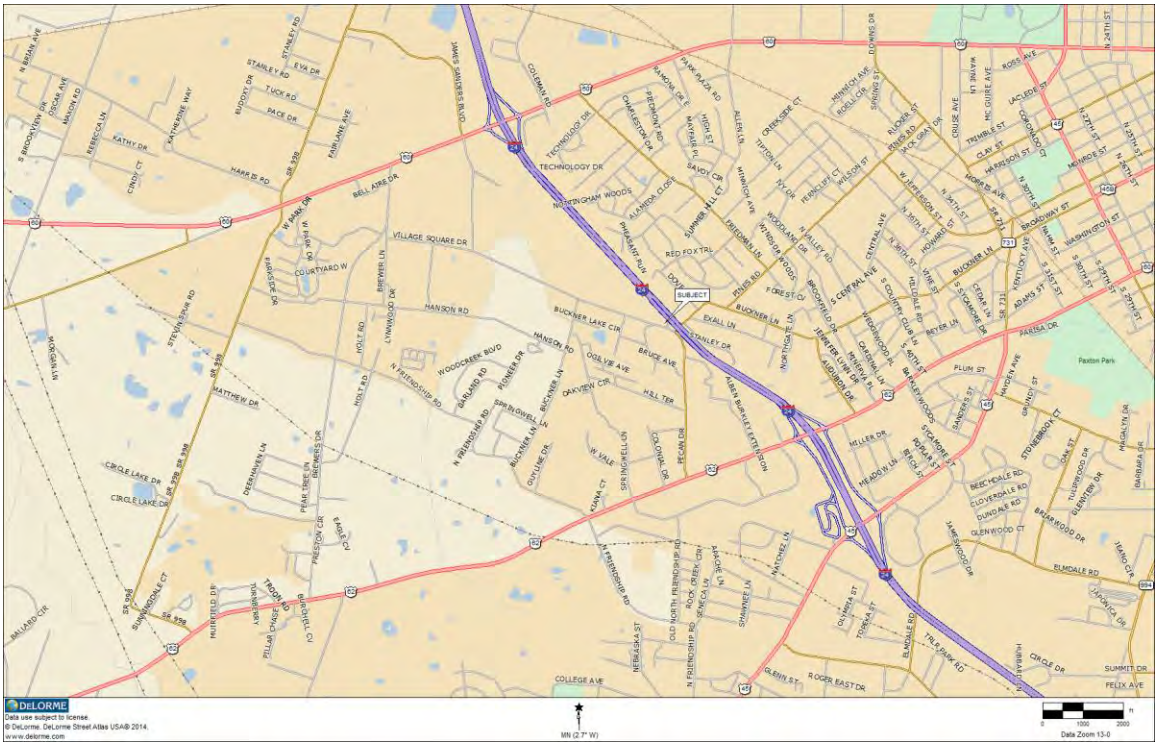
The national economy began to recover in the 2010's, but the recovery has been relatively weak, which is consistent with the local market. Paducah has historically benefited less from expansions and suffered less from recessions than larger cities with more industry. The loss of the USEC plant, as well as the current state of the national economy, is likely to result in no major new developments in the near term. The long term impact of the USEC closing on the market cannot yet be determined, but it is possible that it will cause some deterioration in the residential sector in the event that employment levels should decrease in the cleanup of the facility.

Recognizing these factors, limited growth is possible in most areas in the near term. Interest rates began increasing in late 2016 but have been relatively stable and it is doubtful that there will be any dramatic changes in interest rates in the near term. Nevertheless, the relationship between the economy, particularly the real estate market, and interest rates must be recognized.

NEIGHBORHOOD ANALYSIS

The subject property is located on the periphery of the West End area of Paducah, Kentucky. The West End extends from U.S. Highway 60 on the north to U.S. Highway 45 on the south. It is bounded on the east by North 32nd Street with the western boundary being the city limits running along Buckner Lane and North Friendship Road. The subject's location in relation to the neighborhood is shown on the following map.

Neighborhood Map



The West End had historically represented the most active residential area within the city limits. It is the highest area inside the city limits, and began to develop after Paducah's 1937 flood, although some of the homes in the older sections are 80 years old or older. Over 90% of the area is developed and sporadic development is still continuing. There are some moderately priced homes in the neighborhood, but most of the homes are in a much higher price range, with the highest priced homes in the area being over $750,000 in value, though the value extremes are the exception. Area property values have generally increased with time, although the recession that extended from 2007 through 2009 resulted in some softening in property values in the late 2000's.

The market was relatively stable thus far in the 2010's, and demand should remain reasonably stable within the residential sector in the area with time, however.

Most of the homes may be categorized into of one of several groups. Many of the older homes are between 50 and 80 years old, with the more modern homes, built in the 1970's and 1980's typically in subdivisions. The more recently constructed homes, built in the late 1990's through the 2010's, are typically in the Pines and Fairfield Subdivisions. These subdivisions experienced rapid development through the late 1980's and early 1990's. The development slowed somewhat during the late 1990's, but it remained active throughout most of the 2000's. The other major subdivision of high priced homes is Heather Hills which was developed in 1972, although several smaller subdivisions are scattered throughout the neighborhood. In addition to these subdivisions, a more moderate priced subdivision, Conrad Heights, is located adjacent to Heather Hills. The subdivision was originally developed in the 1950's and contains more moderately priced homes.

There were two announcements in the mid to late 2000's that significant new development would take place in the area for the first time in several years. This included the closing of Westwood Country Club for redevelopment into a residential subdivision, with the development including 80 lots, with a small tract retained for future development. There were few lot sales and some of the infrastructure was not installed, with the development having been foreclosed upon in 2009. It has now been purchased by a new developer and it is being developed once again. In addition, the Barkley Village development was announced off Bucker Lane and Audubon Drive, near I-24 in 2007. This tract was to be developed with single-family homes and townhouses, after originally proposed to include apartments and office space. No zoning change could be obtained due to local opposition, and the higher density developments were abandoned prior to the beginning of any development. Continued opposition to any development by local residents resulted in the abandoning of this property in early 2008 and the property was later sold to Murray State University for eventual development of a satellite campus.

In addition to the single-family residential properties, the West End also includes several duplexes scattered throughout the area. Most multi-family residential development is in areas outside the West End, although several multi-family developments are located on the periphery of the West End. As a result, the demand for multi-family properties in the West End is somewhat limited.

The major routes in the West End are Buckner Lane, Friedman Lane and Pines Road. These two lane roads represent the primary access into as well as through the West End. Most of the area is zoned R-1, Low Density Residential. A small area is zoned R-2, Low/Medium Density Residential, however.

The Kentucky Oaks Mall is located a few blocks from the West End. It is the commercial core of the region. The Central Business District is located within two miles of the area. There is essentially no commercial usage within the West End, although there are some small, older commercial properties on the periphery of the neighborhood serving the local population. These include properties along North 32nd Street and extending along Lone Oak Road from its intersection with Broadway. The area around the intersection of Lone Oak Road and Broadway has experienced increased interest in the mid and late 2010's, however. This has been centered around the former "Coke Plant", which is at the intersection of these two arteries. In the mid 2010's, it was converted to multi-tenant commercial use, anchored by a Mellow Mushroom restaurant. In addition, Independence Bank constructed a new bank at the intersection in the 2010's. More recently, a plan for the beginning of redevelopment of the area between Lone Oak Road and South 31st Street for commercial use has been announced. These factors have increased the commercial interest in this area.

The West End is serviced by all utilities including electricity, water, sewers and natural gas. Much of the West End has streetlights, curbs and gutters. The area is serviced by busses from the Paducah Area Transit Service. Most of the area is in the Paducah Public School System, but the Pines, Fairfield and Conrad Heights subdivisions are in the McCracken County School System.

The main competition for homes in the upper price range in most of the 1990's through the 2010's has been from Country Club Estates and Stinespring Estates, adjacent subdivisions located a mile and a half from the West End. Each is located on Holt Road, off U.S. Highway 62, in proximity to the Paducah Country Club, which was originally developed in the middle 1980's. Country Club Estates experienced an initial boom, while Stinespring Estates had a slower growth rate, but demand remains strong for properties in each subdivision. In addition, The Grove subdivision opened in the mid 2000's and continues to provide competition for properties within the core of the West End. Continued new development in this area is projected, but it does not appear to present a significant threat to the demand for existing properties in the West End. Several other areas around the Country Club of Paducah have experienced some development of higher priced properties such as the area around the Highland Church Road and Olivet Church Road, however, much of the development has been in the form of a few single-family residences located on small acreage tracts. Furthermore, competition from new subdivisions in the Lone Oak and Concord areas is a consideration, although the suburban markets appeal to a somewhat different market.

The West End should continue to be the most marketable residential area inside the Paducah city limits in the near future, although a gradual shifting toward the suburban areas should continue. The Westwood Subdivision will eventually be developed, but there is little potential for the area to again see development at a rate consistent with that in the 1980's and 1990's. There will essentially be no vacant land remaining in the neighborhood upon completion of this development. Overall property values are likely to remain stable in the short term and should continue to increase with time.

PROPERTY IDENTIFICATION AND DATA

LEGAL DESCRIPTION

The legal description of the subject property has been provided by the client and is as follows:

Beginning at a point on the Buckner Lane Road, corner to Pines property; thence with Buckner Lane Road 300 feet; thence in a northerly direction 615 feet; thence in a westerly direction 300 feet; thence in a southerly direction 615 feet to the point of beginning, containing five acres, more or less and being a part of the 33 ½ acre tract of land conveyed by Leo Keiler, et al, to Kate W. Phillips by Deed dated 15th day of December, 1925, which Deed is of record in Deed Book 148, Page 325, McCracken County Court Clerk's Office. See Will of Kate Phillips recorded in Will Book "G", Page 142, aforesaid Clerk's Office.

LESS AND EXCEPT: A conveyance to the Commonwealth of Kentucky for the use benefit of the Department of Highway, dated July 30, 1974 of record in Deed Book 565, Page 743, for the purpose of constructing a right of way generally known as I-24.

It is recorded in Deed Book 1,049, page 223. This legal description is for purposes of property identification only and no warranty for its accuracy is made or implied.

Site Data

The subject property is an irregular shaped parcel located at the corner of Pecan Drive and Flournoy Road, which contains approximately 130,000 square feet, or 2.98± acres, based on information available to the appraiser. As previously discussed, this appraisal includes two different value estimates, one for the property in its current unimpaired condition, and one that reflects the value subject to acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement. After this "acquisition", the subject will include approximately 130,000 square feet, or 2.98± acres, but will be subject to an easement.

The estimated area subject to the permanent easement is 13,000 (R) square feet, with an estimated 6,500 (R) square feet in the temporary easement. The permanent easement area extends along Flournoy Road and along the rear of the site, abutting I-24, while the temporary easement area extends along the rear of the site, abutting I-24. Photographs of the subject taken by Russell M. Sloan, MAI on October 10, 2018 are included in the addenda to this report.

The subject site is an irregular shaped parcel, with the approximate shape being shown on the aerial photograph included on page 23 of this report. It includes primarily recreational woodland, with the site having level to rolling topography, with the majority of the site having rolling topography, and it would require considerable site preparation and clearing prior to being suitable for development. There were no drainage problems noted and it does not appear to be in a flood hazard area, as shown on National Flood Insurance Program Map 21145C0133F, dated November 2, 2011, which is published by the Federal Emergency Management Agency (FEMA). The appraiser is not an expert in the valuation of mineral rights and is not a timber cruiser, and the determination of any significant value from either of these components would be subject to determination by an expert in the appropriate field. It is noted that there are typically no significant mineral rights in this area, however.

As noted above, the subject site is located at the corner of Pecan Drive and Flournoy Road, with Pecan Drive having been improved in the 2010's and including two lanes as well as a turn lane. It extends from Blandville Road until it enters the Strawberry Hill commercial subdivision and it is becoming an increasingly heavily traveled artery, although it is noted that the properties in the immediate area around the subject remain residential in character due to the zoning. This provides adequate access in relation to competing properties.

Electricity, natural gas, public water and sewers are all reportedly available to the site. Off-site improvements include electric streetlights, concrete curbs and gutters, as well as the asphalt paved roadway. No rail service is available to the site. Other than utility easements, no apparent adverse easements or encroachments were observed at the time of inspection prior to the acquisition. As will be more fully discussed later in this report, the property is subject to R-1, Low Density Residential zoning restrictions.

In summary, the site has reasonably good utility in relation to the surrounding properties, with no significant adverse factors noted in its current unimpaired condition other than the topography. After the acquisition, the subject site will have similar utility except that the portion of the site in the easement area will not be suitable for development. Furthermore, the area within the construction easement will have limited utility during the construction period, which is estimated to be one year.

Environmental Disclaimer

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances.

The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas, underground storage tanks (UST's), or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Improvement Data

The subject includes no improvements.

Furniture, Fixtures & Equipment (FF&E)

This appraisal reflects no value for any furniture, fixtures and equipment, or any other personal property.

FIVE YEAR TRANSACTION HISTORY

According to information available to the appraiser, there have been no sales or transactions involving the subject property during the past five years. Based on information available to the appraiser, the subject property is not currently listed for sale, and there are no current purchase contracts involving the subject.

ASSESSED VALUE AND ANNUAL TAXES

Local assessments are based on 100.0% of fair market value. The subject property, which is identified as Parcel 16-49-43 in the McCracken County Property Valuation Administrator's office, is currently assessed at $75,000. Based on the current assessment and the most recent tax rate of 1.130000% of assessed value, the subject's current tax burden is $847.50. In the event of a transaction involving the subject, a potential investor would project a new assessment at the sale price based on the local practice. As a result, the tax burden has no significant effect on the market value estimate.

ZONING

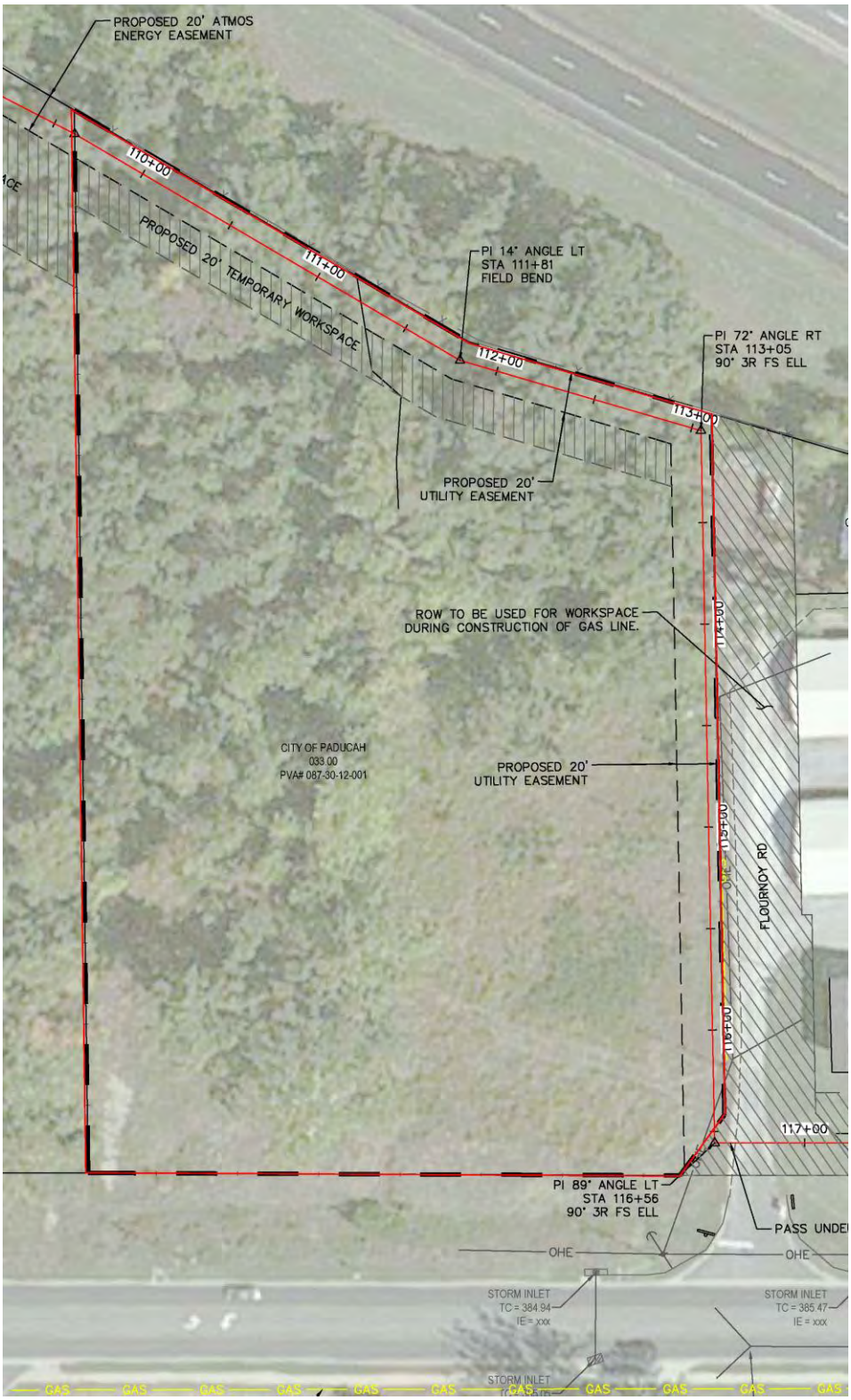
As previously discussed, the subject property is subject to R-1, Low Density Residential zoning restrictions, based on information available to the appraiser. This classification is the most restrictive zoning classification in Paducah, and is to provide for residential development of an open nature. Permitted uses include single-family dwellings, two-family dwellings and town houses with no more than two units per town house, and parks, playgrounds, and community centers which are owned by governmental agencies. Conditionally permitted uses include multi-family dwellings, day care nurseries, and home occupations.

All dwellings shall include at least 1,200 square feet of ground floor area, and the maximum building height is 35 feet. Minimum yard requirements are for 40 foot front yards, 25 foot rear yards, and 8 foot side yards. In addition, single-family uses require a 12,000 square foot minimum lot area, and a 75 foot minimum lot width, while a two-family dwelling requires a minimum lot area of 7,000 square feet per unit, and a minimum lot width of 75 feet. Minimum yard requirements for multi-family dwellings are the same, except that there is no maximum building height, and the minimum lot area is 5,000 square feet per unit, with 4,000 square feet per unit for four or more units. Day care nurseries require a minimum lot area of 100 square feet per child.

The minimum parking requirement is two spaces per unit for a single-family residence, unless it include four or more bedrooms, in which case a minimum of three spaces is required. Duplexes require two parking spaces per unit for one and two bedroom units, while three spaces per units are required if there are three or more bedrooms.

According to information available to the appraiser, the property is subject to no private restrictions, and it is assumed there are none.

AERIAL PHOTOGRAPH



HIGHEST AND BEST USE

Highest and best use is defined as the reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physically possibility, financial feasibility, and maximum productivity.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 109.

The highest and best use must meet the following four criteria in this analysis: (1) Legally Permissible, (2) Physically Possible, (3) Financially Feasible, and (4) Maximally Productive. Highest and best use conclusions are developed for both the site as if vacant and available for development and the property as improved. The subject property is currently unimproved and only one analysis would typically be needed. In this instance, however, two analyses are provided, with the first reflecting the value of the property in its unimpaired state, and the second reflecting the highest and best use of the property after the acquisition.

Highest and Best Use Analysis-"Before Value"

Legal Possibilities

The site is subject to R-1, Low Density Residential zoning restrictions, as previously discussed. This classification is the most restrictive zoning classification in Paducah, and is to provide for residential development of an open nature. Permitted uses include single-family dwellings, two-family dwellings and town houses with no more than two units per town house, and parks, playgrounds, and community centers which are owned by governmental agencies. According to information available to the appraiser, the property is subject to no private restrictions, and it is assumed that there are none.

Physical Possibilities

The subject site is located at the corner of Pecan Drive and Flournoy Road and has generally level to rolling topography, with the site containing approximately 2.98 acres. The site would require a significant site clearing and preparation expense, but the only other physical restrictions are upon the size of any possible development.

Financial Feasibility

The legally permitted uses may essentially be considered to be single-family residential development or multi-family residential development, with only a low density development being permitted under the current zoning classification.

The subject site is of insufficient size for a large residential subdivision, but it is of a size suitable for a smaller residential development. Construction of a single-family residential development would be consistent with many of the properties in the surrounding area. The subject is located in an area with primarily older homes, as well as several multi-family residential properties. In addition, Pecan Drive is becoming an increasingly heavily traveled residential artery. These factors would tend to diminish the appeal for single-family residential development somewhat, but development has continued to take place throughout the community. Furthermore, the subject's surrounding neighborhood has remained a viable residential location for many years. The overall residential market in Paducah has been reasonably stable, although the risk associated with the state of the overall economy and the potential for long term increases in interest rates is noted. There are no other adverse factors influencing the overall market, however. The feasibility of a single-family residential development is supported by continued demand in other similar locations throughout the community. The risk factors are noted, however.

A higher intensity use, such as a multi-family residential development, is also considered, particularly considering the proximity to other rental units. The subject is located in an area that includes several multi-family residential properties, and which has demonstrated a reasonably strong demand for rental units for many years. The overall rental market within the surrounding area had experienced only a moderate vacancy risk over the past several years, with sporadic new construction having taken place. This began to change in the mid 2010's, however, with significant new construction of residential rental units in the area, as previously discussed. It must be recognized that the development over the past several years diminishes the probability of any other significant new development in the near term, but the recent construction is likely to cause some deterioration in the market. The area around the subject has nevertheless remained a viable location for residential rental units, however. Furthermore, the subject's zoning and size would prohibit a large development. Although there has been little recent population growth to support new rental units, any new units would likely command a capture rate above the fair share due to the appeal of new developments. Recognizing these factors, a multi-family residential development would be considered feasible for the subject site, although the potential risk factors within the overall market are recognized.

Maximum Productivity

The subject has two feasible uses, but both are forms of residential development. As a result, the estimated highest and best use of the subject property, in its current unimpaired state is residential.

Ideal Improvement

Recognizing the lower degree of locational risk present with a multi-family residential development in relation to a single-family residential development, multi-family residential development is considered appropriate. Properties with multi-family residential development for a highest and best use do not typically have a single ideal improvement. The type of development is typically up to the whim of the developer. Some general guidelines should be followed. The most popular units in the local market are two bedroom units, although a mixture of one, two and three bedroom units would increase the potential market and reduce vacancies.

Highest and Best Use Analysis-"After Value"

Legal Possibilities

The site is subject to R-1, Low Density Residential zoning restrictions, as previously discussed. This classification is the most restrictive zoning classification in Paducah, and is to provide for residential development of an open nature. Permitted uses include single-family dwellings, two-family dwellings and town houses with no more than two units per town house, and parks, playgrounds, and community centers which are owned by governmental agencies. According to information available to the appraiser, the property is subject to no private restrictions, and it is assumed there are none.

Physical Possibilities

After the acquisition, the subject site is located on Pecan Drive and Flournoy Road and has generally level to rolling topography. It contains approximately 2.98 acres, and the only physical restrictions are upon the size of any possible development, other than the previously noted need for a significant site preparation expense. It is noted that the subject will be subject to an additional easement in this valuation scenario, with the easement area slightly diminishing the area suitable for development but not otherwise significantly impacting the utility of the site.

Financial Feasibility

The legally permitted uses may essentially be considered to be single-family residential development or multi-family residential development, with only a low density development being permitted under the current zoning classification.

The subject site is of insufficient size for a large residential subdivision, but it is of a size suitable for a smaller residential development. Construction of a single-family residential development would be consistent with many of the properties in the surrounding area. The subject is located in an area with primarily older homes, as well as several multi-family residential properties. In addition, Pecan Drive is becoming an increasingly heavily traveled residential artery. These factors would tend to diminish the appeal for single-family residential development somewhat, but development has continued to take place throughout the community. Furthermore, the subject's surrounding neighborhood has remained a viable residential location for many years. The overall residential market in Paducah has been reasonably stable, although the risk associated with the state of the overall economy and the potential for long term increases in interest rates is noted. There are no other adverse factors influencing the overall market, however. The feasibility of a single-family residential development is supported by continued demand in other similar locations throughout the community. The risk factors are noted, however.

A higher intensity use, such as a multi-family residential development, is also considered, particularly considering the proximity to other rental units. The subject is located in an area that includes several multi-family residential properties, and which has demonstrated a reasonably strong demand for rental units for many years. The overall rental market within the surrounding area had experienced only a moderate vacancy risk over the past several years, with sporadic new construction having taken place. This began to change in the mid 2010's, however, with significant new construction of residential rental units in the area, as previously discussed. It must be recognized that the development over the past several years diminishes the probability of any other significant new development in the near term, but the recent construction is likely to cause some deterioration in the market. The area around the subject has nevertheless remained a viable location for residential rental units, however. Furthermore, the subject's zoning and size would prohibit a large development. Although there has been little recent population growth to support new rental units, any new units would likely command a capture rate above the fair share due to the appeal of new developments. Recognizing these factors, a multi-family residential development would be considered feasible for the subject site, although the potential risk factors within the overall market are recognized.

Maximum Productivity

The subject has two feasible uses, but both are forms of residential development. As a result, the estimated highest and best use of the subject property, after reflecting the loss in utility due to the previously discussed acquisition, is residential.

Ideal Improvement

Recognizing the lower degree of locational risk present with a multi-family residential development in relation to a single-family residential development, multi-family residential development is considered appropriate. Properties with multi-family residential development for a highest and best use do not typically have a single ideal improvement. The type of development is typically up to the whim of the developer. Some general guidelines should be followed. The most popular units in the local market are two bedroom units, although a mixture of one, two and three bedroom units would increase the potential market and reduce vacancies.

COST APPROACH OMISSION

The first approach considered in this appraisal as a potential indicator of value is the cost approach. The cost approach is defined as a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 54.

The cost approach is developed by adding the depreciated cost of the improvements to the land value. The subject is a vacant site and the cost approach would therefore represent a repetition of the sales comparison approach, and it is omitted from the valuation process in this instance.

INCOME CAPITALIZATION APPROACH OMISSION

This appraisal considers the income capitalization approach as a potential indicator of value for the subject. The income capitalization approach is defined as specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 115.

There are few rentals of vacant land in the local market. As a result, little rental data was available and the appraiser was unable to locate any rentals of similar properties. A greater weakness in the approach is attributable to the thought process of the market. There are occasional rentals for this type property, but it is not typically purchased based on its rental income stream. This type property is usually purchased for owner utilization rather than based on a potential income stream. As a result, the income capitalization approach is omitted from the valuation process in this instance.

SALES COMPARISON APPROACH-"BEFORE VALUE"

The sales comparison approach is considered as a value indicator in this appraisal. It is defined as the process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

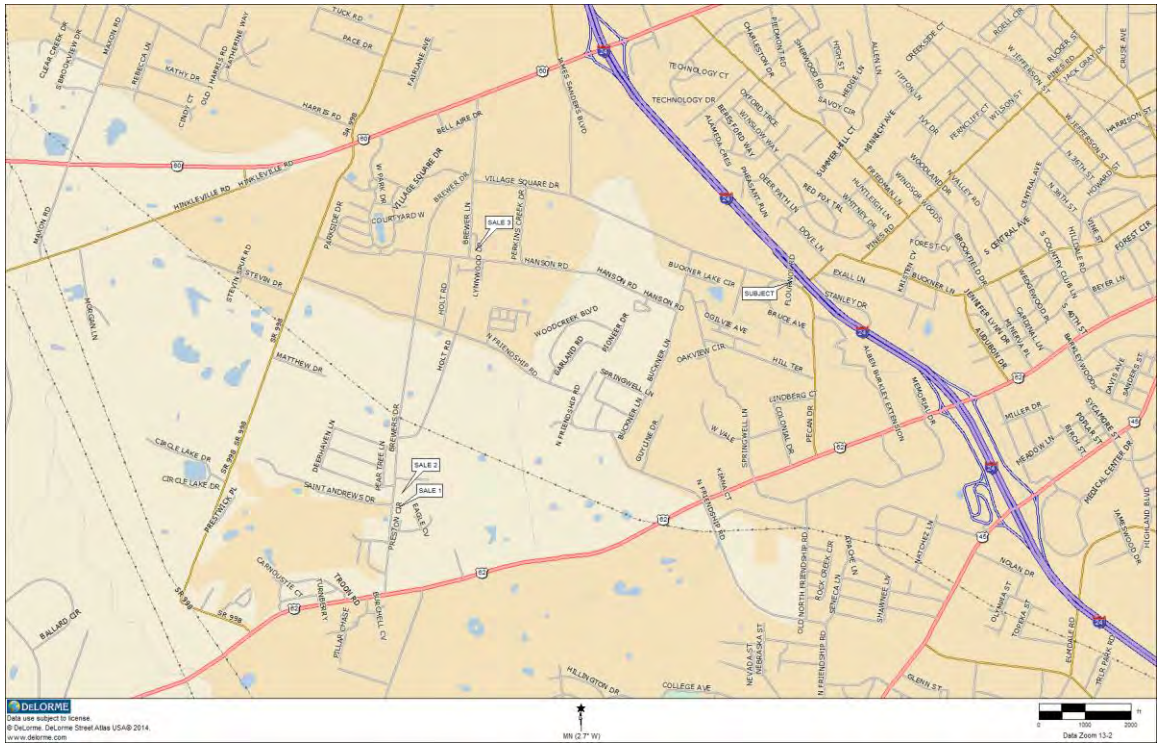
Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 207.

The appropriate units of comparison for vacant land include the price per square foot, or acre, the price per front foot, and the price per permissible unit. The most reliable value indicator for tracts of this type in the local market is the **Sale Price Per Square Foot**. This appraisal considers the following sales as indicators of value for the subject, "before the acquisition".

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	4161 Pecan Drive	1760 New Holt Road	1720 New Holt Road	2536 New Holt Road
Sale Price	N/A	$450,000	$725,000	$580,359
Date of Sale	N/A	12/29/2017	11/9/2017	7/31/2014
Land Sq Ft	130,000	127,700	250,500	288,846
Price / SF of Land	N/A	$3.52	$2.89	$2.01

The relative location of the subject and the comparable sales is shown on the following map.

Land Sales Map



The first two sales are relatively recent transactions involving tracts that are located within a block of one another, which were purchased by the same party. They are each located along New Holt Road, which is an increasingly active artery providing access to the Kentucky Oaks Mall area, however they are in a residential area. This is considered to be a highly similar location in relation to the subject. These tracts are each generally level to gently rolling tracts that were open and they required no significant site improvement expense prior to being suitable for development. As a result, they each require downward adjustments in relation to the subject, which would require a significant site preparation expense prior to being suitable for development. They are each larger than the subject but the difference is not excessive and it is considered insufficient to warrant an adjustment when compared on this basis. These sales therefore are considered to have no other significant differences for which an adjustment is warranted.

Sale 3 is also located on New Holt Road, as are the first two sales, with this property being located on the periphery of the commercial developments, however it was purchased for a residential development, with this sale also needing no location adjustment. It is noted that this parcel was subject to a less restrictive zoning classification, which permitted a higher density residential development, with the tract purchased for a multi-family residential development. The sale therefore requires a downward adjustment due to differences in zoning. The tract had rolling topography, with a similar level of size preparation and clearing in relation to that of the zoning, and it requires no other adjustments.

The differences between the subject and sales are shown on the adjustment grid on the following page, and explained in more detail on the following pages, with detailed data sheets, including photos of the properties, included in the rear of this report.

ADJUSTMENT GRID

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	4161 Pecan Drive	1760 New Holt Road	1720 New Holt Road	2536 New Holt Road
Sale Price	N/A	$450,000	$725,000	$580,359
Land Sq Ft	130,000	127,700	250,500	288,846
Unadjusted Price/SF	N/A	$3.52	$2.89	$2.01
Property Rights Conveyed		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Financing		Cash Equiv.	Cash Equiv.	Cash Equiv.
Adjustment		$0.00	$0.00	$0.00
Conditions of Sale		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Expenditures After Purchase		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Market Conditions (Time)	N/A	Dec-17	Nov-17	Jul-14
Adjustment		$0.00	$0.00	$0.00
Current Cash Equivalent Price/SF		$3.52	$2.89	$2.01
Location		Superior	Superior	Similar
Adjustment		-$1.80	-$1.40	$0.00
Topography		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Corner Influence/Access		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Zoning		Similar	Similar	Superior
Adjustment		$0.00	$0.00	-$0.50
Improvement Demolition		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Utilities		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Unit Size		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
FF&E		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Adjusted Price/SF		$1.72	$1.49	$1.51

ANALYSIS AND EXPLANATION OF ADJUSTMENTS

Property Rights Conveyed

The subject and the sales all represent the fee simple interest in the properties as mentioned in the discussion of property rights appraised in the introduction to this report.

Financing

Sales 1 and 3 involved cash sales or conventional financing, and they require no adjustments for financing. Sale 2 included seller financing of a portion of the sale price, however this was due to tax considerations by the seller, with the purchaser having the ability to pay cash for the property. It reportedly did no impact the purchase price and this sale also requires no adjustment due to the financing.

Conditions of Sale

All sales considered in this appraisal are considered arm's-length transactions. The properties were all exposed to the market for sufficient periods, none of the parties acted under duress and none of the sales involved condemnation proceedings.

Expenditures Made Immediately After Purchase

None of the sales required any significant expenditure by the grantee immediately after the purchase, and the sales need no adjustments for this item.

Market Conditions (Time)

The first two sales are recent transactions from late 2017, while Sale 3 is a somewhat older transaction and it potentially requires an adjustment due to changes in market conditions since the sale date. The market for properties of this type has generally been relatively stable due to the limited number of market participants. The potential adjustment is based on an analysis of the following sales.

Property	Sale Price 1	Date 1	DB/Page	Sale Price 2	Date 2	DB/Page	Change
1211 North 12th Street, Murray, KY	$285,000	6/2016	1,089/533	$305,000	8/2018	MLS#93284	3.0%
5025 Blandville Road, Paducah, KY	$650,000	6/2014	1,279/208	$480,000	5/2018	1,365/339	-7.5%
6321 Kentucky Dam Rd., Paducah, KY	$199,000	7/2013	1,259/481	$205,000	5/2018	1,366/404	0.6%
701-711 Jefferson St., Paducah, KY	$375,000	8/2015	1,306/761	$440,000	8/2018	1,372/179	5.5%
1300 West Main Street, Salem, IL	$105,000	5/2015	2015/3387	$110,000	5/2018	2018/2483	1.6%

The first sale is an older retail building located along the primary commercial artery in Murray, Kentucky, with this sale suggesting some appreciation in the market. The next sale is a vacant tract in Paducah, Kentucky that was purchased for office use but not developed, and resold for another office user, with a significant decrease between these sales. The third sale is a vacant commercial tract in Paducah, Kentucky, with this sale indicating a minimal appreciation rate. The fourth sale is an older multi-tenant office building in Paducah, Kentucky, which suggests some appreciation. The final sale is a former gas station located in Salem, Illinois that was purchased for redevelopment, with this property suggesting a minimal rate of price appreciation.

In addition to these sales, overall trends in the market are noted. Property values over the last several years have been heavily impacted by the low interest rate environment, improving the affordability of real estate and enhancing the value for most properties in relation to the income producing potential of the property. The current trend is for increases in interest rates in the debt market, but rates have thus far remained relatively low. The increases in rates do not yet appear to have had a dramatic impact on property values, but should interest rates increase significantly, it could potentially cause a decrease in property values. These sales would suggest that the overall market for properties in markets of this size in the region has experienced minor price appreciation over the last few years, but has generally remained reasonably stable. Recognizing these factors, and in the absence of any indication that increasing interest rates have had a significant negative impact on the market, the sales require no adjustments for market conditions, or time.

Location

All of the sales are taken from similar locations to that of the subject and they warrant no location adjustments.

Topography

Sale 3 was a similar wooded tract with rolling topography and this sale needs no adjustment for this factor. The other sales are level to gently rolling sites that required no significant site preparation expense, indicating the need for downward adjustments to these sales. The adjustment is quantified based on a comparison between the following sales.

They were each subject to commercial zoning restrictions and were purchased for commercial development. As a result, they have limited direct comparability to the subject, but they may be compared to one another in order to quantify this adjustment. It is noted that Sale 5 actually transferred in three deeds but the three parcels were acquired at the same time for use as a single parcel and it is considered to effectively represent a single transaction. These sales are summarized below.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
4	Coleman Crossing Circle	DB 1307 P 189	8/2015	$735,000	6.07 Ac	$8.58/SF
5	McBride Lane	DB 1333 P 409	11/2016	$1,930,000	9.99 Ac.	$4.44/SF

These are each small acreage tracts in the commercial area along the Hinkleville Road commercial strip, although they are each located at the end of secondary arteries. They are therefore considered to have consistent access and locational influences to one another. The primary difference in the properties is that Sale 4 is located outside the flood plain, while Sale 5 is in a flood hazard area and required a significant site preparation expense. In the absence of any other significant differences, the $4.14 per square foot, or 48%, difference in the unit rates is attributed to size factors. In order to avoid the appearance of a higher degree of accuracy, this rate is rounded to 50% and it is applied to the unit rates of Sales 1 and 2. This indicates the need for downward adjustments of $1.80 (R) and $1.40 (R) per square foot to these sales.

Corner Influence/Access

Sites purchased for residential development do not typically command a premium for corner influence, if the access is otherwise comparable. In this instance, the subject and the sales all have consistent access, and no adjustments are necessary for this factor.

Zoning

The subject and the first two sales all have similar zoning restrictions and these sales need no adjustments for zoning. Sale 3 was actually subject to commercial zoning restrictions but it was purchased for a high density residential development. The potential for this higher intensity use indicates the need for a downward adjustment to this sale. The adjustment is based on a comparison between the following two sales involving a tract located within a block of the subject. It is a far larger tract than the subject and it is not utilized in the adjustment grid, but it may be used in the development of this adjustment.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
6	4201 Pecan Drive	DB 1345 P 58	5/2017	$1,000,000	18.25 Ac	$1.26/SF
7	4201 Pecan Drive	DB 1276 P 446	5/2014	$630,000	18.25 Ac	$0.79/SF

At the time of Sale 7, the property was subject to R-1 zoning, which is consistent with the zoning of the subject. The purchaser was able to obtain a zoning change to R-4 zoning, which permits high density residential use, between these two transactions. In the absence of any other significant differences, this $0.50 (R) per square foot difference in the unit rates represents the premium for the higher density residential zoning restrictions and Sale 3 is adjusted downward based on this rate.

Improvement Demolition

None of the sales required significant improvement demolition.

Utilities

The subject and the sales all have comparable utilities and no adjustments are necessary.

Unit Size

The market typically pays a premium for the initial square footage in a tract, however, the unit contribution decreases for the excess land. This is due to the smaller market for larger tracts and the limited utility of extra land. Conversely, very small parcels, which are of insufficient size for optimal development, may have lower rates. While the sizes vary somewhat, the sales are all of a reasonably similar size to the subject, with the size differences insufficient to warrant adjustments. Furthermore, it is noted that the subject is bracketed in size by the sales.

Furniture, Fixtures, and Equipment (FF&E)

The sales require no adjustments for furniture, fixtures and equipment.

After adjustments, the sales indicate a range in values between the extremes of $0.23 per square foot, or 13.4%, a realistic range for a property of this type. Sales 2 and 3 indicate highly similar unit rates, but the higher value indication of Sale 1 is noted. Considering all factors, the estimated value of the subject, based on the sales comparison approach, **before the acquisition**, is

130,000 Square Feet @ $1.55 Per Square Foot = $200,000 (R).

SALES COMPARISON APPROACH-"AFTER VALUE"

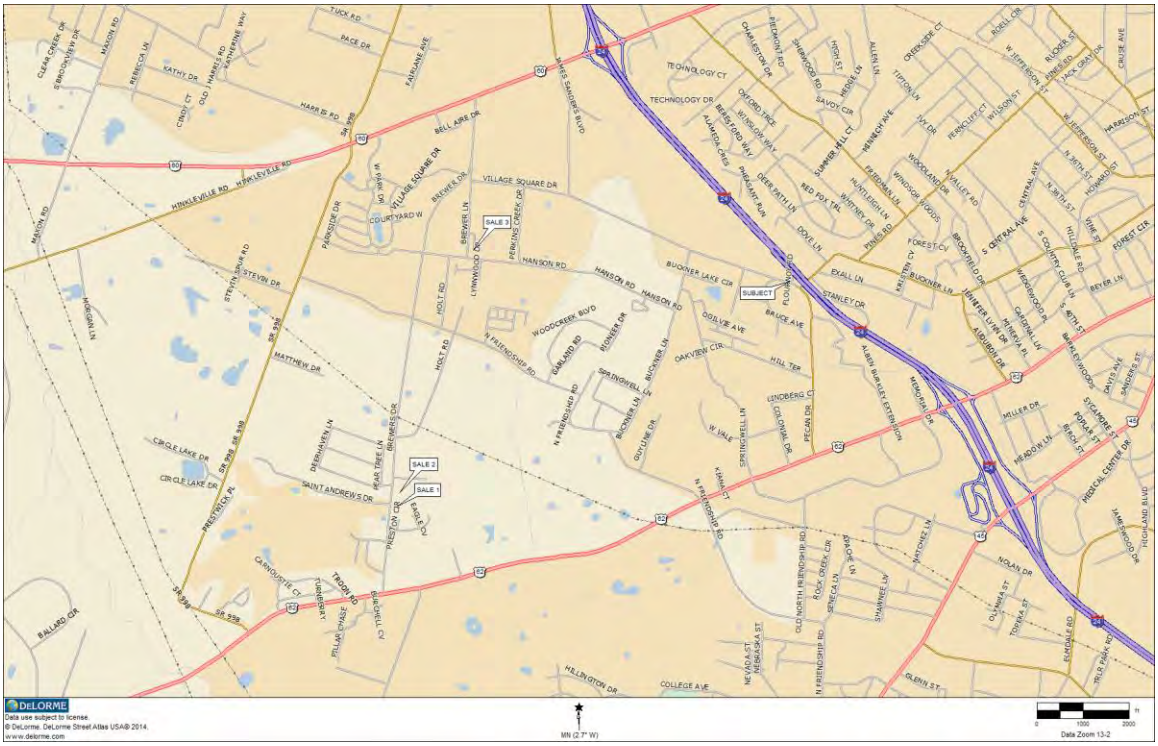
The sales comparison approach is considered as a value indicator in this appraisal. It is defined as the process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago: Appraisal Institute, 2015), 207.

The appropriate units of comparison for vacant land include the price per square foot, or acre, the price per front foot, and the price per permissible unit. The most reliable value indicator for tracts of this type in the local market is the **Sale Price Per Square Foot**. This appraisal considers the following sales as indicators of value for the subject "after the acquisition".

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	4161 Pecan Drive	1760 New Holt Road	1720 New Holt Road	2536 New Holt Road
Sale Price	N/A	$450,000	$725,000	$580,359
Date of Sale	N/A	12/29/2017	11/9/2017	7/31/2014
Land Sq Ft	130,000	127,700	250,500	288,846
Price / SF of Land	N/A	$3.52	$2.89	$2.01

The relative location of the subject and the comparable sales is shown on the following map.



The first two sales are relatively recent transactions involving tracts that are located within a block of one another, which were purchased by the same party. They are each located along New Holt Road, which is an increasingly active artery providing access to the Kentucky Oaks Mall area, however they are in a residential area. This is considered to be a highly similar location in relation to the subject. These tracts are each generally level to gently rolling tracts that were open and they required no significant site improvement expense prior to being suitable for development. As a result, they each require downward adjustments in relation to the subject, which would require a significant site preparation expense prior to being suitable for development. They are each larger than the subject but the difference is not excessive and it is considered insufficient to warrant an adjustment when compared on this basis. The only other necessary adjustment is a downward adjustment to reflect the reduced utility of the area subject to the permanent easement.

Sale 3 is also located on New Holt Road, as are the first two sales, with this property being located on the periphery of the commercial developments, however it was purchased for a residential development, with this sale also needing no location adjustment. It is noted that this parcel was subject to a less restrictive zoning classification, which permitted a higher density residential development, with the tract purchased for a multi-family residential development. The sale therefore requires a downward adjustment due to differences in zoning. The tract had rolling topography, with a similar level of size preparation and clearing in relation to that of the zoning, and it the only other necessary adjustment is a downward adjustment to reflect the reduced utility of the area subject to the permanent easement.

The differences between the subject and sales are shown on the adjustment grid on the following page, and explained in more detail on the following pages, with detailed data sheets, including photos of the properties, included in the rear of this report.

ADJUSTMENT GRID

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	4161 Pecan Drive	1760 New Holt Road	1720 New Holt Road	2536 New Holt Road
Sale Price	N/A	$450,000	$725,000	$580,359
Land Sq Ft	130,000	127,700	250,500	288,846
Unadjusted Price/SF	N/A	$3.52	$2.89	$2.01
Property Rights Conveyed		Superior	Superior	Superior
Adjustment		-$0.25	-$0.20	-$0.15
Financing		Cash Equiv.	Cash Equiv.	Cash Equiv.
Adjustment		$0.00	$0.00	$0.00
Conditions of Sale		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Expenditures After Purchase		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Market Conditions (Time)	N/A	Dec-17	Nov-17	Jul-14
Adjustment		$0.00	$0.00	$0.00
Current Cash Equivalent Price/SF		$3.27	$2.69	$1.86
Location		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Topography		Superior	Superior	Similar
Adjustment		-$1.60	-$1.30	$0.00
Corner Influence/Access		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Zoning		Similar	Similar	Superior
Adjustment		$0.00	$0.00	-$0.50
Improvement Demolition		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Utilities		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Unit Size		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
FF&E		Similar	Similar	Similar
Adjustment		$0.00	$0.00	$0.00
Adjusted Price/SF		$1.67	$1.39	$1.36

ANALYSIS AND EXPLANATION OF ADJUSTMENTS

Property Rights Conveyed

The sales all represent the fee simple interest in the properties as mentioned in the discussion of property rights appraised in the introduction to this report. This appraisal also reflects a value for the fee simple interest in the subject, except that it is to be subject to a permanent easement over 13,000 (R) square feet of the site area. The sales therefore require downward adjustments to reflect the reduced contribution of this portion of the site area.

The subject's permanent easement covers 13,000 (R) square feet of the site, with this representing 10.0% of the site area. The sales were not subject to atypical easements and they all require downward adjustments to reflect the lost utility of this area. This adjustment is based on a comparison between the following two sales.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
8	Paris Road (090-135.00)	DB 446 P 71	4/2008	$300,000	51,429 SF	$5.83/SF
9	Paris Road (106-020.01)	DB 445 P 390	3/2008	$300,000	35,720 SF	$8.40/SF

They are located in Mayfield, Kentucky and lack comparability to the subject, but they may be compared to one another in order to estimate this deduction. These tracts are located along the same artery and sold within one month of one another. They are physically comparable to one another, except that Sale 9 was unencumbered by any easements, while Sale 8 included 21,155 square feet, or 41% of the site area, which was subject to a TVA easement. Assigning the $8.40 per square foot unit rate of Sale 9 to the 30,274 square feet in Sale 8 that is unencumbered by an easement implies a contribution of $254,300 (R) to this space. This implies that the remaining $45,700 (R) of the sale price represents the contribution of the 21,155 square feet under the easement. This indicates a unit contribution of $2.16 per square foot for this space. This represents a 74% discount from the $8.40 (R) per square foot rate of the unencumbered area. This is rounded to 75% in order to avoid the appearance of a greater degree of accuracy than is actually present. Applying this ratio to the subject's 10.0% area that is encumbered by the permanent easement results in a downward adjustment of 7.5% (R) to each sale. This indicates downward adjustments of $0.25 (R), $0.20 (R), and $0.15 (R) per square foot to the sales.

Financing

Sales 1 and 3 involved cash sales or conventional financing, and they require no adjustments for financing. Sale 2 included seller financing of a portion of the sale price, however this was due to tax considerations by the seller, with the purchaser having the ability to pay cash for the property. It reportedly did no impact the purchase price and this sale also requires no adjustment due to the financing.

Conditions of Sale

All sales considered in this appraisal are considered arm's-length transactions. The properties were all exposed to the market for sufficient periods, none of the parties acted under duress and none of the sales involved condemnation proceedings.

Expenditures Made Immediately After Purchase

None of the sales required any significant expenditure by the grantee immediately after the purchase, and the sales need no adjustments for this item.

Market Conditions (Time)

The first two sales are recent transactions from late 2017, while Sale 3 is a somewhat older transaction and it potentially requires an adjustment due to changes in market conditions since the sale date. The market for properties of this type has generally been relatively stable due to the limited number of market participants. The potential adjustment is based on an analysis of the following sales.

Property	Sale Price 1	Date 1	DB/Page	Sale Price 2	Date 2	DB/Page	Change
1211 North 12th Street, Murray, KY	$285,000	6/2016	1,089/533	$305,000	8/2018	MLS#93284	3.0%
5025 Blandville Road, Paducah, KY	$650,000	6/2014	1,279/208	$480,000	5/2018	1,365/339	-7.5%
6321 Kentucky Dam Rd., Paducah, KY	$199,000	7/2013	1,259/481	$205,000	5/2018	1,366/404	0.6%
701-711 Jefferson St., Paducah, KY	$375,000	8/2015	1,306/761	$440,000	8/2018	1,372/179	5.5%
1300 West Main Street, Salem, IL	$105,000	5/2015	2015/3387	$110,000	5/2018	2018/2483	1.6%

The first sale is an older retail building located along the primary commercial artery in Murray, Kentucky, with this sale suggesting some appreciation in the market. The next sale is a vacant tract in Paducah, Kentucky that was purchased for office use but not developed, and resold for another office user, with a significant decrease between these sales.

The third sale is a vacant commercial tract in Paducah, Kentucky, with this sale indicating a minimal appreciation rate. The fourth sale is an older multi-tenant office building in Paducah, Kentucky, which suggests some appreciation. The final sale is a former gas station located in Salem, Illinois that was purchased for redevelopment, with this property suggesting a minimal rate of price appreciation.

In addition to these sales, overall trends in the market are noted. Property values over the last several years have been heavily impacted by the low interest rate environment, improving the affordability of real estate and enhancing the value for most properties in relation to the income producing potential of the property. The current trend is for increases in interest rates in the debt market, but rates have thus far remained relatively low. The increases in rates do not yet appear to have had a dramatic impact on property values, but should interest rates increase significantly, it could potentially cause a decrease in property values. These sales would suggest that the overall market for properties in markets of this size in the region has experienced minor price appreciation over the last few years, but has generally remained reasonably stable. Recognizing these factors, and in the absence of any indication that increasing interest rates have had a significant negative impact on the market, the sales require no adjustments for market conditions, or time.

Location

All of the sales are taken from similar locations to that of the subject and they warrant no location adjustments.

Topography

Sale 3 was a similar wooded tract with rolling topography and this sale needs no adjustment for this factor. The other sales are level to gently rolling sites that required no significant site preparation expense, indicating the need for downward adjustments to these sales. The adjustment is quantified based on a comparison between the following sales. They were each subject to commercial zoning restrictions and were purchased for commercial development. As a result, they have limited direct comparability to the subject, but they may be compared to one another in order to quantify this adjustment. It is noted that Sale 5 actually transferred in three deeds but the three parcels were acquired at the same time for use as a single parcel and it is considered to effectively represent a single transaction. These sales are summarized below.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
4	Coleman Crossing Circle	DB 1307 P 189	8/2015	$735,000	6.07 Ac	$8.58/SF
5	McBride Lane	DB 1333 P 409	11/2016	$1,930,000	9.99 Ac.	$4.44/SF

These are each small acreage tracts in the commercial area along the Hinkleville Road commercial strip, although they are each located at the end of secondary arteries. They are therefore considered to have consistent access and locational influences to one another. The primary difference in the properties is that Sale 4 is located outside the flood plain, while Sale 5 is in a flood hazard area and required a significant site preparation expense. In the absence of any other significant differences, the $4.14 per square foot, or 48%, difference in the unit rates is attributed to size factors. In order to avoid the appearance of a higher degree of accuracy, this rate is rounded to 50% and it is applied to the current cash equivalent unit rates of Sales 1 and 2 after adjusting for the differences in property rights conveyed. This indicates the need for downward adjustments of $1.60 and $1.30 (R) per square foot to these sales.

Corner Influence/Access

Sites purchased for residential development do not typically command a premium for corner influence, if the access is otherwise comparable. In this instance, the subject and the sales all have consistent access, and no adjustments are necessary for this factor.

Zoning

The subject and the first two sales all have similar zoning restrictions and these sales need no adjustments for zoning. Sale 3 was actually subject to commercial zoning restrictions but it was purchased for a high density residential development. The potential for this higher intensity use indicates the need for a downward adjustment to this sale. The adjustment is based on a comparison between the following two sales involving a tract located within a block of the subject. It is a far larger tract than the subject and it is not utilized in the adjustment grid, but it may be used in the development of this adjustment.

No.	Location	Recorded	Sale Date	Sale Price	Size	Price/SF
6	4201 Pecan Drive	DB 1345 P 58	5/2017	$1,000,000	18.25 Ac	$1.26/SF
7	4201 Pecan Drive	DB 1276 P 446	5/2014	$630,000	18.25 Ac	$0.79/SF

At the time of Sale 7, the property was subject to R-1 zoning, which is consistent with the zoning of the subject. The purchaser was able to obtain a zoning change to R-4 zoning, which permits high density residential use, between these two transactions. In the absence of any other significant differences, this $0.50 (R) per square foot difference in the unit rates represents the premium for the higher density residential zoning restrictions and Sale 3 is adjusted downward based on this rate.

Improvement Demolition

None of the sales required significant improvement demolition.

Utilities

The subject and the sales all have comparable utilities and no adjustments are necessary.

Unit Size

The market typically pays a premium for the initial square footage in a tract, however, the unit contribution decreases for the excess land. This is due to the smaller market for larger tracts and the limited utility of extra land. Conversely, very small parcels, which are of insufficient size for optimal development, may have lower rates. While the sizes vary somewhat, the sales are all of a reasonably similar size to the subject, with the size differences insufficient to warrant adjustments. Furthermore, it is noted that the subject is bracketed in size by the sales.

Furniture, Fixtures, and Equipment (FF&E)

The sales require no adjustments for furniture, fixtures and equipment.

After adjustments, the sales indicate a range in values between the extremes of $0.31 per square foot, or 18.6%. While larger than ideal, this is not an unrealistic range for a property of this type. Sales 2 and 3 indicate highly similar unit rates, but the higher value indication of Sale 1 is noted. Considering all factors, the estimated value of the subject, based on the sales comparison approach, **after the acquisition**, is

130,000 Square Feet @ $1.45 Per Square Foot = $189,000 (R).

RECONCILIATION AND FINAL ESTIMATE OF VALUE AND ACQUISITION ANALYSIS

The cost approach is developed by adding the depreciated cost of the improvements to the land value. The subject is a vacant site and the cost approach would represent a repetition of the sales comparison approach, and it is omitted from the valuation process in this instance.

There are few rentals of vacant land in the local market. As a result, little rental data was available and the appraiser was unable to locate any rentals of similar properties. A greater weakness in the approach is attributable to the thought process of the market. There are occasional rentals for this type property, but it is not typically purchased based on its rental income stream. This type property is usually purchased for owner utilization rather than based on a potential income stream. As a result, the income capitalization approach is omitted from the valuation process in this instance.

The sales comparison approach is a highly reliable indicator of value for real estate in the presence of sufficient market data. It is the only reliable value indictor for the subject in this instance.

As previously discussed, this appraisal is intended to arrive at the estimated compensation due to the acquisition of a 20' wide permanent easement for a pipeline as well as a 20' wide temporary construction easement. The analysis has been developed using a "before and after" technique, in which a value estimate is developed for the property in its "as is" condition, prior to the "acquisition", followed by the development of a value estimate for the property after the "acquisition". This previous analysis does not reflect the influence of the temporary easement, however, with 6,500 (R) square feet being encumbered. An additional deduction required for this factor, with this land having limited utility for only a short period. As a result, a reduced rate of 10% of the overall unit rate, or $0.15 (R) per square foot, is applied to this area to reflect the return to the land during the construction period. This results in an additional $1,000 (R) in compensation. There is considered to be no other significant impact on the property due to the acquisition other than that previously discussed. Considering all factors, it is the appraiser's opinion that the estimated compensation to the owner of the subject property due to the loss in value associated with the "acquisition" is as follows:

VALUE ESTIMATE "BEFORE ACQUISITION"	**$200,000**
VALUE ESTIMATE "AFTER ACQUISITION"	**$189,000**
COMPENSATION FOR TEMPORARY EASEMENT	**$1,000**
ESTIMATED COMPENSATION	**$12,000**

COMPARABLE MARKET DATA

LAND SALE NO. 1

Address:	1760 New Holt Road, Paducah, Kentucky 42001
Sale Price:	$450,000
Sale Price/SF:	$3.52/SF
Sale Price/Acre:	$153,500/Acre
Sale Date:	12-29-2017
Grantor:	Mack Williams, Administrator of the Estate of Mary Virginia Williams & Doris Ann Ray
Grantee:	EMD Properties, LLC
Data Source/Verification:	DB 1357 P 754/MLS #93137/Nancy Black, Broker
Financing:	Cash equivalent
Tax ID Number:	19-45C-10
Property Data	
Land Size:	2.93 Ac., or 127,700 SF
Zoning:	R-1, Low Density Residential
Topography:	Level
Shape:	Irregular
Access:	Adequate
In Flood Plain?:	No
Site Description:	The site is irregularly shaped, is primarily open, and includes generally level topography, and all utilities available. See Tract 2, Plat Section M, page 1,032. The property was purchased by an adjacent landowner. It had a marketing time of 168 days and sold for list price.

LAND SALE NO. 2

Address:	1720 New Holt Road, Paducah, Kentucky 42001
Sale Price:	$725,000
Sale Price/SF:	$2.89/SF
Sale Price/Acre:	$126,072/Acre
Sale Date:	11-09-2017
Grantor:	Randy & Farzin Mitchell
Grantee:	EMD Properties, LLC
Data Source/Verification:	DB 135 P 40/Nancy Black, Broker
Financing:	The seller financed $575,000 at market rates.
Tax ID Number:	19-45C-8A
Property Data	
Land Size:	5.75 Ac., or 250,500 SF
Zoning:	R-1, Low Density Residential
Topography:	Level
Shape:	Irregular
Access:	Adequate
In Flood Plain?:	No
Site Description:	The site is irregularly shaped, is primarily open, and includes generally level topography, and all utilities available. A 50' access easement extends along the northern property line but was not used. The property was purchased by an adjacent landowner. It had a marketing time of 616 days, with an original list price of $850,000 and a list price of $825,000 at the time of sale.

LAND SALE NO. 3

Address:	2536 New Holt Road, Paducah, Kentucky 42001
Sale Price:	$580,359
Sale Price/SF:	$2.01/SF
Sale Price/Acre:	$87,522/Acre
Sale Price/Unit:	$8,061
Sale Date:	07-31-2014
Grantor:	Jayne Brown
Grantee:	M & M Real Estate, LLC
Data Source/Verification:	DB 1282 P 737/Grantee
Financing:	Cash equivalent
Tax ID Number:	19-46-8
Property Data	
Land Size:	6.63 Ac., or 288,846 SF
Zoning:	C, Commercial
Topography:	Rolling
Shape:	Irregular
Access:	Adequate, corner
In Flood Plain?:	No 211450129F
Site Description:	The property is wooded and has rolling topography. It includes a 2.631 acre site and a 4.000 acre site. The parties had originally agreed to sell 4.00 acres for $350,000 ($87,500/Acre), but the purchaser required a larger site area, with the additional parcel added and the price increased based on the additional site area. The 2.62 acre portion of the property at the corner had been listed for sale for $425,000 for 1,150+/- days, while the remaining 4.00 acres was listed for sale for $550,000 for 1,040+/- days prior to the sale. Purchased for construction of 64 unit apartment complex, with size increased to 72 units after construction began, while the southern portion of the site was to be used for long term commercial development.

PHOTOGRAPHS OF SUBJECT

PHOTOGRAPHS OF SUBJECT

SUBJECT SITE (Photo Taken October 10, 2018)

SUBJECT SITE (Photo Taken October 10, 2018)

PHOTOGRAPHS OF SUBJECT

SUBJECT SITE (Photo Taken October 10, 2018)

SUBJECT SITE (Photo Taken October 10, 2018)

PHOTOGRAPHS OF SUBJECT

SUBJECT SITE (Photo Taken October 10, 2018)

SUBJECT SITE (Photo Taken October 10, 2018)

PHOTOGRAPHS OF SUBJECT

PECAN DRIVE, FACING EAST (Photo Taken October 10, 2018)

PECAN DRIVE, FACING WEST (Photo Taken October 10, 2018)

PHOTOGRAPHS OF SUBJECT

FLOURNOY ROAD, FACING NORTH (Photo Taken October 10, 2018)

FLOURNOY ROAD, FACING SOUTH (Photo Taken October 10, 2018)

ADDENDA

Commonwealth of Kentucky

Kentucky Real Estate Appraisers Board

2018 - 19

Hereby grants a *Certified General Real Property Appraiser*

To Russell Sloan
Sloan Appraisal & Realty Services
2218 Kentucky Avenue
Paducah, KY 42003

License № 335

who has complied with the provisions of Chapter 324A of the Kentucky Revised Statutes IN WITNESS WHEREOF, we have caused the official seal to be fixed and attested for the year shown above.

John G. Kenkel, Jr., Chair
Russ C. Lohan, Vice Chair
Terry L. Bunnell
Neil Tong
M. Alan Hensley

This certificate expires 6/30/2019

ORDER OF PAYMENT

Date_____

Upon route acquisition, approval of the agreement associated herewith by Management, and approval of title to same, Atmos Energy Corporation, will make payment as indicated herein by check within 30 days of receipt. No default shall be declared for failure to make payment until 30 days after receipt of written notice from payee of intention to declare such default.

PAY TO: **City of Paducah** __ph# 270-444-8511

ADDRESS: 300 South 5th St., P.O. Box 2267, Paducah, KY. 42002-2267

THE AMOUNT OF:

Twelve Thousand ----------& NO/100----------($12,000.00)

NOTICE: a completed W-9 must be submitted for payment

STATE OF:___Kentucky_____ COUNTY OF __McCracken_____

PROJECT:_ HCA-06__ ROW NUMBER_____

This payment is for: ROW dated _____

Which covers property described as follows: Said right-of-way and easement being a portion of Grantor's Property identified as PVA Parcel number 087-30-12-001, described in Deed dated September 23rd, 2004 recorded in Deed Book 1049, Page 223, in the McCracken County Kentucky Clerk's Office

Completed by: Ed Smith_____
Land Agent for Atmos Energy Corporation

Landowner's signature(s)_____
City of Paducah

_____

APPROVED BY:_____
_____ Atmos Energy Corp.

PREPARED BY: Atmos Energy Corporation
3510 Coleman Rd., Paducah, KY. 42001

GRANT OF PUBLIC UTILITY EASEMENT

STATE OF KENTUCKY	§	
	§	**KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF MCCRACKEN	§	

THAT, the **City of Paducah, a Municipal Corporation**, whose legal address is P.O. Box 2267 Paducah, Kentucky 42002-2267, hereinafter called GRANTOR (whether one or more), for and in consideration of the sum of Ten and NO/100 ($10.00) DOLLARS, and other good and valuable consideration in hand paid by **Atmos Energy Corporation, a Texas and Virginia corporation**, whose address is P.O. Box 650205 Dallas, Texas 75265-0205, hereinafter called Grantee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell and convey, unto the said Grantee, its successors and assigns, a perpetual Public Utility Easement in, across, under, over and through the following described property in McCracken County, State of Kentucky (hereinafter the "Property"), and described as follows, to wit:

Said right-of-way and Public Utility Easement being a portion of Grantor's Property identified as PVA Parcel number 087-30-12-001, described in Deed dated September 23rd, 2004 recorded in Deed Book 1049, Page 223, in the McCracken County Kentucky Clerk's Office, as depicted on Exhibit "A", attached hereto.

Public Utility Easement

Twenty feet (20') wide free and unobstructed **non-exclusive** easement for the purpose of laying, constructing, operating, maintaining, inspecting, repairing, changing the size of, relocating and changing the route or routes of, abandoning in place and removing at will, in whole or in part, a pipeline, and all other facilities, equipment and other appurtenances thereto, including the replacement of such pipeline all within the Property, necessary or convenient to Grantee in the use of said pipeline. Grantee agrees to supply Grantor, and any successor, assigns or tenants of Grantor, with natural gas, whether from the proposed distribution pipeline, or elsewhere, to the property described herein, in accordance with Grantee's Tariff on file with the Kentucky Public Service Commission.

Along with the right to use an additional Twenty (20') feet of Grantor's adjacent land and additional land as reasonably necessary at road and creek crossings for construction purposes, This additional right will terminate upon completion of the initial construction.

_____
Initials

TO HAVE AND TO HOLD the above described rights and easements, together with any other rights necessary to operate and maintain the Pipeline over and across the above described property unto the said Grantee, its successors and assigns.

Grantor shall have the right to fully use and enjoy the surface of the easement area except for the purposes herein granted provided that such use and enjoyment shall not, in the sole judgment of Grantee, hinder, conflict or interfere with the exercise of the Grantee's rights hereunder. No permanent building, house, well, reservoir, structure or obstruction shall be constructed upon, under or across the easements or rights-of-way herein granted without the Grantee's written consent. Further, Grantor shall not fence the easement area or change the grade of the easement area or excavate within the easement area without the written permission of Grantee. Grantor further agrees not to change the grade, remove dirt from the surface of the easement or impound water over the easement without prior approval of Grantee. Grantee shall have the right to install at its expense, permanent gates in any existing fence to permit ingress and egress along the easement herein granted. Grantee agrees to pay for damages to growing crops and other property of Grantor, or any tenant or lessee of Grantor, as their respective interests may appear, arising out of the construction, operation, repair, inspection, maintenance or replacement of the Pipeline and/or Facilities maintained hereunder unless caused by the negligence of Grantor or of Grantor's agents, employees, representatives or assigns. Grantee agrees to hold Grantor harmless from all damages, injuries or claims by third parties resulting from the construction, operation or maintenance of any pipeline(s), facilities and/or appurtenances thereto constructed by Grantee under this easement.

The Grantee shall bury the Pipeline, if applicable, to a depth not less than that required by applicable law or regulation. All construction, maintenance and repairs which shall be made to the Pipeline shall be done at times suitable to Grantee and, if possible, at such times as will least interfere with the agricultural use of the Property. Grantee shall have the full right, at its sole option, to clear, and keep clear, the right-of-way and easement herein granted, of all timber, trees, undergrowth and other obstructions which might interfere with the construction, operation, inspection, repairing or maintenance of the Pipeline, or endanger same. Grantee shall have the right to select the exact location of said Pipeline(s) and any future Pipeline(s) within said easement, and to do whatever may be requisite for the use and enjoyment of the rights herein granted. Grantee agrees to restore the Property to as close to the original condition as is reasonable.

Grantor represents that Grantor is the owner in fee simple of the land above described, free and clear of any unstated liens, encumbrances or imperfections, and warrants the title to the Property, subject to outstanding mortgages, if any, now on record in said County.

Grantor shall retain all oil, gas and other mineral rights in, on and under the right of way and easement granted herein.

This Public Utility Easement shall run with the Property and inure to the benefit of, and be binding upon, the successors in interest of Grantor, in and to the property. Grantee shall have the right to assign this easement in whole or in part to one or more assignees.

Grantee acknowledges that this grant of Public Utility Easement from Grantor is a nonexclusive grant, and Grantee further acknowledges and consents to the conveyance by Grantor of access easements to others, over, under and through the Public Utility Easement herein granted, so long as such other easements do not interfere with Grantee's purposes and uses of the Easement.

This contract is binding upon any subsequent owner or owners of said land, and it is hereby expressly understood that the parties securing this grant on behalf of Grantee are without authority to make any covenant or agreement not herein expressed.

_____
Initials

WITNESS THE EXECUTION HEREOF this _____ day of _____, A.D., 2019.

GRANTOR: **City of Paducah**

_____ _____

By: **Title:**

ACKNOWLEDGMENT
STATE OF _____ §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, A.D., 2019, by _____
Being duly authorized to transact businesses for the City of Paducah.

WITNESS MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC _____

Printed name: _____

My Commission Expires: _____ Notary Identification No.: _____

Prepared by:_____
Printed name: Ryne White, Agent
Address: 3510 Coleman Rd., Paducah, KY. 42001

_____
Initials

Agenda Action Form
Paducah City Commission

Meeting Date: March 12, 2019

Short Title: Establishment of a 911 Communications Division and Abolishing the 911 Communications Department - **J ARNDT**

Category: Emergency

Staff Work By: James Arndt, Stacey Blankenship
Presentation By: James Arndt

Background Information: In order to ensure compliance with the provisions of the Kentucky State Police and the Federal Government, this ordinance will create the 911 Communications Division under the direction of the Paducah Police Department and Chief of Police.

Does this Agenda Action Item align with a Strategic Plan Action Step? No
If yes, please list the Action Step Item Codes(s):

Funds Available: Account Name:
Account Number:

Staff Recommendation: Recommending emergency approval of an ordinance abolishing the 911 Communications Department and establishing a 911 Communications Division of the Paducah Police Department.

Attachments:

1. Ordinance
2. Emergency Declaration - 911 Communications Division

ORDINANCE 2019 -___- _____

AN ORDINANCE ESTABLISHING A 911 COMMUNICATIONS DIVISION OF THE PADUCAH POLICE DEPARTMENT, ABOLISHING THE 911 COMMUNICATIONS DEPARTMENT, AND DECLARING AN EMERGENCY TO EXIST

WHEREAS, The Kentucky State Police/Federal Bureau of Investigations Policies (KSP/FBI) require that the National Crime Information Center (NCIC) License, software, and terminal be within the supervision and purview of the Chief of Police of the Paducah Police Department; and

WHEREAS, the Emergency 911 Communications Department which has access to the NCIC currently exists as a standalone department of the City of Paducah not subject to the supervision and purview of the Chief of Police; and

WHEREAS, failure to comply with KSP/FBI's NCIC provisions could subject the City of Paducah to sanctions, including seizure of the National Crime Information Center (NCIC) Terminal; and

WHEREAS, seizure of the NCIC terminal would hinder the effectiveness of local law enforcement and result in imminent threat to the safety of citizens of Paducah and McCracken County; and

WHEREAS, the City Manager has made a written determination that an emergency exists which will cause public harm in the event of a delay;

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the City of Paducah, Kentucky hereby amends Chapter 2 of the Paducah Code of Ordinances as follows:

Sec. 2-211 Establishment

The following departments of the city are hereby established under the direction and supervision of the city manager:

Administrative.
Finance.
Personnel.
Police.
Fire.
Public Works.
Engineering.
Parks Services.
Planning.
~~911 Communications Services.~~

[…]

DIVISION 4. – POLICE DEPARTMENT

[…]

Sec. 2-272. – Fees for services rendered by department.

(a) The Police Department is hereby authorized to charge and collect for the following services the following fees: For preparing and furnishing, upon request therefor, a photocopy of a motor vehicle accident report on record in the offices of the Police Department, the sum established by the Police Department**; Fees collected for**

provision of Emergency 911 services, as set forth in Sec. 2.282.

[…]

Sec. 2.279. 911 Communications Services Division Established.

There is hereby established a division of the Paducah Police Department, entitled "911 Communications Services" for the purpose of providing emergency 911 services to the City of Paducah, its citizens and visitors.

Sec. 2.280. Emergency Communications Services Manager.

(a) ***Position Established.*** **There is hereby created and established the position of 911 Communications Services Manager.**

(b) ***Duties.*** **The 911 Communications Services Manager shall have the general responsibility of supervising the Department's employees and the day to day functions of the Division, except that the Chief of Police shall have exclusive management/control of all communication terminals which access LINK/NCIC/National Law Enforcement Telecommunications System (NLETS) files, including employee training and discipline related to communication terminals which access LINK/NCIC/National Law Enforcement Telecommunications System (NLETS). The 911 Communications Services Manager shall have the responsibilty of providing emergency 911 services for the city and other agencies that contract for services. The 911 Communications Services Manager shall have all general authorities and powers necessary to carry out these responsibilities and shall report to the Chief of Police.**

(c) ***Authority.*** **The 911 Communications Services Manager is authorized to retain, with approval of the City Manager, an independent certified public accountant who shall audit, not more often than once every twelve (12) months, the books of any private commercial telephone service or owner of a dispersed private telephone system (DPTS) that provides local and 911 emergency service to subscribers for compensation under KRS 65.760, *et seq.*, for the following purposes:**

(1) To verify the accuracy of collection, receipts, and disbursements of all fees; and

(2) To verify the accuracy of the number of 911 subscribers to any private commercial telephone services or DPTS.

The independent certified public accountant shall make available a report of the audit of the 911 Communications Services Division to the 911 Communications Manager, the Chief of Police, the Financial Director, the City Manager, and the Mayor. The independent certified public accountant shall also forward a copy of the audit to the appropriate officer for any private commercial telephone service or DPTS.

Sec. 2.281. 911 Communications Services Division Employees.

(a) ***Civilian Employees.*** **Employees of the 911 Communications Services Division shall be unsworn civilian employees and shall not be entitled to the rights and procedures set forth in KRS § 15.520, *et seq*.**

(b) ***Hiring, Firing, and Discipline.*** **The 911 Communications Services Manager shall make recommendations to the Chief of Police as to the hiring, firing, and discipline of 911 Communications Services Division employees. The Chief of Police shall have final authority as to all hiring, firing, and disciplinary decisions concerning any employee in the 911 Communications Services Division who has authority to access the NCIC Terminal. The hiring, firing, and disciplinary authority for 911 Communications Services Division employees who do not have authority to access the NCIC Terminal is the same as for all other civilian employees of the Paducah Police Department.**

Sec. 2.282. Fees for Services.

(a) All telephone companies providing telephone service to residents of the City of Paducah shall collect from each line the sum of $2.50 per month, beginning July 1, 2016.

(b) All telephone companies shall remit all fees to the City of Paducah within ten (10) days after the end of each month.

(c) All telephone companies providing services to persons/entities for whom the City of Paducah provides 911 services shall be subject to the audit procedure outlined in Sec. 2-280(c).

Sec. 2.283. Authorization to Contract.

The Mayor, on behalf of the city, is authorized to execute a letter of intent, lease, and/or service agreement providing for the implementation, maintenance, and funding of the 911 Communications Services Division of the Paducah Police Department. The Mayor, on behalf of the city, is further authorized to contract with other agencies, for a fee, to provide 911 services therefor.

Sec. 2.284. Penalties.

Any person and/or entity in violation of the provisions of section 2-282(a) or (b) shall be subject to a penalty equal to five (5) percent of the total fees due for each day or fraction thereof that the fees for services is late.

[…]

~~**DIVISION 6. – 911 COMMUNICATIONS SERVICES.**~~

~~Sec. 2-325. - Established.~~

~~There is hereby established a Department entitled "911 Communications Services Department" for the purpose of providing emergency 911 services to the City of Paducah, its citizens and visitors.~~

~~Sec. 2-326. – Director.~~

~~(a) *Office established*. There is hereby created and established the position of 911 Communications Services Director.~~

~~(b) *Duties*. The 911 Communications Services Director shall have the general responsibility of supervising the Department's employees and the various functions of the Department. The 911 Communications Services Director shall have the responsibility of~~

~~providing emergency 911 services for the city and any other agencies that contract for services. The 911 Communications Services Director shall have all general authorities and powers necessary to carry out these responsibilities and shall report to the City Manager.~~

~~(c) *Authority*. The Director is authorized to retain, with approval by the City Manager, an independent certified public accountant who shall audit, not more often than once every twelve (12) months, the books of any private commercial telephone service or owner of a dispersed private telephone system (DPTS) that provides local and 911 emergency service to subscribers for compensation under KRS 65.760, *et seq.*, for the following purposes:~~

~~(1) To verify the accuracy of collection, receipts, and disbursements of all fees; and~~
~~(2) To verify the accuracy of the number of 911 subscribers to any private commercial telephone services or DPTS.~~

~~The independent certified public accountant shall make a report of the audits of the Director of 911 Communications Services, the Financial Director of the City of Paducah, Kentucky, the City Manager for the City of Paducah, Kentucky and the Mayor for the City of Paducah, Kentucky. The independent certified public accountant shall also forward a copy of the audit to the appropriate officer for any private commercial telephone service or DPTS.~~

~~Sec. 2-327. – Fees for Services.~~

~~(a) All telephone companies providing telephone service to residents of the City of Paducah shall collect from each line the sum of $2.50 per month, beginning July 1, 2016. In the interim, all telephone companies providing telephone service to residents of the City of Paducah shall continue to collect from each line the sum of $1.50 per month.~~

~~(b) All telephone companies shall remit all fees to the City of Paducah within ten (10) days after the end of each month.~~

~~(c) All telephone companies providing services to persons/entities for whom the City of Paducah provides 911 services shall be subject to the audit procedure outlined in Sec. 2-326(c).~~

~~Sec. 2-328. – Authorization to Contract.~~

~~The mayor, on behalf of the city, is authorized to execute a letter of intent, lease, and/or service agreement providing for the implementation, maintenance, and funding of the 911 Communications Services Department. The mayor, on behalf of the city, is further authorized to contract with other agencies, for a fee, to provide 911 services therefor.~~

~~Sec. 2-329. – Penalties.~~

~~Any person and/or entity in violation of the provisions of section 2-327(a) or (b) shall be subject to a penalty equal to five (5) percent of the total fees due for each day or fraction thereof that the fees for services is late.~~

SECTION 2. Emergency Declared. Pursuant to KRS 83A.060, the City Commission suspends the requirement of a second reading of this ordinance. As grounds therefor, the City Commission does hereby declare an emergency to exist due to the need for

immediate action to prevent public harm that would result from seizure of the NCIC terminal.

SECTION 3. Effective Date. This ordinance shall become effective immediately upon its adoption by affirmative vote of 2/3 or more of the legislative body.

_____
Brandi Harless, Mayor

ATTEST:

_____
Lindsay Parish, City Clerk

Introduced & Adopted by the Board of Commissioners March 12, 2019
Recorded by Lindsay Parish, Paducah City Clerk, March 12, 2019
Published by The Paducah Sun, March _____, 2019
ORD\Creating 911 as Division of the Paducah Police Department
Ordinance Prepared by Stacey Blankenship – KKHB
225926

CITY OF PADUCAH
300 South 5th Street
P. O. Box 2267
Paducah, KY 42002-2267
Phone: (270) 444-8530
Fax: (270) 443-5058

James W. Arndt
City Manager
ICMA - CM

Michelle Smolen
Assistant City Manager
ICMA

To: Mayor Harless
Commissioner Abraham
Commissioner Watkins
Commissioner Wilson
Commissioner McElroy
City Clerk Parrish

From: James W. Arndt, City Manager

Subject: Emergency Declaration – 911 Communications Division

Date: 03/07/2019

Pursuant to multiple conversations with the Kentucky State Police, the City of Paducah in order to prevent sanctions that may include the seizure of the National Crime Information Center (NCIC) Terminal deems it necessary to abolish our existing 911 Communications Department and establish a 911 Communications Division under the Paducah Police Department.

The City Manager's Office declares it is of the upmost importance to act with extreme expediency to come into compliance with both State and Federal provisions that govern the licensure and utilization of the NCIC terminal to insure the safety of our residents and law enforcement professionals is not hindered by the revocation or suspension of our abilities to lawfully access critical public safety information.

Therefore, I have determined that an emergency exists and in accordance with KRS 83A.060 (7) I request the Board of Commissioners to act upon this establishment ordinance through emergency measures by suspending the requirements for a second reading and publication in order to prevent public harm in the event of delay.

Respectfully submitted on this 7th day of March 2019

James W. Arndt
City Manager, ICMA-CM

Agenda Action Form
Paducah City Commission

Meeting Date: March 12, 2019

Short Title: Ridgewood Villas Phase II - **R MURPHY**

Category: Ordinance

Staff Work By: Maegan Mansfield
Presentation By: Rick Murphy

Background Information: The final plat for Ridgewood Villas Phase II has been approved by the Engineering Department and Planning Commission. Both Phase I and Phase II infrastructure were approved by engineering via letter on July 22nd, 2016. At this time, the final plat for Phase II and a letter of credit for $100,000 have been submitted. Originally, a letter of credit for $250,000 was submitted at the initiation of Phase I. This letter has been updated to extend the expiration date and to reduce the overall amount in order to account for infrastructure in place as of completion of Phase I.

Does this Agenda Action Item align with a Strategic Plan Action Step? No
If yes, please list the Action Step Item Codes(s):

Funds Available: Account Name:
Account Number:

Staff Recommendation: Approve the Final Plat of Subdivision for Ridgewood Villas Phase II. Authorize the Mayor to sign the plat and all related documents for execution.

Attachments:

1. Ordinance
2. Resolution
3. Sub Plans Approval Letter_07-22-2016
4. Paducah Bank - Irrevocable Letter of Credit no. 8083
5. Sheet 1 of 3_Final Plat of Sub. Ridgewood Villas Phase 2
6. Sheet 2 of 3_Final Plat of Sub. Ridgewood Villas Phase 2
7. Sheet 3 of 3_Final Plat of Sub. Ridgewood Villas Phase2

ORDINANCE NO. 2019-____-_____

AN ORDINANCE APPROVING THE FINAL REPORT OF THE PADUCAH PLANNING COMMISSION ON THE PROPOSED FINAL SUBDIVISION FOR PROPERTY LOCATED AT 319 BLEICH ROAD; ACCEPTING THE DEDICATION OF RIGHT OF WAY; ACCEPTING PUBLIC UTILITY EASEMENTS; AND AUTHORIZING THE MAYOR TO SUBSCRIBE A CERTIFICATE OF APPROVAL ON THE PLAT

WHEREAS, the Paducah Planning Commission held a public hearing on March 2, 2015, and adopted a preliminary subdivision plan for property located at 319 Bleich Road; and

WHEREAS, by Resolution dated December 3, 2018, the Paducah Planning Commission recommends to the Board of Commissioners the adoption of an ordinance approving the revised final plat of subdivision of property of Ridgewood Villas Condominiums – Phase 2; and

WHEREAS, the City Engineer has received and approved an Irrevocable Letter of Credit in the amount of $100,000, for surety as to the completion of public improvements, in accordance with the proposed subdivision plan and the City's specifications.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That a resolution adopted by the Paducah Planning Commission on December 3, 2018, entitled, "A RESOLUTION CONSTITUTING THE FINAL REPORT OF THE PADUCAH PLANNING COMMISSION ON THE PROPOSED FINAL SUBDIVISION FOR PROPERTY LOCATED AT 319 BLEICH ROAD", be approved as the final report of said Commission respecting the matters set forth therein.

SECTION 2. That the subdivision of said property shall be, and it is hereby, approved as shown on the plat referred to in said subdivision, which plat is entitled, "Final Plat of Subdivision & Establishment Ridgewood Villas Condominiums – Phase 2 Bleich Road & Lakewood Drive, Paducah, McCracken County, Kentucky", and said property is hereby declared to be subdivided as shown on said plat.

SECTION 3. That the City hereby accepts Irrevocable Letter of Credit No. 8083 in the amount of $100,000.00, for surety of the completion of the street, curbs, gutters and right-

of-way in the development that meets the minimum standards required by the City of Paducah Engineering Department pursuant to the City of Paducah Code of Ordinances.

SECTION 4. That the dedication of the public right-of-way and public utility easements shown on said plat shall be, and they are hereby, accepted and shall be maintained by the City of Paducah, but such acceptance shall not constitute an undertaking on the part of this Board or the City of Paducah, Kentucky, for the construction or improvements of said right-of-way. The Mayor is hereby authorized to subscribe a certificate of approval on the plat.

SECTION 5. That if any section, paragraph or provision of this ordinance shall be found to be inoperative, ineffective or invalid for any cause, the deficiency or invalidity of such section, paragraph or provision hereof, it being the purpose and intent of this ordinance to make each and every section, paragraph or provision hereof, it being the purpose and intent of this ordinance to make each and every section, paragraph and provision hereof separable from all other sections, paragraphs and provisions.

SECTION 6. This ordinance shall have two separate readings and will become effective upon summary publication pursuant to KRS Chapter 424.

_____
Brandi Harless, Mayor

ATTEST:

_____
Lindsay Parish, City Clerk

Introduced by the Board of Commissioners, March 12, 2019
Adopted by the Board of Commissioners, _____
Recorded by Lindsay Parish, City Clerk, _____
Published by The Paducah Sun, _____
\ord\plan\subd- Ridgewood Villas Phase 2

A RESOLUTION CONSTITUTING THE FINAL REPORT OF THE PADUCAH PLANNING COMMISSION ON THE PROPOSED FINAL SUBDIVISION FOR PROPERTY LOCATED AT 319 BLEICH ROAD.

WHEREAS, a public hearing was held on March 2, 2015 by the Paducah Planning Commission after advertisement pursuant to law, and

WHEREAS, all matters regarding the final plat have been made known to the Commission, and

WHEREAS, a final plat of said subdivision has been submitted to the Paducah Planning Commission, being entitled Ridgewood Villas Condominiums – Phase 2.

NOW THEREFORE, BE IT RESOLVED BY THE PADUCAH PLANNING COMMISSION:

SECTION 1. That this Commission recommend to the Mayor and Board of Commissioners the adoption of the final plat and the subdivision reflected thereon.

SECTION 2. That this Resolution shall be treated as, and is, the final report of the Paducah Planning Commission respecting the matters appearing herein.

SECTION 3. That said plat shall be released for recording purposes after favorable action by the Mayor and Commission upon this report.

SECTION 4. That if any section, paragraph or provision of this Resolution shall be found to be inoperative, ineffective or invalid for any cause, the deficiency or invalidity of such section, paragraph or provision shall not affect any other section, paragraph or provision hereof, it being the purpose and intent of this Resolution to make each and every section, paragraph and provision hereof separable from all other sections, paragraphs and provisions.

Cathy Crecelius

Cathy Crecelius, Chair

Adopted by the Paducah Planning Commission on December 3, 2018

CITY OF PADUCAH
300 South 5th Street
P. O. Box 2267
Paducah, KY 42002-2267
www.paducahky.gov

Rick Murphy, P.E.
City Engineer & Public Works Director

Phone: (270) 444-8511
Fax: (270) 444-8689

July 22, 2016

Damon Turner, P.E.
SiteWorx Survey & Design, LLC
124 South 31st Street
Paducah, KY 42001

RE: Ridgewood Villas Subdivision

Dear Mr. Turner,

The Final Plat of Subdivision, the Subdivision Plans, the Erosion Prevention and Sediment Control Plan and the Stormwater Management Plan submitted for the above referenced subdivision have been reviewed and are approved subject to the following conditions:

GENERAL COMMENTS

1. The Developer will be responsible to employ a professional engineer to ensure the construction of all improvements required by the City of Paducah's Subdivision Ordinance are completed in accordance to the plans as approved by the City Engineer and in conformity with all applicable City standards. The Developer will be responsible for all field verifications and inspections and all costs incurred.
2. An Engineering Department's representative will be on site to periodically spot-check the construction in progress. The Engineering Department will not be held responsible for work that is not completed in accordance to the approved subdivision's construction plans.
3. **ALL** construction of public improvements to be dedicated to the City of Paducah, the quality of construction, materials, and testing shall equal or exceed the Kentucky Transportation Cabinet Department of Highways Standard Specifications for Road and Bridge Construction.
4. The Engineer of Record and the City Engineer shall approve all shop drawings, materials, etc. **prior to ordering/purchasing** these materials.
5. The responsibility of the construction of the improvements and the ownership and maintenance responsibilities during construction shall be those of the developer. Lack of installation of the facilities in accordance with all City requirements will result in the subdivision not being accepted.
6. Prior to final acceptance of the subdivision, a licensed professional engineer must submit the certification that all required improvements were constructed in accordance with the approved plans, specifications, and subdivision ordinance.
7. A one-year warranty period will begin for the entire system on the date of the acceptance letter of the City Engineer.
8. A final set of Construction As-Built plans may be required to be submitted at the completion of the project.
9. It shall be understood the City reserves the right to make field corrections as a result of inadvertent oversights, deficiencies or unforeseen errors to the plans as made evident during

construction of any project. It shall also be understood all financial responsibilities resulting from said field revisions will not include the City of Paducah's participation. If any revisions are required, said revisions shall be completed under the direct supervision and approval of the City Engineer's Office.

10. The approval herein shall not in any manner be interpreted as being any type of approval, statement or warranty concerning the location and/or extension of the depicted utility services. The Property Owner/Developer shall be responsible for obtaining the necessary approvals and permits for connections/extensions of utility services through the various utility companies. The approval of this site plan shall be construed as being in conformance with City Ordinance for the site plan requirements.

ROADWAY - CURB AND GUTTER

1. The developer's engineer/developer/contractor shall notify the City Engineer's office **48 Hours** in advance of the following construction procedures:
    a. Prior to the placing the D.G.A. Sub-base on any soil subgrade. (Proof rolling required)
    b. Prior to pouring any curb and gutter placement. (Verification of positive drainage)
    c. Prior to any asphalt base placement. (Proof rolling required)
2. A Kentucky Transportation Encroachment permit shall be obtained for work within the right of way of **Bleich Road.** The City of Paducah's approval regarding the access to this site is limited strictly to the location and dimensions noted on this plan. All materials, construction methods, standards, specifications and inspections shall be in accordance with the Kentucky Department of Highway District No. 1 Permit office. All questions pertaining to this entrance shall be directed to the Kentucky Department of Highway District No. 1 Permit office.
3. Three days prior to the start of construction, the developer will be required to call "Before You Dig" (BUD) Kentucky Underground Protection, Inc., 1-800-752-6007.
4. Traffic control shall be in accordance with the latest edition of the Manual on Uniform Traffic Control Devices.
5. **Once field staking has been completed**, the Engineer/Contractor shall notify the City Engineer's office for approval prior to constructing the curb and gutter.
6. When the contractor feels the DGA is ready for final inspection, this office will verify the prepared surface allows for the designed cross slope, as well as consistent and proper depth of asphalt.
7. No more than 24 hours immediately prior to paving, facilitate a proof roll utilizing, at minimum, a tandem truck with at least 20 tons.
8. **At the time of completion of the curb and gutter**, the Engineer/Contractor shall notify the City Engineer's office for approval of the work completed **prior to the placement of asphalt.**
9. Any pavement and/or curb and gutter grading resulting in water standing will be rejected, and corrected immediately. All costs associated with any necessary corrections shall be born by the developer. The City will not be responsible for any oversights made by the engineers or contractors.
10. All trench backfill within the City of Paducah's right of way shall be in accordance with the City of Paducah's Utility Roadway Trench Detail.
11. **Trench Backfill for sanitary sewer and water line** - 80 psi Flowable fill required if roadway is paved immediately following installation of roadway base. However, if roadway base is allowed to settle for a time period approved by the City Engineer, Flowable Fill will not be required and DGA can be used for backfill.
12. Verification of all required testing and inspection reports shall be submitted to this office by the Developer's Engineer to verify compliance of the approved construction of all public infrastructure. The Developer's Engineer shall also submit verification of all required testing and inspection reports to the appropriate public and private agencies to verify compliance of the construction.

13. Existing roadways damaged during construction shall be repaired to the City Engineer's satisfaction when construction is complete.
14. Prior to any deviation from the approved plans or specifications during construction, approval shall be obtained from the City Engineer in writing.

CONCRETE

1. All concrete constructed adjacent to existing asphalt pavement shall be 100% formed or slip-formed. Once the concrete construction is complete, a uniform pavement saw cut shall be made parallel to the newly constructed area and all material remaining between the saw cut and the newly constructed concrete shall be removed and new pavement constructed. The new pavement constructed shall consist of 8" of compacted DGA and 3" of Bituminous Surface Class I. The new concrete constructed shall not be poured against the roadside edge. **Concrete constructed directly against the roadside edge shall be rejected.**
2. It is the responsibility of the developer to construct sidewalks, curbs, gutters, and/or driveway entrance aprons as required by the City Engineer for this development. All construction shall comply with City of Paducah and ADA standards. ADA sidewalk ramps shall be constructed at street intersections.
3. It is the responsibility of the developer to repair and /or replace roadways, sidewalks, curbs, gutters, and/or driveway entrance aprons previously damaged or damaged during construction in accordance with City of Paducah and ADA standards.

PUBLIC UTILITIES

1. The Property Owner/Developer shall be responsible for obtaining the necessary approvals and permits for connections/extensions of utility services through the various utility companies.
2. Verification of all required testing, inspection reports and certifications shall be submitted to the appropriate public and private utility agencies by the Developer's Engineer to verify compliance of the approved construction.
3. A copy of the approval and acceptance by the public and private utility agencies shall be provided to the City Engineer prior to subdivision acceptance.

DRAINAGE & GRADING

1. The drainage pattern created by the development of this site shall be consistent with the previous stormwater drainage patterns or with the previously approved stormwater drainage plan. The adjacent property owners shall not realize any change in runoff to their property.
2. All pipe for storm sewer purposes within the City right of way shall be Bituminous Coated or Aluminized CMP inside and out or R.C.P., gage and class to be determined by depth. See KDOT Standard Drawing RDI-001-04.
3. The Kentucky Department of Transportation has a net zero stormwater increase policy on state right of way. The developer/owner/engineer shall be required to contact the Kentucky Department of Highway District No. 1 permit office at 270-898-2431 prior to commencement of this work in order to comply with K.D.O.T. drainage standards.
4. PVC and/or HDPE pipe depicted for storm sewer purposes shall not be allowed in the City's right of way.
5. Perpetuation of existing drainage not affected by the proposed project shall be maintained at all times.
6. All ditches disturbed during construction shall be returned to their original lines and grades. The improvement of this site shall not detour or obstruct the necessary drainage required.
7. Provisions for erosion control shall be implemented at each outlet pipe and/or concrete flume. Class II Rip-Rap shall be placed at the outlets of pipes and/or concrete flumes.
8. A one-foot absolute minimum with a two (2) foot desirable cover is required for all cross drains within the roadway. This cover does not include any portion of the roadway pavement structure

or the wall thickness of the pipe. The cover should be measured from the outside of the pipe wall. We request that the engineer certify that the proposed structures are adequate for standard truck traffic.

EROSION PREVENTION AND SEDIMENT CONTROL APPROVAL

The Erosion Prevention and Sediment Control Plan dated July, 2015 submitted by Damon Turner, P.E. was approved on October 20, 2015 in accordance with City of Paducah Code of Ordinances Chapter 50, Article IV "Erosion Prevention and Sediment Control" with the following conditions:

- All potential erosion shall be maintained and controlled within the development site in accordance with the approved EPSC plan.
- Applicable erosion control devices/measures shall be perpetually maintained during the construction phase of this project until a proper vegetative ground cover is established.

SWM APPROVAL

The Regional Stormwater Management Plan was submitted for this subdivision on October 14, 2015 by Damon Turner, P.E. is approved in accordance with Section 50 Article III - "Stormwater Conveyance and Management" with the following conditions:

1. Section 50-155 (7) **Construction Certification:** "Prior to final approval of the development, the licensed professional engineer must submit certification that the storm water management and conveyance facilities were constructed in accordance with the approved plan. Final approval shall also provide evidence of the recording of all storm water conveyance and management facilities deed restrictions, easements and rights-of-way. Any request for deviation from the approved plan during construction shall be submitted to the city plan review staff in writing for approval."
2. The Engineer shall verify that the detention facility has positive drainage with side slopes being at least 3:1 for the purpose of maintenance.
3. **The bottom of all detention basins shall be graded/sloped with a 1% grade directly to the outlet point to allow for continuous drainage. No flat bottom detention ponds will be accepted. The ENTIRE detention pond shall be maintained in a "LAWN STATE" for the duration of the detention pond.**

SUBDIVISION PLAT PROCESS

1. An Irrevocable Letter of Credit dated July 21, 2016, in the amount of $250,000 has been submitted by Higdon Development, Inc., as surety for the public improvements and installations that are proposed to be dedicated to the City.
2. The subdivision and final plat can now be considered by the Board of Commissioners for acceptance of the dedicated right of way and public easements.
3. Subsequent to approval by the Board of Commissioners, the Final Plat of Subdivision will need to be recorded at the McCracken County Clerk's office.

PUBLIC IMPROVEMENT COMPLETION & ACCEPTANCE PROCESS

1. Subsequent to completion of the subdivision construction, a licensed professional engineer must submit a letter to the City Engineer stating that all required subdivision improvements, including all public improvements, monumentation, stormwater management system, etc., were constructed in accordance with the approved plans, specifications, and City of Paducah's Subdivision Ordinance.
2. Following receipt of the correspondence from the licensed professional engineer of the completion of the subdivision, a walk-through inspection can be scheduled. The notification of the walk-through meeting date and time shall be addressed to all parties concerned in writing.
3. Subsequent to the walk-thru, if all necessary items have been completed by the developer, a letter will be issued by this office stating that all improvements required by the City of Paducah's

Subdivision Ordinance have been completed in conformity with all City standards. A one- year warranty period will begin for the entire system on the date of the letter.

4. Until full subdivision acceptance by the City, the responsibility of the construction of the improvements and the ownership along with all maintenance responsibilities shall be those of the developer. Lack of installation of the facilities in accordance with all City requirements will result in the subdivision not being accepted.

FOLLOW-UP - CONCLUSIONS

Enclosed, please find a compact disk that contains the electronic version of the approved plans for your files along with a subdivision checklist documenting the current status of the subdivision in accordance with the City of Paducah's Subdivision Ordinance. If you have any questions regarding this matter, please call.

Sincerely,

Rick Murphy, P.E.
City Engineer-Public Works Director

RM:aw,eh

cc: Steve Ervin, Planning Director
Phil Higdon, Developer
Jason Goins, P.E. SiteWorx Survey & Design

CITY OF PADUCAH
ENGINEERING DEPARTMENT

SUBDIVISION CHECK LIST

FOR: RIDGEWOOD VILLA SUBD. * MOH

- [x] PUBLIC HEARING - PRELIMINARY SUBDIVISION PLAT — 3-2-15
- [x] SUBDIVISION PLANS APPROVED BY EPW
  - STREET — 07-22-16
  - SWM
  - OTHER
- [x] FINAL SUBDIVISION PLAT APPROVED BY P&Z — 07-18-16
- [x] BONDING
  - TYPE — LOFC
  - AMOUNT — $250,000
  - DATE — 07-21-16
  - EXPIRATION — 07-21-17
- [ ] FINAL PLAT APPROVED BY BOARD OF COMMISSIONERS
  - Ord#
  - Date
  - Recorded
- [ ] ROADWAY
  - SHOP DRAWINGS APPROVED
  - TESTING & INSPECTION REPORTS
  - ROADWAY - CURB & GUTTER
  - PAVEMENT MARKINGS
  - SIDEWALKS
  - MONUMENTS/PROPERTY CORNERS
  - AS-BUILTS (IF CHANGES HAVE BEEN MADE)
  - ENGINEER CERTIFICATION
- [ ] STORMWATER MANAGEMENT
  - INSPECTION REPORTS
  - MAINTENANCE AGREEMENT
  - RECORDING INFO
  - AS-BUILTS (IF CHANGES HAVE BEEN MADE)
  - ENGINEER CERTIFICATION
- [ ] UTILITIES - Approval and Acceptance Letter
- [ ] PUNCH LIST
- [ ] FINAL INSPECTION
- [ ] READY FOR ACCEPTANCE
- [ ] DATE OF ACCEPTANCE
- [ ] ONE YEAR MAINTENANCE PERIOD

February 12, 2019

IRREVOCABLE LETTER OF CREDIT NO. 8083

City of Paducah
Engineering Department
City Hall
Paducah KY 42001

Dear Sir or Madam:

We hereby establish our Irrevocable Letter of Credit No. 8083 in your favor for the account of **Higdon Development, Inc.**, dated February 12, 2019, available by your drafts(s) on us at sight, up to the aggregate amount of **One Hundred Thousand Dollars and No/100 ($100,000.00).**

Drafts are not to be presented for collection unless construction of the streets, roads, curbs, gutters and right-of-way in the development known as Ridgewood Villas Phase 2 does not meet the minimum standards required by the City of Paducah Engineering Department. Each draft so drawn under this credit must be marked, "Drawn under The Paducah Bank and Trust Company, 555 Jefferson Street, Paducah, Kentucky, Credit No. 8083, dated February 12, 2019," and be accompanied by a signed statement from an authorized representative of the City of Paducah Engineering Department that Higdon Development, Inc. is in default of the road and infrastructure bond agreement with the City of Paducah Engineering Department and the amount drawn represents the balance required to properly construct the streets, roads, curbs, gutters and right of way in the development known as Ridgewood Villas, Phase 2.

This credit sets forth in full the terms of our obligations to you, and such undertaking shall not in any way be modified or amplified by an agreement in which this credit is referred to or to which this credit relates, and any such reference shall not be deemed to incorporate herein by reference any agreement.

This Letter of Credit is subject to the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored if drawn and presented for payment to our main office, The Paducah Bank and Trust Company, 555 Jefferson Street, Paducah, Kentucky. This Letter of Credit expires February 12, 2020.

Sincerely,

Alan Sanders
Senior Vice President

PROPERTY OWNER'S CERTIFICATE

"I (WE) HEREBY CERTIFY THAT I AM (WE ARE) THE REAL PROPERTY OWNER(S) SHOWN AND DESCRIBED HEREON AND FREELY GIVE MY (OUR) CONSENT TO SUBDIVIDE THE PROPERTY AND TO DEDICATE ALL EASEMENTS AS SHOWN AND DESCRIBED HEREON"

C Philip Hayden 12-3-18
HIGDON DEVELOPMENT, INC.//SIGNATURE — PRINT NAME

12-3-18
DATE

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF Kentucky
COUNTY OF McCracken
I, Tonya Lindsey, A NOTARY PUBLIC IN AND FOR THE STATE AND COUNTY AFORESAID, DO HEREBY CERTIFY THAT THIS PLAT AND THE FOREGOING CERTIFICATE WAS THIS DAY PRESENTED TO ME BY C. Philip Hayden, WHO THEN EXECUTED SAID CERTIFICATE IN MY PRESENCE AND ACKNOWLEDGED SAME TO BE A FREE ACT AND DEED FOR THE PURPOSES STATED THEREIN.

SUBSCRIBED AND SWORN TO BEFORE ME THIS 3 DAY OF December, 2018.

NOTARY PUBLIC SIGNATURE: Tonya Lindsey

MY COMMISSION EXPIRES: 9-10-2022

PLANNING AND ZONING CERTIFICATE OF APPROVAL

UNDER AUTHORITY PROVIDED BY CHAPTER 100 OF THE KENTUCKY REVISED STATUTES AND ORDINANCE ADOPTED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PADUCAH, KY, THIS PLAT HAS BEEN GIVEN APPROVAL AND ACCEPTED BY THE PADUCAH PLANNING AND ZONING COMMISSION AT A MEETING HELD 12/3/18.

Cathy Cocchiara
CHAIRMAN

MAYOR'S CERTIFICATE OF DEDICATION APPROVAL

UNDER AUTHORITY PROVIDED BY CHAPTER 100 OF THE KENTUCKY REVISED STATUTES, I, GAYLE KALER, MAYOR, ON BEHALF OF THE CITY OF PADUCAH, HEREBY CERTIFY THAT THE PROPOSED DEDICATION OF THE RIGHT-OF-WAY AND PUBLIC EASEMENTS AS SHOWN HEREON HAS BEEN FOUND TO BE BENEFICIAL TO THE PUBLIC INTEREST AND IS ACCEPTED BY THE CITY OF PADUCAH, KENTUCKY IN ACCORDANCE WITH ORDINANCE _____ ADOPTED AT A MEETING HELD ON _____

MAYOR, CITY OF PADUCAH

UNDERGROUND ELECTRICAL SERVICES & DISTRIBUTION RESTRICTION

ALL ELECTRICAL SERVICE AND DISTRIBUTION LINES SHALL BE INSTALLED UNDERGROUND AND THE GRADE OR ELEVATION OF THE LAND OVER WHICH THE FACILITIES ARE INSTALLED SHALL NOT BE LOWERED WITHOUT THE WRITTEN CONSENT OF PADUCAH POWER SYSTEM. ADDITIONALLY, THE COSTS OF REPAIR OR RELOCATION OF THE ELECTRICAL FACILITIES RESULTING FROM ANY CHANGES IN THE GRADE OR ELEVATION OF THE LAND SHALL BE BORNE BY THE PROPERTY OWNER(S). PADUCAH POWER SYSTEM SHALL BACKFILL EXCAVATED AREAS NECESSARY TO INSTALL THE ELECTRICAL FACILITIES UPON COMPLETION OF THE CONSTRUCTION AND, IN THE EVENT OF FURTHER SETTLING OF THOSE AREAS, IT SHALL BECOME THE RESPONSIBILITY OF THE PROPERTY OWNER TO ADD ADDITIONAL FILL MATERIAL AS NEEDED AND PADUCAH POWER SYSTEM SHALL NOT BE HELD LIABLE AS A RESULT OF FURTHER SETTLING OF THE GROUND.

STORMWATER DETENTION

"I (WE), THE CURRENT PROPERTY OWNER(S), HEREBY ACKNOWLEDGE THAT THE DEVELOPMENT OF THE PROPERTY SHOWN ON THIS PLAT SHALL CONFORM WITH THE REGIONAL STORMWATER MANAGEMENT PLAN APPROVED BY THE CITY ENGINEER IN ACCORDANCE WITH THE CITY OF PADUCAH CODE OF ORDINANCES & REQUIREMENTS. THE CURRENT PROPERTY OWNER/DEVELOPER, SUCCESSORS AND ASSIGNS AGREE TO CONSTRUCT THE FACILITIES, ASSUME OWNERSHIP, OPERATION, AND MAINTENANCE RESPONSIBILITIES FOR ALL STORMWATER MANAGEMENT CONTROL STRUCTURES AND STORMWATER DETENTION AREAS, DURING AND AFTER DEVELOPMENT. GRADING OF ALL SURFACE STORMWATER DETENTION BASIN(S) SHALL BE COMPLETED IN ACCORDANCE WITH THE APPROVED STORMWATER MANAGEMENT PLAN."

C Philip Hayden 12-3-18
HIGDON DEVELOPMENT, INC. — DATE

CERTIFICATE OF RECORDING STATE OF KENTUCKY, COUNTY OF McCRACKEN

I HEREBY CERTIFY THAT THIS PLAT WAS THIS DAY LOGGED IN MY OFFICE FOR RECORD AND THAT I HAVE RECORDED SAME WITH THIS AND THE FOREGOING CERTIFICATES IN MY OFFICE. GIVEN UNDER MY SEAL THIS _____ DAY OF _____ AND RECORDED IN PLAT SECTION _____, PAGE _____.

McCRACKEN COUNTY COURT CLERK — DEPUTY COURT CLERK

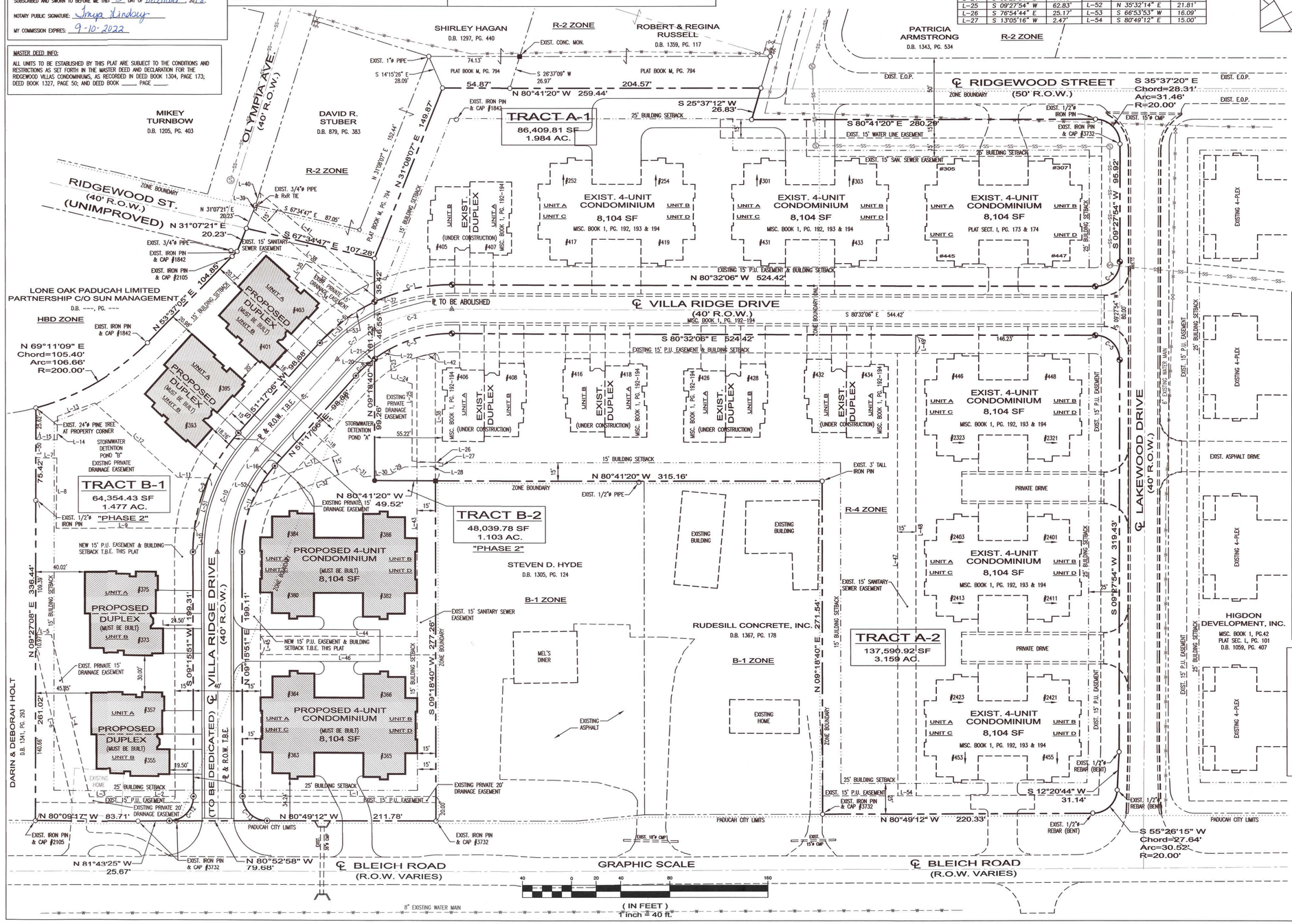
CERTIFICATE OF APPROVAL OF STREETS

A FORM OF SECURITY IN THE AMOUNT OF $_____ HAS BEEN SUBMITTED IN ACCORDANCE WITH THE CITY OF PADUCAH CODE OF ORDINANCES TO ASSURE COMPLIANCE OF ALL REQUIRED SUBDIVISION IMPROVEMENTS, IN ACCORDANCE WITH THE APPROVED PLANS & SPECIFICATIONS.

CITY ENGINEER-PUBLIC WORKS DIRECTOR — DATE 2/1/19

MASTER DEED INFO:
ALL UNITS TO BE ESTABLISHED BY THIS PLAT ARE SUBJECT TO THE CONDITIONS AND RESTRICTIONS AS SET FORTH IN THE MASTER DEED AND DECLARATION FOR THE RIDGEWOOD VILLAS CONDOMINIUMS, AS RECORDED IN DEED BOOK 1304, PAGE 173; DEED BOOK 1327, PAGE 50; AND DEED BOOK _____, PAGE _____.

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L-1	N 80°49'12" W	157.64'	L-28	N 82°13'06" W	31.21'
L-2	N 81°43'25" W	30.39'	L-29	S 70°57'13" W	12.80'
L-3	N 80°09'17" W	39.49'	L-30	N 85°56'52" W	22.31'
L-4	N 03°52'45" W	135.62'	L-31	N 39°23'00" W	9.84'
L-5	N 80°41'20" W	12.81'	L-32	S 78°59'21" W	90.87'
L-6	S 03°52'45" E	129.35'	L-33	N 57°30'05" E	31.40'
L-7	S 79°59'01" E	17.20'	L-34	N 44°18'06" W	53.75'
L-8	S 10°00'59" W	57.36'	L-35	N 45°41'54" E	15.00'
L-9	S 80°44'09" E	112.90'	L-36	S 44°18'06" E	59.57'
L-10	S 13°05'39" W	19.37'	L-37	S 71°24'27" W	16.18'
L-11	N 79°51'22" W	25.41'	L-38	N 40°34'57" W	104.21'
L-12	N 38°42'54" W	90.80'	L-39	N 31°07'21" E	5.03'
L-13	S 79°45'25" W	32.52'	L-40	N 26°37'09" E	11.10'
L-14	S 10°00'59" W	18.88'	L-41	S 40°34'57" E	116.15'
L-15	N 79°59'01" W	17.35'	L-42	S 85°54'38" W	15.42'
L-16	S 46°23'31" W	17.91'	L-43	S 09°18'40" W	227.62'
L-17	N 78°59'21" E	66.93'	L-44	N 80°44'09" W	127.78'
L-18	N 39°23'00" W	28.65'	L-45	S 09°15'51" W	15.00'
L-19	N 51°17'06" E	73.36'	L-46	S 80°44'09" E	142.78'
L-20	N 05°42'18" E	3.43'	L-47	S 09°18'40" W	360.54'
L-21	N 61°51'18" E	2.64'	L-48	N 09°18'40" E	360.46'
L-22	N 66°34'44" E	14.66'	L-49	N 09°18'40" E	15.00'
L-23	S 05°42'18" W	23.72'	L-50	S 09°27'08" W	15.00'
L-24	S 65°29'34" E	17.46'	L-51	N 25°22'14" E	42.60'
L-25	S 09°27'54" W	62.83'	L-52	N 35°32'14" E	21.81'
L-26	S 76°54'44" E	25.17'	L-53	S 66°53'53" W	16.09'
L-27	S 13°05'16" W	2.47'	L-54	S 80°49'12" E	15.00'



VICINITY MAP

LEGEND:

- 1/2"ø x 30" LONG IRON PIN & CAP #3732 (TO BE SET)
- 6"ø x 24" LONG CONC. MONUMENT W/CAP #3732 (TO BE SET)
- EXIST. 6"ø x 24" LONG CONC. MONUMENT W/CAP #3732
- EXIST. IRON PIN & CAP #3790 (UNLESS NOTED OTHERWISE)
- EXIST. 4"x4" CONC. MONUMENT
- PROPERTY LINE
- ADJOINING PROPERTY LINE
- EASEMENT LINE
- ROAD CENTERLINE
- BUILDING SETBACK LINE
- EXISTING SANITARY SEWER MAIN
- EXISTING WATER MAIN
- EXISTING SANITARY SEWER MANHOLE
- EXISTING FIRE HYDRANT
- EXISTING WATER VALVE
- T.B.E. — TO BE ESTABLISHED

PROPERTY NOTES:

CLIENT:
HIGDON DEVELOPMENT, INC.
197 ABERDEEN DRIVE
PADUCAH, KY 42001

OWNER:
HIGDON DEVELOPMENT, INC.
197 ABERDEEN DRIVE
PADUCAH, KY 42001

SOURCE OF TITLE:
DEED BOOK 1278, PAGE 773
DEED BOOK 1036, PAGE 499
PLAT SEC. L, PAGE 101
PLAT SEC. M, PAGE 871
DEED BOOK 1059, PAGE 407
PLAT SEC. M, PAGE 794
PLAT SEC. K, PAGE 1407
MISC. PLAT SEC. 1, PAGES 171-174
MISC. PLAT SEC. 1, PAGES 192-194

PROPERTY AREA:
TRACT B-1 = 1.477 ACRES
TRACT B-2 = 1.103 ACRES
DEDICATED R.O.W. = 0.416 ACRES
TOTAL = 2.996 ACRES

ZONING:
THE SUBJECT PROPERTY CONSISTS OF THREE DIFFERENT ZONE CLASSIFICATIONS, R-2 (LOW & MEDIUM DENSITY RESIDENTIAL), R-4 (HIGH DENSITY RESIDENTIAL), AND HBD (HIGHWAY BUSINESS DISTRICT).

FLOOD NOTE:
THE SUBJECT PROPERTY SHOWN HEREON IS LOCATED IN FLOOD ZONE X (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN) AS SHOWN ON FLOOD INSURANCE RATE MAP FOR McCRACKEN COUNTY, COMMUNITY-PANEL NUMBER 21145C0142F, DATED NOVEMBER 2, 2011.

SOURCE OF BEARINGS:
ALL BEARINGS SHOWN ARE CORRELATED WITH THE KENTUCKY SOUTH 1602, NAD 83 STATE PLANE COORDINATE SYSTEM.

WAIVER REQUESTS:
1. P&Z PRELIMINARY APROVAL ON 3-2-15 WAIVED THE REQUIREMENT FOR SIDEWALKS ON BOTH SIDES OF STREETS.
2. REDUCE MINIMUM BUILDING SETBACK REQUIREMENTS AS SHOWN ON PLAT.
3. REDUCE CENTERLINE RADIUS REQUIREMENT OF 200 FEET TO 125 FEET.

INTENT:
TO ESTABLISH PHASE 2 OF THE RIDGEWOOD VILLAS SUBDIVISION BY ESTABLISHING THE PROPERTY LINES TO CREATE TRACTS B-1 & B-2 AS SHOWN, THE BOUNDARY OF EACH CONDOMINIUM STRUCTURE, THE AIR SPACE WITHIN EACH UNIT PER ATTACHED SHEET 2 OF 3, AND 3 OF 3, TO ESTABLISH THE PUBLIC UTILITY EASEMENTS AS SHOWN, AND TO DEDICATE THE NEW STREET RIGHT-OF-WAY TO THE CITY OF PADUCAH FOR OWNERSHIP AND MAINTENANCE, ALL IN ACCORDANCE WITH CHAPTER 100 OF THE KENTUCKY REVISED STATUTES AND THE CITY OF PADUCAH SUBDIVISION ORDINANCE.

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THE SURVEY DEPICTED BY THIS PLAT WAS DONE BY PERSONS UNDER MY DIRECT SUPERVISION BY THE METHOD OF RANDOM TRAVERSE WITH SIDESHOTS. THE UNADJUSTED PRECISION RATIO OF THE TRAVERSE WAS 1:40,815 AND WAS NOT ADJUSTED. THE SURVEY AS SHOWN HEREON IS A CLASS "URBAN" SURVEY AND THE ACCURACY AND PRECISION OF SAID SURVEY MEETS ALL THE SPECIFICATIONS OF THIS CLASS.

DATE OF SURVEY: JANUARY 30, 2014.

HERB F. SIMMONS, P.L.S. #3732

12-3-18
DATE:

THIS PROPERTY IS SUBJECT TO ALL PREVIOUSLY CONVEYED RIGHT-OF-WAYS, EASEMENTS, COVENANTS AND CONDITIONS.

THE PLAT OF SURVEY SHOWN HEREON REPRESENTS A BOUNDARY SURVEY AND COMPLIES WITH 201KAR 18:150

CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD LENGTH
C-1	145.00'	65.34'	S 86°33'20" W	64.79'
C-2	125.00'	66.13'	N 84°18'30" E	65.37'
C-3	105.00'	67.60'	N 81°01'15" E	66.44'
C-4	20.00'	31.42'	S 54°27'54" W	28.28'
C-5	20.00'	31.42'	S 35°32'06" E	28.28'
C-6	145.00'	56.59'	N 62°27'56" E	56.23'
C-7	125.00'	38.95'	N 60°13'06" E	38.82'
C-8	105.00'	20.69'	N 56°55'51" E	20.66'
C-9	145.00'	106.34'	N 30°16'29" E	103.98'
C-10	125.00'	91.68'	N 30°16'29" E	89.63'
C-11	105.00'	77.01'	N 30°16'29" E	75.29'
C-12	20.00'	31.07'	S 53°46'13" W	28.04'
C-13	20.00'	31.45'	N 35°46'41" W	28.31'

sitework SURVEY & DESIGN, LLC
124 South 31st Street - Paducah, KY 42001 - Ph: (270) 443-8491
www.siteworxdesign.com

FINAL PLAT OF SUBDIVISION & ESTABLISHMENT OF CONDOMINIUM DEVELOPMENT & DEDICATION

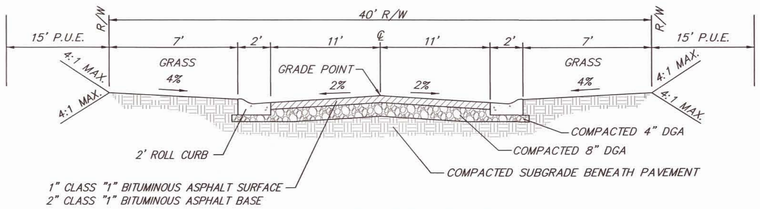
RIDGEWOOD VILLAS CONDOMINIUMS - PHASE 2
BLEICH ROAD & LAKEWOOD DRIVE
PADUCAH, McCRACKEN CO., KY

PROJECT NO. : 13106
DATE: DECEMBER 3, 2018
DRAWN BY: DJT & JLG

REV.	DESCRIPTION

SHEET 1 OF 3

ALL RIGHTS RESERVED - SITEWORX SURVEY & DESIGN, LLC. REGISTERED ALL RIGHTS TO THE INFORMATION SHOWN HEREON. THESE PLANS MAY NOT BE REPRODUCED OR COPIED WITHOUT THE EXPRESS WRITTEN CONSENT OF SITEWORX SURVEY & DESIGN, LLC.



VILLA RIDGE DRIVE
TYPICAL STREET SECTION 40' R/W
NOT TO SCALE

CERTIFICATE OF RECORDING
STATE OF KENTUCKY, COUNTY OF McCRACKEN

I HEREBY CERTIFY THAT THIS PLAT WAS THIS DAY LOGGED IN MY OFFICE FOR RECORD AND THAT I HAVE RECORDED SAME WITH THIS AND THE FOREGOING CERTIFICATES IN MY OFFICE.
GIVEN UNDER MY SEAL THIS _____ DAY OF _____
AND RECORDED IN PLAT SECTION _____, PAGE _____.

McCRACKEN COUNTY COURT CLERK — DEPUTY COURT CLERK

PROFESSIONAL ENGINEER'S CERTIFICATE

I HEREBY CERTIFY, TO THE BEST OF MY KNOWLEDGE AND BELIEF, THAT THESE PLANS FULLY AND ACCURATELY DEPICT THE LAYOUT, LOCATION, UNIT NUMBERS, AND DIMENSIONS OF THE UNITS OF THE RIDGEWOOD VILLAS CONDOMINIUMS AS THEY EXISTED AT THE TIME OF THIS SURVEY, AND THAT THIS PLAT MEETS THE REQUIREMENTS SET FORTH IN KRS 381.9141.

DAMON J. TURNER, KY P. E. #24501
12-3-18
DATE

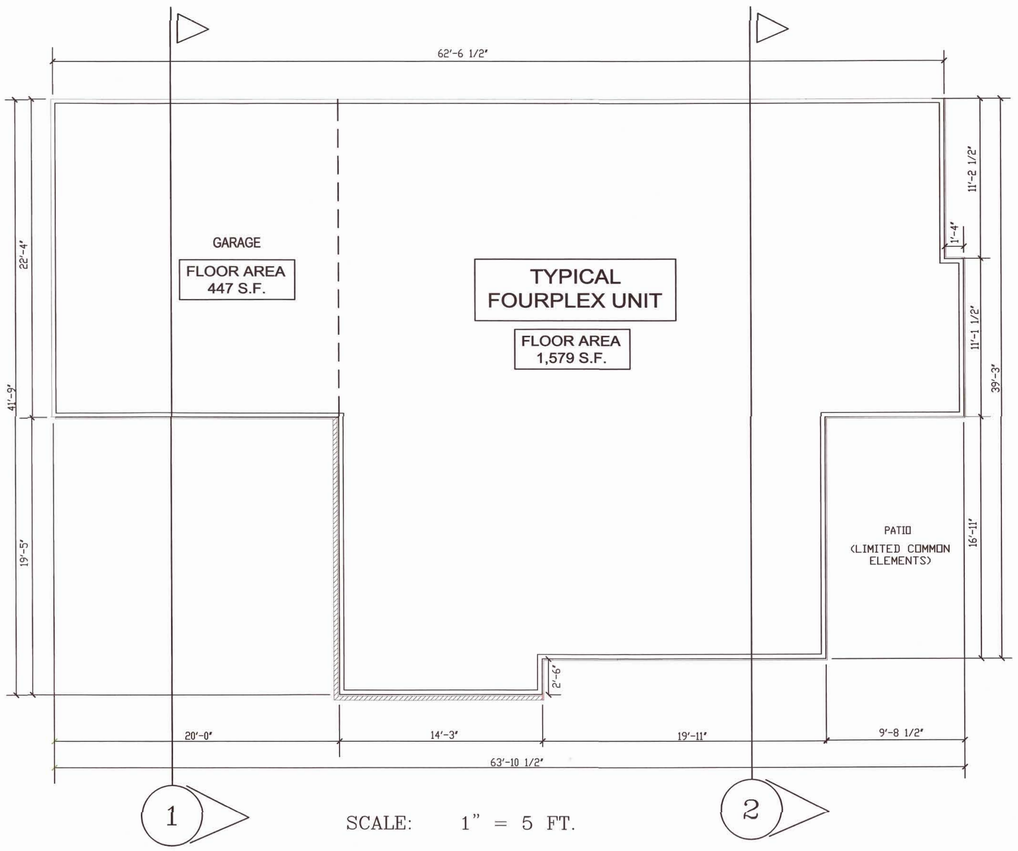
STATE OF KENTUCKY — DAMON J. TURNER — 24501 — LICENSED PROFESSIONAL ENGINEER

CONDOMINIUM UNIT DIMENSIONS AND OWNERSHIP LINES

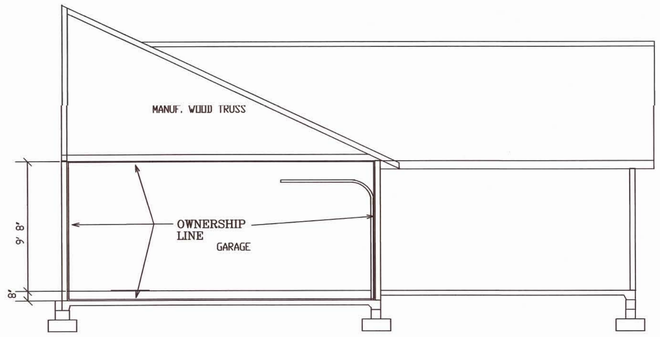
NOTE: 4 UNITS PER STRUCTURE

OWNERSHIP LINE = INTERIOR UNFINISHED CEILING, INTERIOR UNFINISHED FLOOR, AND INTERIOR UNFIINISHED WALL

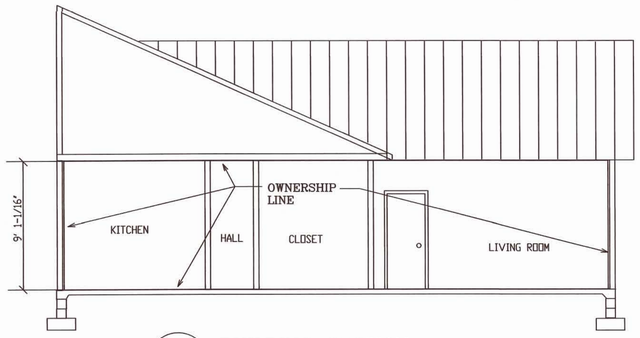
NOTE: DIMENSIONS SHOWN BELOW ARE TO OUTSIDE OF BUILDING LINE
NOTE: DIMENSIONS ARE SHOWN FOR PATIO AREA AND OR SCREENED PATIO ENCLOSURE



SCALE: 1" = 5 FT.



1 BUILDING SECTION
SCALE: 1" = 5 FT.



2 BUILDING SECTION
SCALE: 1" = 5 FT.

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siteworx SURVEY & DESIGN, LLC
124 South 31st Street - Paducah, KY 42001 - Ph: (270) 443-8491
www.siteworxdesign.com

FINAL PLAT OF SUBDIVISION & ESTABLISHMENT CONDOMINIUM DEVELOPMENT & DEDICATION

RIDGEWOOD VILLAS CONDOMINIUMS - PHASE 2
BLEICH ROAD & LAKEWOOD DRIVE
PADUCAH, McCRACKEN CO., KY

PROJECT NO.:	13106
DATE:	DECEMBER 3, 2018
DRAWN BY:	JLG & DJT

REV.	DESCRIPTION

SHEET
2
OF 3

CERTIFICATE OF RECORDING
STATE OF KENTUCKY, COUNTY OF McCRACKEN

I HEREBY CERTIFY THAT THIS PLAT WAS THIS DAY LOGGED IN MY OFFICE FOR RECORD AND THAT I HAVE RECORDED SAME WITH THIS AND THE FOREGOING CERTIFICATES IN MY OFFICE.
GIVEN UNDER MY SEAL THIS _____ DAY OF _____
AND RECORDED IN PLAT SECTION _____, PAGE _____.

McCRACKEN COUNTY COURT CLERK — DEPUTY COURT CLERK

PROFESSIONAL ENGINEER'S CERTIFICATE

I HEREBY CERTIFY, TO THE BEST OF MY KNOWLEDGE AND BELIEF, THAT THESE PLANS FULLY AND ACCURATELY DEPICT THE LAYOUT, LOCATION, UNIT NUMBERS, AND DIMENSIONS OF THE UNITS OF THE RIDGEWOOD VILLAS CONDOMINIUMS AS THEY EXISTED AT THE TIME OF THIS SURVEY, AND THAT THIS PLAT MEETS THE REQUIREMENTS SET FORTH IN KRS 381.9141.

DAMON J. TURNER, KY P. E. #24501

12-3-18
DATE

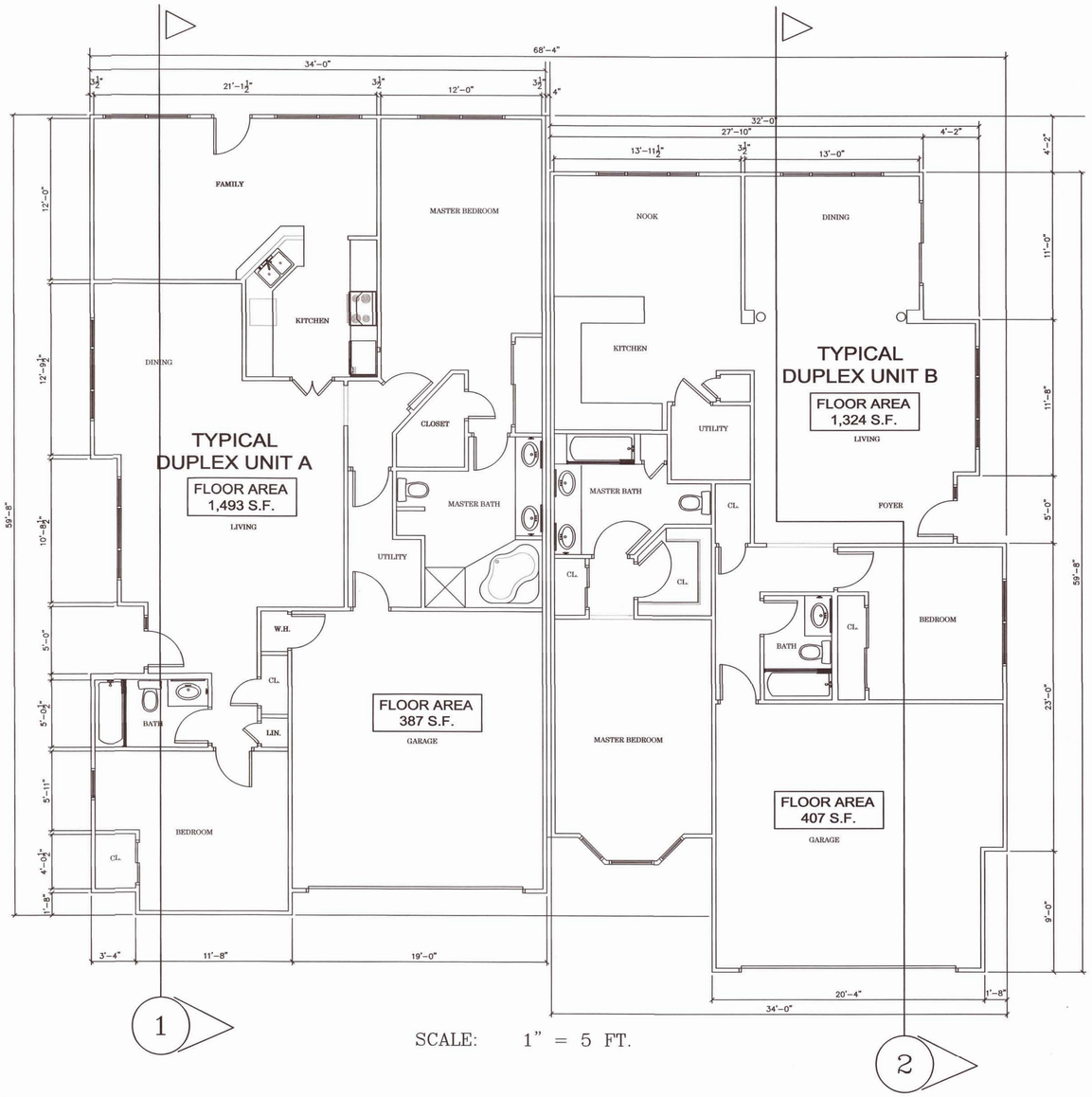
STATE OF KENTUCKY — DAMON J. TURNER — 24501 — LICENSED — PROFESSIONAL ENGINEER

CONDOMINIUM UNIT DIMENSIONS AND OWNERSHIP LINES

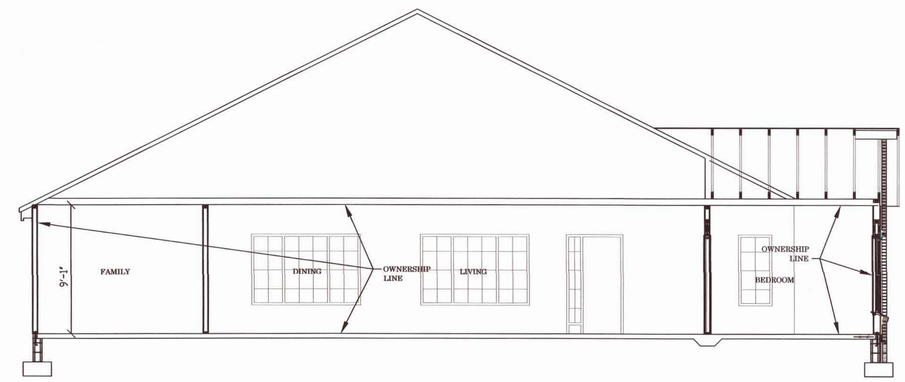
NOTE: 2 UNITS PER STRUCTURE

OWNERSHIP LINE = INTERIOR UNFINISHED CEILING, INTERIOR UNFINISHED FLOOR, AND INTERIOR UNFIINISHED WALL

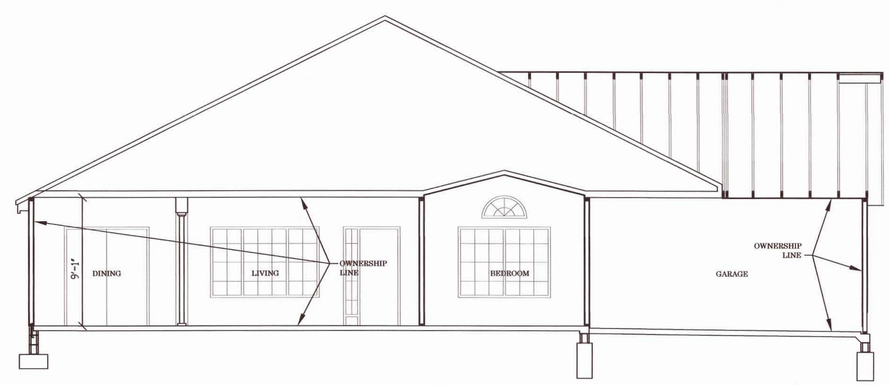
NOTE: DIMENSIONS SHOWN BELOW ARE TO OUTSIDE OF BUILDING LINE
NOTE: DIMENSIONS ARE SHOWN FOR PATIO AREA AND OR SCREENED PATIO ENCLOSURE



SCALE: 1" = 5 FT.



1 BUILDING SECTION
SCALE: 1" = 5 FT.



2 BUILDING SECTION
SCALE: 1" = 5 FT.

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sitewrx SURVEY & DESIGN, LLC
124 South 31st Street - Paducah, KY 42001 - Ph: (270) 443-8491
www.siteworxdesign.com

FINAL PLAT OF SUBDIVISION & ESTABLISHMENT CONDOMINIUM DEVELOPMENT & DEDICATION

RIDGEWOOD VILLAS CONDOMINIUMS - PHASE 2

BLEICH ROAD & LAKEWOOD DRIVE
PADUCAH, McCRACKEN CO., KY

PROJECT NO.:	13106
DATE:	DECEMBER 3, 2018
DRAWN BY:	JLG & DJT

REV.	DESCRIPTION

SHEET 3 OF 3

Agenda Action Form
Paducah City Commission

Meeting Date: March 12th, 2019

Short Title: Contract Amendment #1: Marcum Engineering Services: City Hall Rehabilitation Project

☒Ordinance ☐ Emergency ☐ Municipal Order ☐ Resolution ☐ Motion

Staff Work By: Maegan Mansfield, P.E., EPW Proj Mgr
Presentation By: Rick Murphy, P.E., City Engineer-Public Works Director

Background Information:

Marcum Engineering, LLC is contracted by the City of Paducah to provide design and construction administration services on the City Hall Rehabilitation Project. The original contract for design and construction administration was a lump sum fee of $337,000 and went into effect on 03/13/2017. Since the original contract date, civil, landscape, and lighting services were added to the scope of the project. Also, the project encountered some unknowns through the construction process, which resulted in more construction administration time than originally estimated. At this point in time, Marcum Engineering is requesting additional fees for services provided as follows:

1.) Fee for added civil, landscape, and lighting services to the project.
    a. **Additional Fee Request: $18,000**
2.) Fee for facilitating the window changes and coordination with Kentucky Heritage Council.
    a. **Additional Fee Request: $4,100**
3.) Fee for additional services provided upon discovery of asbestos containing materials found within the atrium ceiling finish and subsequent ceiling replacement.
    a. **Additional Fee Request: $18,200**
4.) Fee for additional services provided for podium concrete changes.
    a. **Additional Fee Request: $5,700**
5.) Fee for additional services due to time extension requested by A&K Construction.
    a. **Additional Fee Request: $6,000**
6.) Fee for additional services provided when the project team determined it would be necessary to meet biweekly instead of monthly.
    a. **Additional Fee Request: $7,500**

The total requested amount for additional services is **$59,500.** We recommend approval of this contract amendment in order to pay for overages incurred by the design team on this project.

Goal: ☐Strong Economy ☒Quality Services ☐Vital Neighborhoods ☐Restored Downtowns

Funds Available: Account Name: City Hall Phase I Improvements
Account Number: PF0076-001-20000-20002
Project Number: PF0076

Finance

Staff Recommendation:

Authorize the Mayor to modify the contract with Marcum Engineering, which increases Marcum Engineering's contract by $59,500.00 for City Hall design and construction administration services. This will increase their total contract amount to $396,500.

Attachments:

MO #1963, Marcum Engineering Contract, Change Order Request, Marcum Engineering Additional Professional Services Letter

Department Head	City Clerk	City Manager

ORDINANCE 2019-____-_____

AN ORDINANCE APPROVING CONTRACT AMENDMENT NO. 1 WITH MARCUM ENGINEERING , LLC, FOR A PRICE INCREASE IN THE AMOUNT OF $59,500.00 FOR ADDITIONAL SERVICES FOR THE CITY HALL PHASE I PROJECT

WHEREAS, the City Commission approved Municipal Order No. 1963 on April 25, 2017, to enter into a contract with Marcum Engineering for Engineering and Architectural Professional services in the lump sum amount of $337,000.00 plus reimbursable expenses for the City Hall Phase I Project; and

WHEREAS, Amendment No. 1 to the Contract is now required for additional services which were added to the scope of the project; and

WHEREAS, the sum of the additional fees create a net increase to the contract of $59,500, for a total contract price of $396,500.00.

NOW THEREFORE, BE IT ORDAINED BY BOARD OF COMMISSIONERS OF THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The Mayor is hereby authorized to execute Contract Amendment No. 1 with Marcum Engineering for additional services in a total amount of $59,500.00 for a total contract price of $396,500. Additional Services provided include the following:

- Added civil, landscape and lighting services - $18,000
- Facilitation of window changes and coordination with the Kentucky Heritage Council - $4,100
- Additional services provided upon discovery of asbestos containing materials found within the atrium ceiling finish and subsequent ceiling replacement - $18,200
- Additional services provided for podium concrete changes - $5,700
- Additional services due to time extension requested by A & K Construction - $6,000
- Additional services provided for biweekly meetings instead of monthly - $7,500

SECTION 2. This expenditure shall be charged to the City Hall Phase I Improvements Account Number PF0076-001-20000-20002.

SECTION 3. This ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

_____
Brandi Harless, Mayor

ATTEST:

_____
Lindsay Parish, City Clerk

Introduced by the Board of Commissioners March 12, 2019
Adopted by the Board of Commissioners, _____
Recorded by Lindsay Parish, Paducah City Clerk, _____
Published by The Paducah Sun, _____
\ord\eng\Contract Amendment – Marcum Engineering City Hall Phase I

AIA® Document B102™ – 2007

Standard Form of Agreement Between Owner and Architect without a Predefined Scope of Architect's Services

AGREEMENT made as of the Thirtieth day of March in the year Two Thousand and Seventeen
(In words, indicate day, month and year.)
BETWEEN the Owner:
(Name, legal status, address and other information)

City of Paducah
300 South 5th Street
Paducah, KY 42003

and the Architect:
(Name, legal status, address and other information)

Marcum Engineering, LLC
500 South 17th Street
Paducah, KY 42003
NOTE: All further references to Architect shall be inferred to mean Engineer.

for the following Project:
(Name, location and detailed description)

Paducah City Hall Improvements – Phase 1
Paducah, Kentucky

The Owner and Architect agree as follows.

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

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ARTICLE 1 ARCHITECT'S RESPONSIBILITIES

§ 1.1 The Architect shall provide the following professional services:
(Describe the scope of the Architect's services or identify an exhibit or scope of services document setting forth the Architect's services and incorporated into this document in Section 9.2)

Engineering and Architectural professional services for the following improvements to City Hall: canopy stabilization and façade repairs; roof replacement; window replacement; and HVAC source equipment replacement

§ 1.2 The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 1.3 The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

§ 1.4 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

§ 1.5 The Architect shall maintain the following insurance for the duration of this Agreement. If any of the requirements set forth below exceed the types and limits the Architect normally maintains, the Owner shall reimburse the Architect for any additional cost:
(Identify types and limits of insurance coverage, and other insurance requirements applicable to the Agreement, if any.)

.1 General Liability

See attached "Certificate of Liability Insurance"

.2 Automobile Liability

See attached "Certificate of Liability Insurance"

.3 Workers' Compensation

See attached "Certificate of Liability Insurance"

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.4 Professional Liability

See attached "Certificate of Liability Insurance"

ARTICLE 2 OWNER'S RESPONSIBILITIES

§ 2.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements. Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of or enforce lien rights.

§ 2.2 The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions and approve the Architect's submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

§ 2.3 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of consulting services in the contracts between the Owner and the Owner's consultants. The Owner shall furnish the services of consultants other than those designated in this Agreement, or authorize the Architect to furnish them as an Additional Service, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants maintain professional liability insurance as appropriate to the services provided.

§ 2.4 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 2.5 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

ARTICLE 3 COPYRIGHTS AND LICENSES

§ 3.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project. If the Owner and Architect intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions.

§ 3.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants.

§ 3.3 Upon execution of this Agreement, the Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for the Project, provided that the Owner substantially performs its obligations, including prompt payment of all sums when due, under this Agreement. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service solely and exclusively for use in performing services for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Sections 5.3 and 5.4, the license granted in this Section 3.3 shall terminate.

§ 3.3.1 In the event the Owner uses the Instruments of Service without retaining the author of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the

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Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 3.3.1.

§ 3.4 Except for the licenses granted in this Article 3, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

ARTICLE 4 CLAIMS AND DISPUTES

§ 4.1 GENERAL

§ 4.1.1 The Owner and Architect shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other arising out of or related to this Agreement in accordance with the requirements of the method of binding dispute resolution selected in this Agreement within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 4.1.1.

§ 4.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A201–2007, General Conditions of the Contract for Construction, if applicable. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties enumerated herein.

§ 4.1.3 The Architect and Owner waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 5.7.

§ 4.2 MEDIATION

§ 4.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 4.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration proceeding is stayed pursuant to this Section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 4.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 4.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 4.2, the method of binding dispute resolution shall be the following:
(Check the appropriate box. If the Owner and Architect do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.)

[X] Arbitration pursuant to Section 4.3 of this Agreement

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[ ] Litigation in a court of competent jurisdiction

[ ] Other *(Specify)*

§ 4.3 ARBITRATION

§ 4.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement, any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration, which unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of this Agreement. A demand for arbitration shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the arbitration.

§ 4.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.

§ 4.3.2 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

§ 4.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 4.3.4 CONSOLIDATION OR JOINDER

§ 4.3.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 4.3.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 4.3.4.3 The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 4.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.

ARTICLE 5 TERMINATION OR SUSPENSION

§ 5.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Architect shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 5.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the

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interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 5.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 5.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 5.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 5.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 5.7.

§ 5.7 Termination Expenses are in addition to compensation for the Architect's services and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

§ 5.8 The Owner's rights to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 3 and Section 6.3.

ARTICLE 6 COMPENSATION

§ 6.1 The Owner shall compensate the Architect for services described in Section 1.1 as set forth below, or in the attached exhibit or scope document incorporated into this Agreement in Section 9.2.
(Insert amount of, or basis for, compensation or indicate the exhibit or scope document in which compensation is provided for.)

Lump Sum Fee of $337,000 (Three Hundred Thirty Seven Thousand Dollars and No Cents)

§ 6.2 COMPENSATION FOR REIMBURSABLE EXPENSES

§ 6.2.1 Reimbursable Expenses are in addition to compensation for the Architect's professional services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- **.1** Transportation and authorized out-of-town travel and subsistence;
- **.2** Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets;
- **.3** Fees paid for securing approval of authorities having jurisdiction over the Project;
- **.4** Printing, reproductions, plots, standard form documents;
- **.5** Postage, handling and delivery;
- **.6** Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- **.7** Renderings, models, mock-ups, professional photography, and presentation materials requested by the Owner;
- **.8** Architect's Consultant's expense of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits if the Owner requests such insurance in excess of that normally carried by the Architect's consultants;
- **.9** All taxes levied on professional services and on reimbursable expenses;
- **.10** Site office expenses; and
- **.11** Other similar Project-related expenditures.

§ 6.2.2 For Reimbursable Expenses, the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus an administrative fee of Ten percent (10 %) of the expenses incurred.

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§ 6.3 COMPENSATION FOR USE OF ARCHITECT'S INSTRUMENTS OF SERVICE
If the Owner terminates the Architect for its convenience under Section 5.5, or the Architect terminates this Agreement under Section 5.3, the Owner shall pay a licensing fee as compensation for the Owner's continued use of the Architect's Instruments of Service solely for purposes of the Project as follows:

Not applicable.

§ 6.4 PAYMENTS TO THE ARCHITECT
§ 6.4.1 An initial payment of Zero ($ 0.00) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 6.4.2 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid Thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.
(Insert rate of monthly or annual interest agreed upon.)

One and One Half Percent % 1.5

§ 6.4.3 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 6.4.4 Records of Reimbursable Expenses and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 7 MISCELLANEOUS PROVISIONS
§ 7.1 This Agreement shall be governed by the law of the place where the Project is located, except that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 4.3.

§ 7.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201–2007, General Conditions of the Contract for Construction.

§ 7.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement.

§ 7.4 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 7.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

§ 7.6 Unless otherwise required in this Agreement, the Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 7.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific

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information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project.

§ 7.8 If the Architect or Owner receives information specifically designated by the other party as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except to (1) its employees, (2) those who need to know the content of such information in order to perform services or construction solely and exclusively for the Project, or (3) its consultants and contractors whose contracts include similar restrictions on the use of confidential information.

ARTICLE 8 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

Not applicable.

ARTICLE 9 SCOPE OF THE AGREEMENT

§ 9.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

§ 9.2 This Agreement is comprised of the following documents listed below:

.1 AIA Document B102–2007, Standard Form Agreement Between Owner and Architect

.2 AIA Document E201–2007, Digital Data Protocol Exhibit, if completed, or the following:

.3 Other documents:
(List other documents, including the Architect's scope of services document, hereby incorporated into the Agreement.)

Certificates of Liability Insurance
2017 Professional Services Rate and Reimbursement Schedule

This Agreement entered into as of the day and year first written above.

OWNER	ARCHITECT
(Signature)	*(Signature)*
Brandi Harless, Mayor	Baccus L. Oliver Principal/Engineer
(Printed name and title)	*(Printed name and title)*

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MARCUM
ENGINEERING, LLC

500 South 17th Street
P.O. Box 120
Paducah, KY 42002-0120
Phone (270) 444-9274; Fax (270) 443-1904
www.marcumengineering.net

2017 PROFESSIONAL SERVICES RATE AND REIMBURSEMENT SCHEDULE

PRINCIPAL	$130.00/HR
PROJECT MANAGER	$120.00/HR
PROJECT ENGINEER I	$ 86.00/HR
PROJECT ENGINEER II	$ 80.00/HR
ENGINEER	$ 70.00/HR
CONSTRUCTION ADMINISTRATOR	$ 83.00/HR
SENIOR DESIGNER	$ 88.00/HR
DESIGNER	$ 73.00/HR
SENIOR DRAFTER	$ 55.00/HR
DRAFTER	$ 50.00/HR
CLERICAL	$ 45.00/HR
MILEAGE – Subject to Change Based on IRS Guidelines	$ 0.55/MI

PREAPPROVED TRAVEL EXPENSES (incl. mileage, lodging, and meals)	REIMBURSEMENT OF FURNISHED RECEIPTS
REPRODUCTION OF PLANS	$ 0.30/FT.^{2} INHOUSE or PRINTER'S INVOICED AMOUNT PLUS 15%
REPRODUCTION OF SPECIFICATIONS	$ 0.30/SHEET INHOUSE or PRINTER'S INVOICED AMOUNT PLUS 15%
COURIER SERVICE (UPS, FEDEX, ETC.)	INVOICED AMOUNT PLUS 15%
PLAN SETS FOR BUILDING CODE REVIEW	APPLICATION FEE PLUS 15% AND REPRODUCTION COSTS
SCANNED DOCUMENTS	$3.50/SHEET

1. SCHEDULE IS EFFECTIVE BEGINNING JANUARY 1, 2017.
2. PREAPPROVED OVERTIME IS 1.5 TIMES RATE. SUNDAYS AND HOLIDAYS EXCLUDED.

Client#: 17141 BACONFAR

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 3/01/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Peel & Holland (CSG - P&C)
P.O. Box 427
1120 Main Street
Benton, KY 42025-0427

CONTACT NAME: Cindy Davis
PHONE (A/C, No, Ext): 270 527-8621 FAX (A/C, No): 270-538-9158
E-MAIL ADDRESS: cdavis@peelholland.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : SECURA Insurance	22543
INSURER B : Kentucky Employers Mutual Insur	
INSURER C : Zurich American Insurance Co.	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Bacon Farmer Workman Engineering & Test
P.O. Box 120
Paducah, KY 42002

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC			20CP0032002735	12/26/2016	12/26/2017	EACH OCCURRENCE	$2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$300,000
							MED EXP (Any one person)	$10,000
							PERSONAL & ADV INJURY	$2,000,000
							GENERAL AGGREGATE	$4,000,000
							PRODUCTS - COMP/OP AGG	$4,000,000
								$
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			20A0032002746	12/26/2016	12/26/2017	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $			20CU32002756	12/26/2016	12/26/2017	EACH OCCURRENCE	$5,000,000
							AGGREGATE	$5,000,000
								$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		390260 Kentucky Only	03/03/2017	03/03/2018	X WC STATU-TORY LIMITS OTH-ER	
							E.L. EACH ACCIDENT	$1,000,000
							E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000
C	Workers Comp & Employers Liab			WC901530504 TN & IL Only	03/03/2017	03/03/2018	Each Acc $1,000,000 Each Emp $1,000,000 Pol Limit $1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

** Supplemental Name **

First Supplemental Name applies to all policies - Bacon Farmer Workman Engineering & Testing; Geotech Engineering & Testing; Marcum Engineering LLC.; Key Largo Ventures; Marcum Energy Management Solutions LLC; Geotech Engineering & Testing; Marcum Engineering LLC.; Key Largo Ventures; Marcum Energy Management Solutions LLC; Bacon Farmer Workman Engineering & Testing.

(See Attached Descriptions)

CERTIFICATE HOLDER

City of Paducah
300 S 5th Street
Paducah, KY 42002

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Kirk B. P.C.

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DESCRIPTIONS (Continued from Page 1)

Endorsement ILE1037 is included on the General Liability coverage part. When required by written contract and subject to all terms, provisions and conditions of the insurance policy : 1) Certificate holder is included as an Additional Insured for the purpose of the General Liability coverage part and/or 2) General Liability coverage part shall be primary and non-contributory.

MUNICIPAL ORDER NO. 1963

A MUNICIPAL ORDER APPROVING AN AGREEMENT WITH MARCUM ENGINEERING, LLC FOR ENGINEERING AND ARCHITECTURAL PROFESSIONAL SERVICES FOR THE CITY HALL IMPROVEMENTS PHASE I PROJECT IN THE LUMP SUM OF $337,000 PLUS REIMBURSABLE EXPENSES, AND AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT

BE IT ORDERED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The City hereby approves an agreement with Marcum Engineering, Inc., for engineering and architectural professional services for the City Hall Improvements Phase I project which includes canopy stabilization and façade repairs; roof replacement; window replacement; and HVAC source equipment replacement . Further, the Mayor of the City is hereby authorized to execute the Agreement.

SECTION 2. The City shall compensate Marcum in a lump sum amount of $337,000 for the professional services plus reimbursable expenses. Said compensation paid by the City shall be funded through the City Hall Building Renovation – Phase I project account FP0076, account number 040-0102-511-2307.

SECTION 3. This Order will be in full force and effect from and after the date of its adoption.

Mayor

ATTEST:

Tammara S. Sanderson, City Clerk

Adopted by the Board of Commissioners, April 25, 2017
Recorded by Tammara S. Sanderson, City Clerk, April 25, 2017
\mo\agree-arch & eng services-Phase I City Hall

AIA® Document B102™ – 2007

Standard Form of Agreement Between Owner and Architect without a Predefined Scope of Architect's Services

AGREEMENT made as of the fourth day of March
in the year Two Thousand Nineteen (2019)
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

City of Paducah

300 South 5th Street

Paducah, Ky. 42003

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

and the Architect:
(Name, legal status, address and other information)

Marcum Engineering LLC

500 South 17th Street

Paducah, Ky. 42003

for the following Project:
(Name, location and detailed description)

Paducah City Hall Improvements--Phase 1

Paducah, Kentucky

The Owner and Architect agree as follows.

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TABLE OF ARTICLES

1 ARCHITECT'S RESPONSIBILITIES

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6 COMPENSATION

7 MISCELLANEOUS PROVISIONS

8 SPECIAL TERMS AND CONDITIONS

9 SCOPE OF THE AGREEMENT

ARTICLE 1 ARCHITECT'S RESPONSIBILITIES

§ 1.1 The Architect shall provide the following professional services:

(Describe the scope of the Architect's services or identify an exhibit or scope of services document setting forth the Architect's services and incorporated into this document in Section 9.2)

Engineering. Landscape Architecture and Architectural professional services for the following improvements to City Hall: canopy stabilization and facade repairs: roof replacement: window replacement: lighting replacement:landscaping replacement and HVAC source equipment.

§ 1.2 The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 1.3 The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

§ 1.4 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

§ 1.5 The Architect shall maintain the following insurance for the duration of this Agreement. If any of the requirements set forth below exceed the types and limits the Architect normally maintains, the Owner shall reimburse the Architect for any additional cost:

(Identify types and limits of insurance coverage, and other insurance requirements applicable to the Agreement, if any.)

.1 General Liability

See attached "Certificate of Liability Insurance"

.2 Automobile Liability

See attached "Certificate of Liability Insurance"

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.3 Workers' Compensation

See attached "Certificate of Liability Insurance"

.4 Professional Liability

See attached "Certificate of Liability Insurance"

ARTICLE 2 OWNER'S RESPONSIBILITIES

§ 2.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements. Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of or enforce lien rights.

§ 2.2 The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions and approve the Architect's submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

§ 2.3 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of consulting services in the contracts between the Owner and the Owner's consultants. The Owner shall furnish the services of consultants other than those designated in this Agreement, or authorize the Architect to furnish them as an Additional Service, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants maintain professional liability insurance as appropriate to the services provided.

§ 2.4 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 2.5 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

ARTICLE 3 COPYRIGHTS AND LICENSES

§ 3.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project. If the Owner and Architect intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions.

§ 3.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants.

§ 3.3 Upon execution of this Agreement, the Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for the Project, provided that the Owner substantially performs its obligations, including prompt payment of all sums when due, under this Agreement. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and material or equipment

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suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service solely and exclusively for use in performing services for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Sections 5.3 and 5.4, the license granted in this Section 3.3 shall terminate.

§ 3.3.1 In the event the Owner uses the Instruments of Service without retaining the author of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 3.3.1.

§ 3.4 Except for the licenses granted in this Article 3, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

ARTICLE 4 CLAIMS AND DISPUTES

§ 4.1 General

§ 4.1.1 The Owner and Architect shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other arising out of or related to this Agreement in accordance with the requirements of the method of binding dispute resolution selected in this Agreement within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 4.1.1.

§ 4.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A201™–2007, General Conditions of the Contract for Construction, if applicable. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties enumerated herein.

§ 4.1.3 The Architect and Owner waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 5.7.

§ 4.2 Mediation

§ 4.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 4.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration proceeding is stayed pursuant to this Section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 4.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

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§ 4.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 4.2, the method of binding dispute resolution shall be the following:
(Check the appropriate box. If the Owner and Architect do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.)

☒ Arbitration pursuant to Section 4.3 of this Agreement

☐ Litigation in a court of competent jurisdiction

☐ Other: *(Specify)*

§ 4.3 Arbitration
§ 4.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement, any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration, which unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of this Agreement. A demand for arbitration shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the arbitration.

§ 4.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.

§ 4.3.2 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

§ 4.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 4.3.4 Consolidation Or Joinder
§ 4.3.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 4.3.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 4.3.4.3 The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 4.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.

ARTICLE 5 TERMINATION OR SUSPENSION
§ 5.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Architect shall be paid all sums due prior to suspension and any expenses incurred in the

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interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 5.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 5.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 5.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 5.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 5.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 5.7.

§ 5.7 Termination Expenses are in addition to compensation for the Architect's services and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

§ 5.8 The Owner's rights to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 3 and Section 6.3.

ARTICLE 6 COMPENSATION

§ 6.1 The Owner shall compensate the Architect for services described in Section 1.1 as set forth below, or in the attached exhibit or scope document incorporated into this Agreement in Section 9.2.
(Insert amount of, or basis for, compensation or indicate the exhibit or scope document in which compensation is provided for.)

Lump Sum Fee of $396,500.00 (Three Hundred Ninety-Six Thousand, five Hundred Dollars and No Cents).

§ 6.2.1 Reimbursable Expenses are in addition to compensation for the Architect's professional services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- **.1** Transportation and authorized out-of-town travel and subsistence;
- **.2** Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets;
- **.3** Fees paid for securing approval of authorities having jurisdiction over the Project;
- **.4** Printing, reproductions, plots, standard form documents;
- **.5** Postage, handling and delivery;
- **.6** Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- **.7** Renderings, models, mock-ups, professional photography, and presentation materials requested by the Owner;
- **.8** Architect's Consultant's expense of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits if the Owner requests such insurance in excess of that normally carried by the Architect's consultants;
- **.9** All taxes levied on professional services and on reimbursable expenses;
- **.10** Site office expenses; and
- **.11** Other similar Project-related expenditures.

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§ 6.2.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus an administrative fee of Ten percent (10 %) of the expenses incurred.

§ 6.3 Compensation for Use of Architect's Instruments of Service
If the Owner terminates the Architect for its convenience under Section 5.5, or the Architect terminates this Agreement under Section 5.3, the Owner shall pay a licensing fee as compensation for the Owner's continued use of the Architect's Instruments of Service solely for purposes of the Project as follows:
Not Applicable

§ 6.4 Payments to the Architect
§ 6.4.1 An initial payment of

($ Zero (0.00)) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 6.4.2 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid Thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.
(Insert rate of monthly or annual interest agreed upon.)

One and One Half-Percent% 1.5%

§ 6.4.3 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 6.4.4 Records of Reimbursable Expenses and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 7 MISCELLANEOUS PROVISIONS
§ 7.1 This Agreement shall be governed by the law of the place where the Project is located, except that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 4.3.

§ 7.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201–2007, General Conditions of the Contract for Construction.

§ 7.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement.

§ 7.4 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 7.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

§ 7.6 Unless otherwise required in this Agreement, the Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

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§ 7.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project.

§ 7.8 If the Architect or Owner receives information specifically designated by the other party as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except to (1) its employees, (2) those who need to know the content of such information in order to perform services or construction solely and exclusively for the Project, or (3) its consultants and contractors whose contracts include similar restrictions on the use of confidential information.

ARTICLE 8 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

Not applicable

ARTICLE 9 SCOPE OF THE AGREEMENT

§ 9.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

§ 9.2 This Agreement is comprised of the following documents listed below:

.1 AIA Document B102™–2007, Standard Form Agreement Between Owner and Architect

.2 AIA Document E201™–2007, Digital Data Protocol Exhibit, if completed, or the following:

.3 Other documents:
(List other documents, including the Architect's scope of services document, hereby incorporated into the Agreement.)

Certificates of Liability Insurance
2017 Professional Services Rate and Reimbursement--Scheduele--

This Agreement entered into as of the day and year first written above.

	3/5/2019
OWNER *(Signature)*	**ARCHITECT** *(Signature)*
Brandi Harless Mayor	Baccus L. Oliver--Principal/Engineer
(Printed name and title)	*(Printed name and title)*

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MARCUM
ENGINEERING, LLC

February 11, 2019

Mr. Rick Murphy, P.E.
City of Paducah
300 South 5th Street
P.O. Box 2267
Paducah, KY 42002-2267

Re: Additional Professional Services
Exterior Restoration Project
Paducah City Hall
City of Paducah
Marcum No. 17519

Dear Rick,

Now that the project is nearing completion, we can propose our Additional Professional Services for a one-time fee adjustment. We have reviewed the entire project and have identified all the services that exceeded the scope of the Contract between the City of Paducah and Marcum Engineering.

Following is a list of proposed fees and the associated additional services that have occurred since the Contract signing of 3/13/2017:

1. **$18,000** fee for added civil, landscape, and lighting services to the project at a construction cost of approximately $384,000.
2. **$4,100** fee for facilitating the window change and coordination with Kentucky Heritage Council to save approximately $218,000 in construction cost.
3. **$18,200** fee for additional services for the ACM found within the Atrium ceiling finish and ceiling replacement at a construction cost of approximately $218,000.
4. **$5,700** fee for additional services for Podium concrete changes for a net savings of approximately $151,000 in construction cost.
5. **$6,000** fee for additional Construction Administration services for a one-month extension of construction time.
6. **$7,500** fee for additional services for seven (7) intermediate construction meetings.

500 South 17th Street • P.O. Box 120 • Paducah, KY 42002-0120
Phone 270-444-9274 • Fax 270-443-1904
www.marcumengineering.net

Re: Additional Professional Services
Exterior Restoration Project
Paducah City Hall

The total for the Additional Professional Services above is $59,500. As requested, Item 1 was reduced by $12,700 to the current $18,000 amount. As discussed, this will be a one-time adjustment and no additional fees should be warranted to finish the project.

Thank you for allowing Marcum Engineering to be of service for this important project. If you have any questions or concerns about this proposal, please contact me at (270) 444-9274.

Sincerely,

MARCUM ENGINEERING, LLC

Baccus L. Oliver, PE, CxA, LEED AP
Principal/Project Manager

ACCEPTANCE:

City of Paducah	**Marcum Engineering**
Name: Brandi Harless, Mayor	Name: Baccus Oliver, Principal
Sign.: _____	Sign.: _____
Date: _____	Date: 3/5/2019

Agenda Action Form
Paducah City Commission

Meeting Date: March 12, 2019

Short Title: Ordinance establishing of a Tax Increment Financing district for Downtown Riverfront Area and authorizing the Mayor to enter into an Interlocal Cooperation Agreement and a Local Participation Agreement for 20 years with McCracken County - **T TRACY**

Category: Ordinance

Staff Work By: Katie Axt, Tammara Tracy, James Arndt
Presentation By: Tammara Tracy

Background Information: Following the Joint City and County Public Hearing on February 19, 2019, the Commission adopted a Resolution on February 26th articulating the intention to pursue a Tax Increment Financing (TIF) district for the Downtown Riverfront area and enter into an Interlocal Cooperative Agreement and Local Participation Agreement with McCracken County Fiscal Court.

This action:
establishes a specific Development Area (the TIF district);
adopts the "*TIF Development Plan for the Downtown Riverfront Development Area*";
establishes a Special Fund for the incremental revenues;
designates the Finance Department to administer the Special Fund; and
authorizes the Mayor to enter into the necessary agreements to facilitate such activities in conjunction with the McCracken County Fiscal Court.

The McCracken County Fiscal Court is adopting companion documents as well.

Does this Agenda Action Item align with a Strategic Plan Action Step? No

If yes, please list the Action Step Item Codes(s): E-3 Promote occupancy in all downtown buildings
E-4 Continue developing the riverfront from the Carson Center to the Convention Center
R-4 Create and promote new shoreline and river based recreation activities/competitions

Funds Available: Account Name: TIF Application 9.284

Account Number: DT0044

Staff Recommendation: Approval

Attachments:

1. Paducah Riverfront_TIF Development Plan_DRAFT_revised 020719
2. STUDY-ExhibitA- Downtown TIF Project Impact Analysis 1 15 19
3. Riverfront TIF_Local Participation Agmt20-yr DRAFT2019-0307
4. ORDINANCE Riverfront TIF DRAFT 2019-0301
5. AGREEMENT- Interlocal Coop Agmt UPDATE 2019-0307

TIF Development Plan for the Downtown Riverfront Development Area

1. Introduction.

1.1 Purpose. The City of Paducah ("City") intends to establish the Downtown Riverfront Development Area (the "Development Area") pursuant to the provisions of KRS 65.7041 to 65.7083, and KRS 154.30-010 to 154.30-090, as the same may be amended (collectively, the "Act"), and to ask for the support and participation of McCracken County ("County") and to request funding from the Commonwealth of Kentucky (the "State") to support public infrastructure necessary to support a mixed-use development (the "Project") within the Development Area being undertaken by several different development groups or their affiliates (the "Developers"). The City proposes to support the Project and provide redevelopment assistance through a pledge of certain new City, County, and State incremental tax revenues generated from the Project within the Development Area and to undertake certain public infrastructure improvements needed within the Development Area. The Project proposed by the Developers or its affiliates is expected to include mixed-use retail and restaurant space, additional hotel rooms, and residential buildings, as well as the construction and renovation of public buildings that will provide meeting, entertainment, and educational space. In order to help ensure the success and support of the Project and the revitalization of Paducah's riverfront, a variety of public improvements are needed within the Development Area.

1.2 Size and Location. The Development Area consists of 315 acres and is located along the downtown riverfront in Paducah, Kentucky and through the City's main corridor down Broadway.

1.3 Current Uses. The Development Area currently contains a wide variety of zoning categories and uses, including business/professional/service, residential, and industrial.

2. The Development Area.

2.1 Assurances Regarding the Size and Taxable Assessed Value of the Development Area and Other Matters. The City finds in accordance with the Act that:

(a) The Development Area is a contiguous Area consisting of 315 acres, which is less than three (3) square miles in area;

(b) The establishment of the Development Area will not cause the assessed

taxable value of real property within the Development Area and within all "development areas" and "local development areas" established by the City (as those terms are defined in the Act) to exceed twenty percent (20%) of the total assessed taxable value of real property within Paducah. The assessed value of taxable real property within the Development Area for calendar year 2018 was $22.0 million. The City and County have not previously established any other development area pursuant to the Act. The total assessed value of taxable real property within the County for the calendar year 2018 is approximately $4.0 billion. Therefore, the assessed value of taxable real property within all development areas is less than twenty percent (20%) of the assessed value of taxable real property within the County; and

(c) That the Development Area constitutes previously developed land as required by KRS 65.7043.

2.2 Statement of Conditions and Findings Regarding the Development Area. Pursuant to KRS 65.7049(3), a development area shall exhibit at least two (2) of the following conditions to qualify for designation as a "development area" under the Act and to qualify for a pledge of State incremental revenues pursuant to KRS 154-30.060 it must exhibit at least three (3):

(a) Substantial loss of residential, commercial, or industrial activity or use;

(b) Forty percent (40%) or more of the households are low-income households;

(c) More than fifty percent (50%) of residential, commercial, or industrial structures are deteriorating or deteriorated;

(d) Substantial abandonment of residential, commercial, or industrial structures;

(e) Substantial presence of environmentally contaminated land;

(f) Inadequate public improvements or substantial deterioration in public infrastructure; or

(g) Any combination of factors that substantially impairs or arrests the growth and economic development of the city or county; impedes the provision of adequate housing; impedes the development of commercial or industrial property; or adversely affects public health, safety, or general welfare due to the development area's present condition and use.

The City has reviewed and analyzed the conditions within the Development

Area and finds that the Development Area exhibits at least three of the qualifying characteristics:

(1) **A substantial loss of commercial activity has occurred.** Commercial activity within the Development Area has been in a state of economic decline for years. In its present state, only some of the parcels zoned for commercial use within the Development Area are being used for commercial purposes, while the majority contain underutilized, unoccupied, or deteriorating structures. The Development Area includes many empty storefronts and buildings which have been unoccupied for years and continue to deteriorate.

(2) **Public improvements and public infrastructure are inadequate.** While the City has invested a significant deal of money and effort in recent years to assist in the revitalization of the riverfront in downtown Paducah, the area is still significantly lacking in terms of the infrastructure needed to support the desired redevelopment. The construction of the requisite public infrastructure creates a heavy financial burden for any potential developer within the Development Area. The following are non-exclusive examples of public infrastructure improvements that will enable construction of the Project and catalyze additional growth and redevelopment within the Development Area:

- **Parking** – As downtown develops, the Development Area will face an increasing deficiency in the number of parking spots available to support future projects. Most of the parking near the riverfront is surface parking that takes up significant valuable acreage, an inefficient solution due to the reduced density it creates in the downtown area, utilizing some of the parcels with the most economic potential in a least impactful way. Structured parking will be required to accommodate both the new and existing businesses, particularly regarding peak traffic times related to events and conferences as the Project and Development Area is redeveloped. This investment will allow the area to attract vertical redevelopment, maximizing the land use along the riverfront and allowing a level of density that a successful revitalization and reimagination of the downtown Paducah riverfront will require.
- **Connectivity Improvements and Public Space** – The possible re-routing of existing roads, various streetscape improvements, and the creation of new pathways and walkways to accommodate increased pedestrian and bicycle traffic along the riverfront and through the downtown corridor. These improvements will go a long way towards attracting visitors and residents, alike, to Paducah's riverfront by creating an inviting pedestrian

and bike-friendly environment with plenty of outdoor space, including a Riverfront Park, that will be well-suited for hosting public gatherings and events.

- **Waterfront Public Landing Improvements** – The dredging of the river near the banks and the construction of a new steamboat landing area will allow increased boating access. The dredging and additional landing will allow more large-scale boats to dock at Paducah's riverfront throughout the year, bringing more visitors into the community and the downtown area, in particular. Combining these improvements with the rest of the Project will create an exciting and welcoming environment that will encourage increased visitorship while providing an opportunity to realize longer stays and a significantly greater impact to the local economy.
- **Utilities** – Utility improvements necessary to provide service throughout the Development Area may include expansion of broadband internet access, sanitary sewer lines, storm sewer lines, water service lines, electric, gas, and telephone, to provide sufficient access throughout the riverfront and to accommodate the increased usage that the Project and its patrons will require.
- **Environmental** – The Development Area is likely to require some demolition and brownfield remediation from past commercial uses within the Development Area. Several areas of concern include lead-based paint and asbestos remediation in older structures, however, the true extent to which remediation may be necessary is uncertain.
- **Public Buildings and Amenities** – The Project plans include the rehabilitation/construction of certain public buildings focused on promoting increased visitorship to the area, including the redevelopment of museum and event space in the Showcase Lounge and the rehabilitation of the Columbia Theatre. These amenities will provide modern space along the riverfront for hosting conferences and events, museum space, and a unique setting for performances and presentations at the heart of Paducah's riverfront and its downtown corridor.

(3) **There is a combination of factors that substantially impairs growth and economic development of the Development Area.** Paducah sees the need to reshape its downtown riverfront core in order to generate the critical mass of activity that communities of its size so often struggle to reach. Reaching this critical mass would allow the City to achieve significant growth an economic development

in this Area, but it is inhibited by a variety of issues. The presence of the floodwall along the riverfront makes cohesive and seamless development in the Area more difficult and creates additional costs that must be mitigated in order to attract private investment. The connectivity and visibility issues that it creates will require thoughtful investment from public sources, such as the TIF program. Traffic circulation in the area creates impediments to safe and pleasant pedestrian movement throughout the riverfront area that will require additional investment from public sources to reshape its flow while providing adequate and appealing transportation safety features. And while increased pedestrian traffic throughout the riverfront is the goal, it is likely that many of these pedestrians will still be planning to drive to the riverfront and park their car nearby before exploring the Area, which will require the construction of structured parking. This will allow more efficient land use by facilitating and promoting increased vertical construction along the riverfront, creating higher levels of density and allowing the community to maximize the Area's economic impacts. The Project's proposed mix of uses will be highly impactful within the Area and to the whole region, but these various factors have prevented such growth from occurring and will remain a barrier to achieving meaningful private investment in the area without financial assistance from public sources.

2.3 Assurances the Development Area Is Not Reasonably Expected to Develop Without Public Assistance. The City finds that the Development Area is not reasonably expected to be developed without public assistance. The public infrastructure costs within the Development Area are too high for the Project to occur without public assistance, particularly as relates to the lack of structured parking and pedestrian connectivity throughout the Development Area. It is estimated that the total cost of the public infrastructure improvements planned within the Development Area is approximately $56.5 million. Without public funding, including the critical pledge of State incremental revenues under the Commonwealth Participation Program for Mixed-Use Redevelopment in Blighted Urban Areas, the proposed Project within the Development Area would not be possible.

2.4 Assurances the Public Benefits of Redeveloping the Development Area as Proposed Justify the Public Costs Proposed. The City finds that the public benefits of developing the Development Area justify the public costs proposed. As detailed in the Commonwealth Economics Report, attached hereto as Exhibit "A", (the "Report"), the investment is estimated to reach $156.3 million, $99.8 million of which relates to private costs, and $56.5 million of which is for

approved public infrastructure costs. Over a 20-year period, the project is expected to support over 1,100 jobs annually and $1.9 billion in total economic impact. While the City may pledge certain new ad valorem property taxes and occupational taxes to pay for the proposed public infrastructure, it will attract significant private investment in its downtown riverfront while leveraging a reinvestment of state tax dollars and will generate new revenues from local incremental revenues not pledged (including school and fire district taxes).

The Project is expected to generate much more tax revenue than is currently being generated within the Development Area. According to the Report, over a 20-year period, the Project is estimated to generate $118.0 million of on-site eligible state and local tax revenues. This includes $23.4 million in local taxes and $94.6 million in state taxes. After subtracting the estimated baseline tax revenues, total incremental tax revenues generated within the Development Area are estimated at approximately $113.5 million over a 20-year period. After 20 percent is retained by the state, such amount translates to an estimated $75.0 million available for State participation and an estimated $19.8 million for local participation.

Based on research and analysis document in the Report, the Project is estimated to have a significant economic and fiscal impact to the regional economy. Its construction, alone, is estimated to generate a one-time impact that includes over $156.3 million of total spending, $89.7 million of total wages, support for 1,935 jobs, and $258.9 million in total economic impact.

2.5 Assurances Regarding the Area Immediately Surrounding the Development Area. Pursuant to the Act, the establishment of a development area requires a finding that the area immediately surrounding the Development Area has not been subject to growth and development through investment by private enterprise, or that there are certain special circumstances within the Development Area that would prevent its development without public assistance. The City finds that very few portions of the area immediately surrounding the Development Area have been subject to growth and development through investment by private enterprise without the use of incentives, and certainly none to the extent contemplated by this Project. Additionally, certain circumstances within the development area would prevent its development without the use of public assistance, due to the infrastructure needs as described in Section 2.2, particularly with regard to parking and the beautification and connectivity of downtown Paducah and the riverfront through pedestrian-friendly amenities and improvements.

2.6 Development Area Description. The Development Area includes the real property within the boundaries described on the site plan and legal description attached hereto as Exhibit "B".

2.7 Existing Uses and Conditions. The Development Area currently contains a variety of zoning categories and uses that allow commercial, residential, and industrial activity. Because the boundary includes the downtown core, there are some existing commercial businesses located within the Development Area. However, the businesses currently in operation are joined by those who have gone out of business and have shut their doors, leaving behind empty store fronts and unused deteriorating buildings, which not only provide no economic benefit to the area, but have deleterious impacts to both investment in and tourism to the Area. Furthermore, the lack of sufficient, well-designed infrastructure in the area has prevented interested developers in pursuing redevelopment projects due to the prohibitively high costs associated with rehabilitation and abatement of deteriorating structures, the provision of adequate parking, and developing attractive streetscapes and walking paths. Without public investment, the riverfront in the downtown corridor will continue to sit unoccupied, allowing one of the City's most valuable assets, its riverfront, to continue to underperform economically.

There are no apparent conditions in the Development Area that would prevent it from being developed as contemplated by this Development Plan with the assistance of the state and local government to defray the significant cost of public infrastructure.

2.8 Proposed Changes in the Zoning Ordinance, Zoning Map, Comprehensive Plan or Other Codes or Plans Necessary to Implement the Development Plan. It is not anticipated that any zone changes will be necessary to implement the Development Plan as currently contemplated.

2.9 Certification of Compliance with the Comprehensive Land-Use Plan. The Downtown Riverfront Development Plan has been created through the process of Developers collaborating with the working group that was assembled by representatives from the City and County. The Development Plan was submitted for certification of compliance with the duly adopted Comprehensive Plan. Attached as Exhibit "C" is the documentation of certification.

3. The Development Program.

The Project proposed for the Development Area includes the following approved public infrastructure and public improvement elements, in addition to the private portions of the Project, as described more particularly in the report attached

hereto as Exhibit "A".

3.1 Private Development. It is currently estimated that the private development components within the Development Area will cost approximately $99.9 million and include hotel, retail, restaurant, residential and manufacturing space, as described more particularly in the report attached hereto as Exhibit "A".

3.2 Public Infrastructure and Improvements. Qualifying public infrastructure expenditures could reach up to an estimated $56.5 million within the Development Area including, but not limited to, the following components:

- **Parking** – As downtown develops, the Development Area will face an increasing deficiency in the number of parking spots available to support future projects. Most of the parking near the riverfront is surface parking that takes up significant valuable acreage, an inefficient solution due to the reduced density it creates in the downtown area, utilizing some of the parcels with the most economic potential in a least impactful way. Structured parking will be required to accommodate both the new and existing businesses, particularly regarding peak traffic times related to events and conferences as the Project and Development Area is redeveloped. This investment will allow the area to attract vertical redevelopment, maximizing the land use along the riverfront and allowing a level of density that a successful revitalization and reimagination of the downtown Paducah riverfront will require.
- **Connectivity Improvements and Public Space** – The possible re-routing of existing roads, various streetscape improvements, and the creation of new pathways and walkways to accommodate increased pedestrian and bicycle traffic along the riverfront and through the downtown corridor. These improvements will go a long way towards attracting visitors and residents, alike, to Paducah's riverfront by creating an inviting pedestrian and bike-friendly environment with plenty of outdoor space, including a Riverfront Park, that will be well-suited for hosting public gatherings and events.
- **Waterfront Public Landing Improvements** – The dredging of the river near the banks and the construction of a new steamboat landing area will allow increased boating access. The dredging and additional landing will allow more large-scale boats to dock at Paducah's riverfront throughout the year, bringing more visitors into the community and the downtown area, in particular. Combining these improvements with the rest of the Project will create an exciting and welcoming environment that will

encourage increased visitorship while providing an opportunity to realize longer stays and a significantly greater impact to the local economy.

- **Utilities** – Utility improvements necessary to provide service throughout the Development Area may include expansion of broadband internet access, sanitary sewer lines, storm sewer lines, water service lines, electric, gas, and telephone, to provide sufficient access throughout the riverfront and to accommodate the increased usage that the Project and its patrons will require.
- **Environmental** – The Development Area is likely to require some demolition and brownfield remediation from past commercial uses within the Development Area. Several areas of concern include lead-based paint and asbestos remediation in older structures, however, the true extent to which remediation may be necessary is uncertain.
- **Public Buildings and Amenities** – The Project plans include the rehabilitation/construction of certain public buildings focused on promoting increased visitorship to the area, including the redevelopment of museum and event space in the Showcase Lounge and the rehabilitation of the Columbia Theatre. These amenities will provide modern space along the riverfront for hosting conferences and events, museum space, and a unique setting for performances and presentations at the heart of Paducah's riverfront and its downtown corridor.

4. Development assistance and Finance Plan.

The Proposed "redevelopment assistance", as defined in the Act, to be provided in the Development Area is estimated to cost up to approximately $56.5 million, not including interest expenses. The City and County may pledge up to one-hundred percent (100%) of their incremental tax revenues from real property taxes and occupational taxes from the Project for up to a 30-year period and, in accordance with the Act; will create a special fund for the deposit of pledged incremental revenues. In addition, the City and/or an agency thereof will submit an application to the Kentucky Economic Development Finance Administration ("KEDFA") to request State participation in the form of a pledge of up to eighty (80%) of incremental State tax revenues generated from the Project for up to a 20-year period.

The City will establish a special fund for the deposit of pledged incremental revenues. Pledged incremental revenues deposited into this special fund will be used to provide "redevelopment assistance" and to reimburse the financing and/or upfront expenditure by private parties and/or the City or County on "approved

public infrastructure costs" or to pay directly for such redevelopment assistance and approved public infrastructure costs, and any other purposes in compliance with this Development Plan, the Act, and all agreements and documents entered into in connection therewith. It is anticipated that, in some cases, private parties may pay for some portion of the public improvements within the Development Area and seek reimbursement in conformity with the TIF statutes and agreements between the Developers and the government. The City will enact an ordinance establishing the Development Area and adopting this Development Plan (and the County may do the same). The development ordinance will designate the Finance Department (the "Agency"), organized by the City, to oversee, administer and implement the TIF ordinances and agreements.

As set forth in more detail in the attached Report, the Project is estimated to directly generate approximately $113.5 million in TIF-eligible incremental tax revenues over a 20-year period. The extent to which these revenues may be available to provide redevelopment assistance and reimburse approved public infrastructure costs will ultimately depend on the levels of participation agreed to by the various governing bodies and the extent to which the incremental revenues are actually generated.

5. Conclusions.

The Development Area's mix of private investment and public improvement will allow for the continued revitalization of Paducah's riverfront in creating a unique destination for visitors and residents, alike. The proposed assistance is critical to achieving and incentivizing successful redevelopment throughout the Development Area as it will attract significant private investment and provide a useful funding mechanism for the future and continued revitalization of Paducah's riverfront.

———

List of Exhibits

Exhibit A – Commonwealth Economics Report (Separate document)

Exhibit B – Map and Legal Description of Development Area

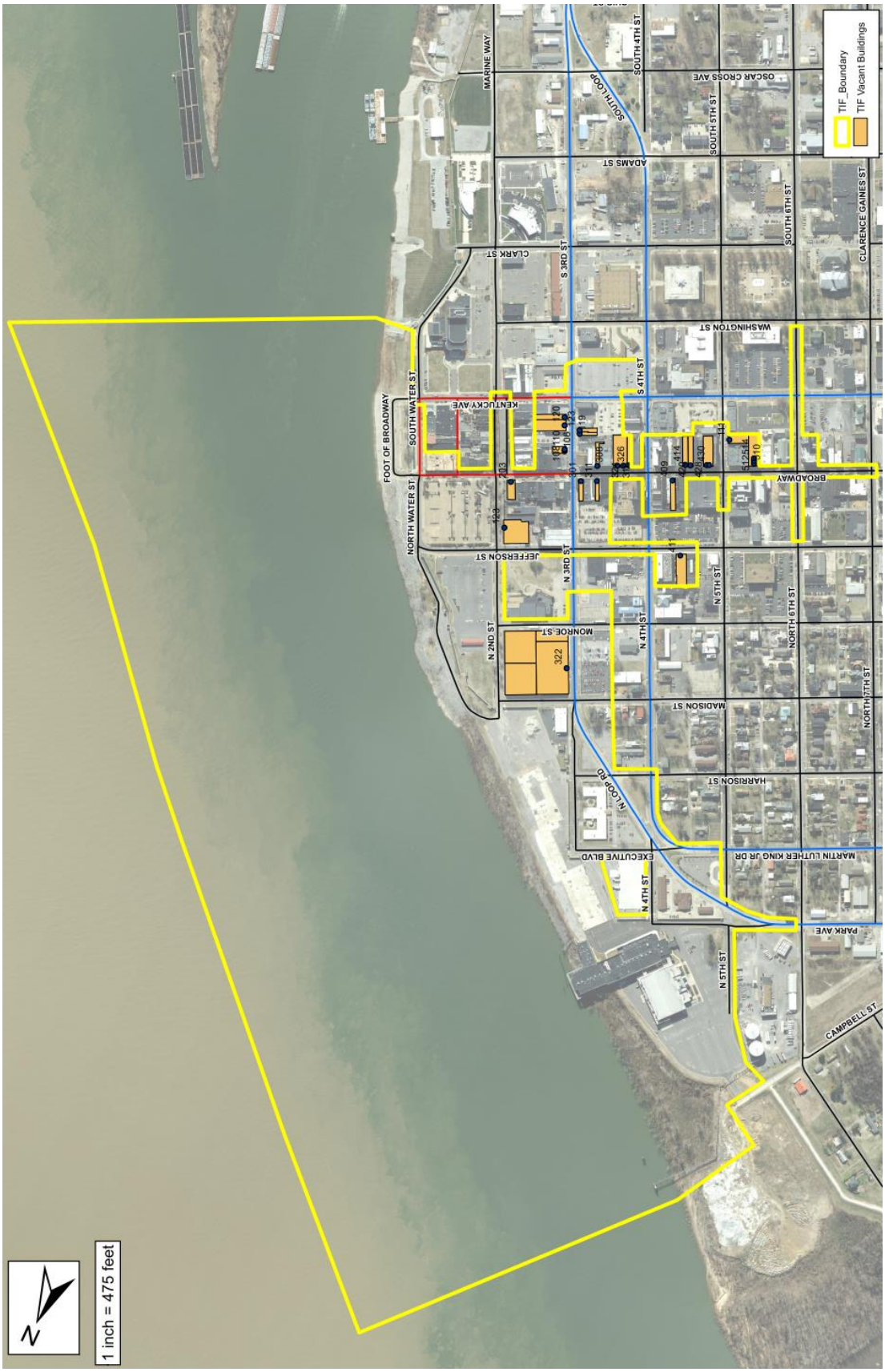
Exhibit C – Certified Letter of Compliance with Comprehensive Plan

Exhibit A - Commonwealth Economics Report

(Separate document)

Exhibit B - Map and Legal Description of Development Area

Map of the Downtown Riverfront Development Area



CITY OF PADUCAH
TIF BOUNDARY DISTRICT
LEGAL DESCRIPTION

An area to be known as the Downtown Riverfront Development Area containing 317.01 acres located on the northeasterly side of the City of Paducah on the banks of the Ohio River and more particularly bounded and described as follows:

Beginning at a point in the thread of the Ohio River, a plat of which showing said thread is recorded in the McCracken County Clerk's office in Plat Cabinet "M", Page 516 and also being the northwesterly corner of the herein described tract; **THENCE FROM SAID POINT OF BEGINNING** with said thread for the following five calls: S 45°11'49" E a distance of 1160.24 feet to a point; S 43°45'46" E a distance of 1708.12 feet to a point; S 42°59'08" E a distance of 422.05 feet to a point; S 40°13'00" E a distance of 1249.02 feet to a point; S 45°34'19" E a distance of 1306.71 feet to a point; thence S 64°46'05" W a distance of 2008.99 feet to a point on the southern bank of the Ohio River; thence in a westerly direction and crossing a river access ramp, S 84°46'47" W a distance of 206.37 feet to a point in the City of Paducah Flood Wall; thence travelling parallel to South Water Street and along said flood wall, N 24°54'56" W a distance of 341.80 feet to a point in said flood wall; thence crossing Kentucky Avenue, N 24°57'33" W a distance of 66.31 feet to a point in said flood wall; thence crossing South Water Street, S 64°43'38" W a distance of 66.07 feet to a point at the intersection of the right-of-ways of South Water Street and Kentucky Avenue; thence continuing northwestwardly with right-of-way of said South Water Street, N 25°01'16" W a distance of 258.88 feet to a point; thence S 64°27'13" W a distance of 186.00 feet to a point in the centerline of Maiden Alley; thence with the centerline of said alley, N 24°44'01" W a distance of 93.15 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 64°59'21" W a distance of 175.69 feet to a point in the easterly right-of-way of Market House Square; thence with said right-of-way and crossing aforesaid Kentucky Ave, S 24°52'09" E a distance of 416.22 feet to a point in the intersection of the right-of-way of Kentucky Avenue and Marine Way; thence crossing Marine Way, S 65°19'04" W a distance of 108.77 feet to a point in aforesaid southerly right-of-way of Kentucky Avenue; thence crossing Kentucky Ave and running with the westerly right-of-way of Market House Square, N 25°57'52" W a distance of 416.44 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 65°46'12" W a distance of 121.49 feet to a point in said right-of-way; thence S 24°42'07" E a distance of 418.67 feet to a point in the aforesaid southerly right-of-way of Kentucky Avenue; thence running with said right-of-way, S 62°38'30" W a distance of 168.11 feet to a point in the intersection of said right-of-way with South 3rd Street; thence with the right-of-way of South 3rd Street, S 23°00'06" E a distance of 137.97 feet to a point in said right-of-way; thence crossing South 3rd Street, S 41°56'04" W a distance of 71.63 feet to a point in the westerly right-of-way of said South 3rd Street; thence S 65°14'37" W a distance of 348.63 feet to a point in the easterly right-of-way of South 4th Street; thence with said right-of-way, N 24°37'29" W a distance of 171.62 feet to a point in the intersection of the right-of-way of Kentucky Avenue and South 4th Street; thence with the right-of-way of South 4th Street, N 64°59'11" E a distance of 114.97 feet to a point; thence crossing Kentucky Avenue, N 34°57'03" W a distance of 67.00 feet to a point in the northerly right-of-way of said Kentucky Avenue; thence N 25°03'27" W a distance of 174.91 feet to a point; thence S 65°01'18" W a distance of 45.28 feet to a point; thence N 24°48'24" W a distance of 174.90 feet to a point in the southerly right-of-way Broadway Street; thence with said right-of-way, S

64°44'44" W a distance of 57.62 feet to a point in the intersection of Broadway Street and South 4th Street; thence with the right-of-way of South 4th Street, S 24°54'58" E a distance of 174.62 feet to a point; thence crossing South 4th Street, S 65°04'00" W a distance of 278.52 feet to a point; thence S 23°31'59" E a distance of 63.08 feet to a point; thence in a southwestwardly direction and crossing South 5th Street, S 64°48'59" W a distance of 193.09 feet to a point in the westerly right-of-way of South 5th Street; thence N 25°09'08" W a distance of 62.95 feet to a point; thence S 65°01'39" W a distance of 167.98 feet to a point; thence N 24°48'05" W a distance of 175.37 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 64°58'06" W a distance of 178.28 feet to a point in the intersection of the right-of-way of Broadway Street and South 6th Street; thence with the right-of-way of South 6th Street and crossing Kentucky Ave, S 25°01'27" E a distance of 762.55 feet to a point in the intersection of the right-of-way of South 6th Street and Washington Street; thence crossing Washington Street, S 64°51'35" W a distance of 60.01 feet to a point in said intersection; thence with the right-of-way of South 6th Street, N 24°59'27" W a distance of 596.03 feet to a point; thence S 64°55'13" W a distance of 86.19 feet to a point; thence N 25°05'10" W a distance of 165.70 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 65°02'20" W a distance of 316.59 feet to a point in the intersection of the right-of-way of Broadway Street and South 7th Street; thence N 28°32'21" W a distance of 66.14 feet to a point in the northwesterly intersection of the right-of-way of Broadway Street and North 7th Street; thence crossing North 7th Street and with the northerly right-of-way of Broadway Street, N 64°59'00" E a distance of 407.46 feet to a point in the intersection of the right-of-way of Broadway Street and North 6th Street; thence with the westerly right-of-way of North 6th Street, N 25°08'51" W a distance of 347.54 feet to a point in the intersection of the right-of-way of North 6th Street and Jefferson Street; thence N 64°51'35" E a distance of 60.00 feet to a point in the southeasterly intersection of the right-of-way of North 6th Street and Jefferson Street; thence with the easterly right-of-way of North 6th Street, S 25°08'51" E a distance of 346.93 feet to a point in the northeasterly intersection of the right-of-way of North 6th Street and Broadway Street; thence with the northerly right-of-way of Broadway Street, N 65°03'01" E a distance of 344.71 feet to a point in the northwesterly intersection of the right-of-way of Broadway Street and North 5th Street; thence with the westerly right-of-way of North 5th Street, N 24°48'41" W a distance of 173.06 feet to a point; thence crossing North 5th Street, N 65°07'19" E a distance of 60.00 feet to a point in the easterly right-of-way of North 5th Street; thence with said right-of-way, S 24°48'43" E a distance of 173.21 feet to a point in the northeasterly intersection of the right-of-way of North 5th Street and Broadway Street; thence with the northerly right-of-way of Broadway Street, N 64°45'05" E a distance of 174.01 feet to a point; thence N 25°05'03" W a distance of 196.20 feet to a point; thence in a northeasterly direction and crossing North 4th Street, N 63°13'48" E a distance of 238.92 feet to a point in the easterly right-of-way of said street; thence with said right-of-way, S 25°02'01" E a distance of 204.08 feet to a point in the northeasterly intersection of the right-of-way of North 4th Street and Broadway Street; thence with the northerly right-of-way of Broadway Street, N 64°57'31" E a distance of 172.96 feet to a point; thence N 23°36'18" W a distance of 347.60 feet to a point in the southerly right-of-way of Jefferson Street; thence with said right-of-way, S 64°53'20" W a distance of 478.09 feet to a point; thence crossing Jefferson Street, N 24°59'46" W a distance of 240.09 feet to a point; thence N 65°05'06" E a distance of 59.20 feet to a point; thence N 23°27'01" W a distance of 4.60 feet to a point; thence N 64°52'00" E a distance of 12.43 feet to a point; thence S 24°59'57" E a distance of 4.64 feet to a point; thence N 65°05'07" E a distance of 159.85 feet to a point in the westerly right-of-way of North 4th Street; thence with said right-of-way, S 24°45'50" E a distance of 172.60 feet to a point in the southwesterly intersection of the right-of-way of North 4th Street and Jefferson Street; thence crossing North 4th street and along the northerly right-of-way of Jefferson Street, N 65°00'39" E a distance of 827.30 feet to a point in the northwesterly intersection of the right-of-way of Jefferson Street and North 2nd Street;

thence with the westerly right-of-way of North 2nd Street, N 25°07'02" W a distance of 346.61 feet to a point in the southwesterly intersection of the right-of-way of North 2nd Street and Monroe Street; thence S 64°55'49" W a distance of 346.02 feet to a point in the southeasterly intersection of the right-of-way of North 3rd Street and Monroe Street; thence with the right-of-way of North 3rd Street, S 25°20'42" E a distance of 147.24 feet to a point; thence crossing said street, S 64°33'53" W a distance of 241.19 feet to a point; thence N 25°27'54" W a distance of 971.87 feet to a point in the southwesterly intersection of the right-of-way of North Loop Road and Harrison Street ; thence with the southerly right-of-way of Harrison street and crossing North 4th Street, S 65°54'51" W a distance of 232.58 feet to a point in the southwesterly intersection of the right-of-way of North 4th Street and Harrison Street; thence generally with the westerly right-of-way of North 4th Street for the following three calls: N 25°16'17" W a distance of 236.37 feet to a point; N 40°43'43" W a distance of 60.14 feet to a point, N 62°58'37" W a distance of 144.85 feet to a point and S 64°26'17" W a distance of 239.30 feet to a point in the southeasterly intersection of the right-of-way of North 5th Street and Martin Luther King Jr Drive; thence with the easterly right-of-way of North 5th Street, N 25°02'48" W a distance of 294.92 feet to a point in the southeasterly intersection of the right-of-way of North 5th Street and North Loop Road; thence crossing North 5th Street and generally following the southerly right-of-way of North Loop Road for the following three calls: N 85°40'45" W a distance of 160.89 feet to a point; S 82°59'13" W a distance of 118.29 feet to a point and S 68°08'39" W a distance of 155.05 feet to a point in the southeasterly intersection of the right-of-way of North 6th Street and Park Avenue; thence crossing Park Avenue, N 25°28'50" W a distance of 62.61 feet to a point in the northeasterly intersection of the right-of-way of North 6th Street and Park Avenue; thence with the northerly right-of-way of Park Avenue, N 65°55'25" E a distance of 339.29 feet to a point in the northwesterly intersection of the right-of-way of North 5th Street and Park Avenue; thence with the westerly right-of-way of North 5th Street and following the City of Paducah Flood Wall, N 24°57'44" W a distance of 479.73 feet to a point in said flood wall; thence following said flood wall, N 38°18'54" W a distance of 251.26 feet to a point in said flood wall; thence N 67°50'04" W a distance of 142.29 feet to a point; thence N 32°55'26" E a distance of 239.83 feet to a point; thence N 58°09'36" W a distance of 265.92 feet to a point; thence N 29°56'31" E a distance of 513.53 feet to a point on the bank of the Ohio River; thence N 42°54'07" E a distance of 1885.13 feet **to a point; the point of beginning, having an area of 317.01 acres**.

There is excepted and not herein included all of that property currently leased to Holiday Inn Riverfront and more particularly bound and described as follows: Beginning at a point in the northeasterly intersection of the right-of-way of Executive Boulevard and North 4th Street, **THENCE FROM SAID POINT OF BEGINNING** and with the easterly right-of-way of said North 4th Street, N 41°12'07" W a distance of 330.15 feet to a point in the southeasterly intersection of the right-of-way of North 4th Street and Park Avenue; thence S 64°24'18" W a distance of 155.91 feet to a point; thence S 25°01'05" E a distance of 318.36 feet to a point in the northerly right-of-way line of Executive Boulevard; thence with the northerly right-of-way of Executive Boulevard, N 64°19'10" E a distance of 247.94 feet to **a point; the point of beginning, having an area of 64251.97 square feet, 1.48 Acres**.

This description was prepared for establishing the City of Paducah Downtown Riverfront Development Area only and is not to be used for the conveyance of real property. Bearings and distance have not been verified via field survey.

Exhibit C – Letter of Compliance

CITY OF PADUCAH
300 South 5th Street
P. O. Box 2267
Paduca, KY 42002-2267
www.paducahky.gov

Department of Planning
Tammara Tracy, Director

Phone: (270) 444-8690
Fax: (270) 444-8689

January 17, 2019

PROPOSAL RECOMMENDATION

The staff of the City of Paducah's Department of Planning has reviewed the proposed TIF Development Plan that extends along a portion of our riverfront and Broadway. Upon review, it was found that this mixed use development plan is in compliance with our Comprehensive Plan. The proposal is within our Riverfront and Downtown Redevelopment Areas.

Please feel free to contact me if you have any further questions.

Warmest Regards,

Tammara Tracy
Director

Exhibit A

City of Paducah Riverfront TIF Project

Tax Increment Financing Impact Analysis

Submitted to:
City of Paducah

Submitted by:
Commonwealth Economics Partners

January 2019

Commonwealth Economics

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I. INTRODUCTION AND EXECUTIVE SUMMARY

Introduction

Commonwealth Economics, LLC was retained by the City of Paducah (the "City" or "Paducah") to conduct a Tax Increment Financing ("TIF") analysis of The Paducah Riverfront TIF Project (the "Project") in Paducah, Kentucky.[1] The role of this TIF study is to compare the impact of this new economic activity on state and local tax revenues to the requested amount of the TIF.

Executive Summary

The subject of this analysis is the Paducah Riverfront Mixed-use TIF Redevelopment Project, which is to be located on various lots along Broadway, 5th, 2nd, and 3rd street in Paducah, Kentucky.

The Project is anticipated to include:

- Public Buildings/Structures: Riverfront Park, Steamboat Landing, Parking, Town Square, and Broadband Infrastructure Improvements
- Redeveloped/New Restaurant and Retail Space - 111,728 total square feet
- Hotel rooms – 147
- Independent Art House/Theater - 12,540 square feet
- Redeveloped Manufacturing Space – 130,000 square feet
- Redeveloped/New Residential Housing – 204 units
- Museum – 12,500 square feet
- Conference/Event Space – 15,000 square feet

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[1] The results presented herein are fair and reasonable. Based on Commonwealth Economics' analysis, the Project is a strategic development that will bring significant economic and fiscal benefits to both Paducah and the Commonwealth of Kentucky.

Commonwealth Economics utilized sources deemed to be reliable but cannot guarantee their accuracy. Moreover, estimates and analysis presented in this study are based on trends and assumptions, which usually result in differences between the projected results and actual results. And because events and circumstances frequently do not occur as expected, those differences may be material.

- Conference Food Services – 2,500 square feet

Its estimated costs include:

- Total cost of $156.4 million
    - $99.9 million in private costs
    - $56.5 million in public infrastructure costs

It is important to understand that the Project would not happen without certain expenditures on infrastructure. The Project includes multiple public infrastructure elements, such as; the riverfront park, steamboat landing, museum, conference/event space, town square, a portion of the broadband infrastructure, an independent art house/theater, parking, and all site work and utility provisions. This type of Project is specifically what the State's TIF Program is designed to incentivize.

Based on research and analysis documented in this report, the Paducah Riverfront TIF redevelopment Project is estimated to have a significant economic and fiscal impact to the local economy. In the 20-year period following completion, the Paducah Riverfront TIF footprint is estimated to generate $113.5 million of eligible state and local incremental tax revenues.[2]

After at least 20 percent is retained by the State, approximately $94.8 million of this incremental tax revenue may be available over 20 years through the TIF program to cover costs that qualify as approved public infrastructure. However, this participation would be subject to a "net new" cap imposed by the Cabinet for Economic Development based on an independent consultant's analysis, which will likely further limit the amount available for reimbursement. Additionally, the net present value of this $94.8 million is dependent upon many variables in the tax-exempt financing/bonding market.

In addition to the $113.5 million of incremental tax revenues generated within the footprint, the Project is expected to have a significant economic impact throughout the area. Over a 20-year period, the full Project is expected to facilitate:

- Over $1.9 billion in total economic impact

[2] It is important to understand that this participation would also be subject to a "net new" cap imposed by the Cabinet for Economic Development based on an independent consultant's analysis, and reimbursement is limited to Approved Public Infrastructure expenditures.

- 1,169 jobs annually

The body of this report further details the Project and its economic impact as it relates to Tax Increment Financing. It will demonstrate that, due to the problems inherent with the Property, the benefits that arise from the Project, and the purposes of TIF legislation, the Project qualifies for the TIF program.

II. PROJECT DESCRIPTION

This section provides an overview of the proposed Paducah Riverfront Mixed-use TIF Redevelopment Project to be located in Paducah, Kentucky including a history of previous initiatives and a description of the proposed Project's scope, amenities, and site development costs.

Background

Founded in 1827 by William Clark of Lewis & Clark fame, the City of Paducah's (the "City" or "Paducah") origin and prosperity can be attributed to its strategic location at the confluence of the Ohio and Tennessee rivers. The combination of southern charm and hospitality that originated with Paducah's founding is still alive and well in this vibrant river city today.

Paducah has undertaken multiple initiatives which have highlighted Paducah's lively history and created real potential for growth. However, the City has not been able to fully capitalize on its recreational, cultural, and historical ties with the river, and the economic opportunities they present when linked to the Riverfront area. This is in large part due to a lack of necessary public infrastructure components and redevelopment activity on vacant properties located near Paducah's Riverfront.

Riverfront Redevelopment Initiatives

With its geographic location and current assets, Paducah is already known by many as an inland waterways hub that plays an important role in the future (and growth) of the inland waterways industry. Being home to the Seaman's Church Training Institute, Ingram Barge Company, Marquette, Crounse, and many other river-related leaders is an important and telling asset to the industry. Additionally, the Riverport's recent Marine Highway Designation, the Foreign Trade Zone certification, the River Discovery Center, and the City's dedication to its river heritage make for an environment that is well suited for growth.

In 2007, the City created a Riverfront Redevelopment Master Plan (riverfront "Master Plan") which laid out a long term physical renovation of the riverfront.[3] Improvements identified in the plan included a new public steamboat landing/excursion pier facility,

[3] Riverfront Redevelopment Master Plan (2007): http://paducahky.gov/~paducahky/sites/default/files/u3/FinalDraftMarch27-07.pdf

a new marina, a performance plaza, overlook/observation deck, public recreation areas (known as the Paducah Commons), connections to the greenway trail system, a new boat launch, and the riverfront recreation park (known as Shultz Park). These improvements, as they have been and are still being completed, provide a linkage to the vibrant culture located near Paducah's Riverfront, a regionally recognized convention destination. To date, the investment in infrastructure facilities for Paducah's riverfront (both public and private) totals more than $35.8 million, including $11 million in federal grant funding with Paducah providing $5 million in matching funds for the riverfront redevelopment initiative.

Downtown Redevelopment Initiatives

More than $100 million has been invested in Paducah's historic downtown since the start of revitalization efforts in 1992. Paducah's incentive programs for downtown include: Downtown Assessment and Reassessment Tax Moratorium, New Business Grant Program, Facade and Beautification micro-grants, Roof Stabilization Assistance Program, and the Upper Story Residential Grant Program. Since 2014, Paducah has provided $1,038,400 in total incentive funding to downtown developers.

In 2015, the City completed the Paducah Commons Small Area Development Plan ("Paducah Commons") for a six-acre area that was the former home of the Executive Inn Hotel located between the Paducah Convention and Exposition Center and the recently completed transient dock and future steamboat landing/excursion pier.[4] This site, and the surrounding area in general, contain buildings that have been vacant for over 10 years.

It is anticipated that the Paducah Commons project will feature a compass rose pointing north and east with art features at each point, an outdoor stepped-lawn amphitheater, pergola covered promenade, active green space, swings along the greenway trail, and a sculpture walk. Additionally, the project includes the redevelopment of the Executive Inn Hotel which will encourage citizens and visitors alike to partake in additional organic public gatherings, indoor consumer experiences, and outdoor events which provide socio-economic connectivity between Downtown Paducah and riverfront redevelopments.

[4] Paducah Commons Small Area Development Plan (2015): http://paducahky.gov/sites/default/files/Paducah-Commons-Small-Area-Plan-06-2015.PDF

Synopsis

Despite the above-mentioned accomplishments, Paducah still lacks the necessary public infrastructure components and redevelopment activity on vacant properties downtown which do not fully connect and capitalize on its riverfront redevelopment efforts. The proposed Paducah Riverfront Mixed-use TIF Redevelopment Project will create a major linkage between these properties and the riverfront.

It is important to note that Paducah has the human resource capacity to manage a large-scale project, such as the one analyzed in this report. Paducah employs three full-time professional engineers, two AICP certified planners, two Certified Public Accountants ("CPAs"), and one certified Project Management Professional ("PMP") with combined experience of over 65 years.

Description of the Paducah Riverfront TIF Project

The City of Paducah (the "City" or "Paducah") will be working with various developers to complete the Project in Paducah through a mixture of public and private investment. The aim is to redevelop and connect vacant properties in the downtown area to Paducah's riverfront, while also developing the necessary public infrastructure and new supportive uses on a handful of adjacent lots that are build ready. This will attract and support a greater level of density and vertical development throughout the City which will spur additional event and businesses activity.

Planning is currently underway for the proposed redevelopment, which is anticipated to include the following components:

- Public Buildings/Structures: Riverfront Park, Steamboat Landing, Parking, Town Square, and Broadband Infrastructure Improvements
- Redeveloped/New Restaurant and Retail Space - 111,728 total square feet
- Hotel rooms – 147
- Independent Art House/Theater - 12,540 square feet
- Redeveloped Manufacturing Space – 130,000 square feet
- Redeveloped/New Residential Housing – 204 units
- Museum – 12,500 square feet
- Conference/Event Space – 15,000 square feet
- Conference Food Services – 2,500 square feet

Based on construction, site work, and miscellaneous costs, the total construction cost, public and private, is estimated to be approximately $156.3 million. It is anticipated that $56.5 million of the total cost may be considered as approved public infrastructure, including: the riverfront park, steamboat landing, museum, conference/event space, town square, a portion of the broadband infrastructure, independent art house/theater, parking, and all site work and utility provisions.

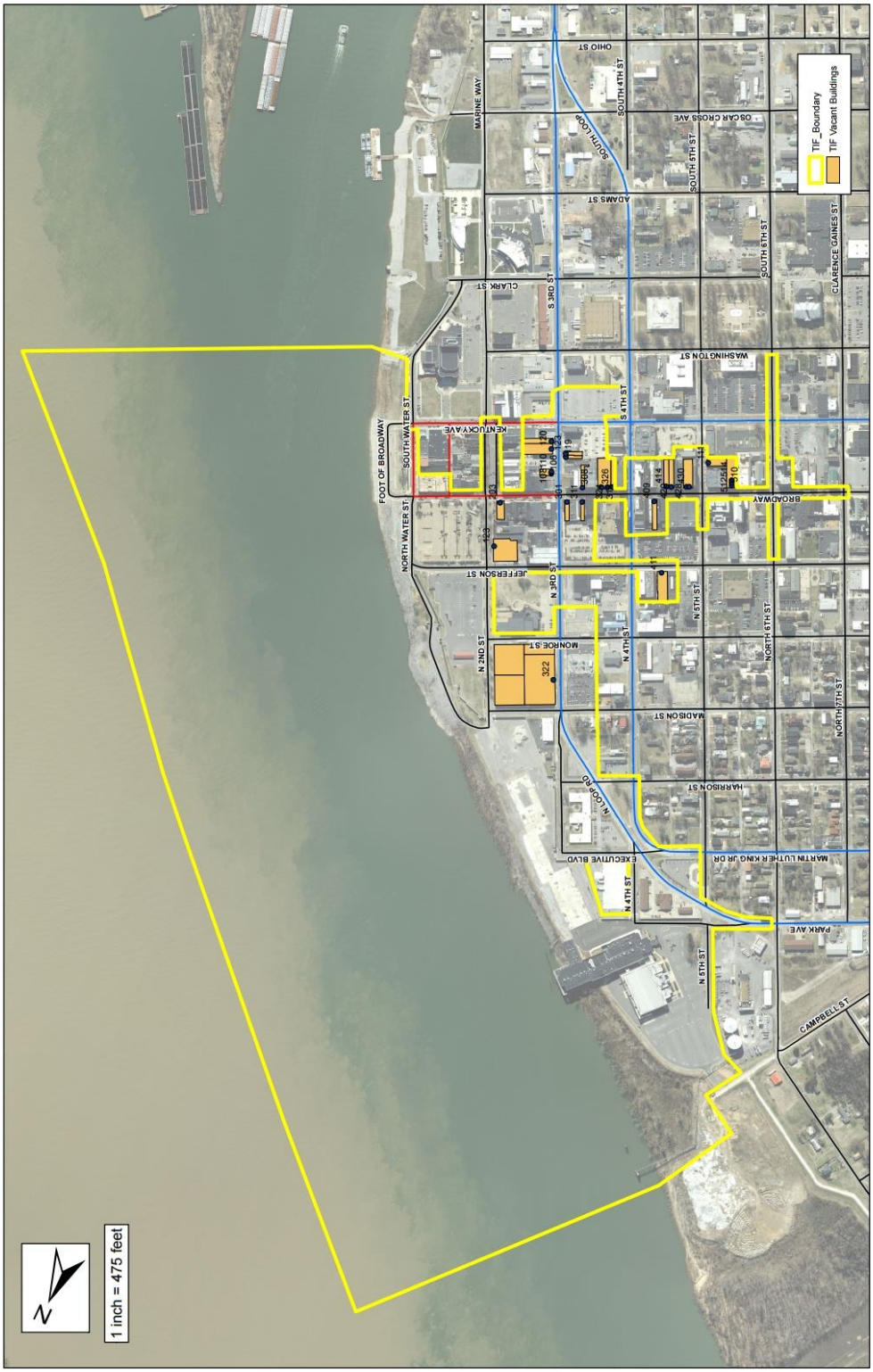
For the purposes of this study, each Project component will be shown as coming on line at the same time in order to capture the full effect of the Project. It is important to note, however, that certain Project components may be phased in throughout the 20-year

period of the TIF. This can result in a slightly lower overall amount of TIF incremental revenue available to the Project due to less time being spent by the Phased components generating the increment (see following sections for a description of Kentucky's TIF programs). Below is a combined summary of the Project upon full completion of improvements, as well as new retail, restaurant, hotel, and residential housing components to be built on adjacent lots.

Figure 1

Paducah Riverfront TIF Project Components		
	Unit Measure	
Retail/Restaurant		
Retail	34,075	Sq Ft
Restaurant	77,653	Sq Ft
Hotel	147	Rooms
Theater	12,540	Sq Ft
Manufacturing Space	130,000	Sq Ft
Residential Housing	204	Units
Showcase Space		
Museum	12,500	Sq Ft
Conference/Event Space	15,000	Sq Ft
Food Service	2,500	Sq Ft

Figure 2


TIF_Boundary
TIF Vacant Buildings
N
1 inch = 475 feet
FOOT OF BROADWAY
NORTH WATER ST
SOUTH WATER ST
MARINE WAY
CLARK ST
KENTUCKY AVE
JEFFERSON ST
MONROE ST
N 2ND ST
N 3RD ST
S 3RD ST
S 4TH ST
N 4TH ST
N 5TH ST
S 5TH ST
S 6TH ST
N 6TH ST
N 7TH ST
ADAMS ST
MADISON ST
HARRISON ST
WASHINGTON ST
BROADWAY
OHIO ST
SOUTH LOOP
N LOOP RD
EXECUTIVE BLVD
MARTIN LUTHER KING JR DR
OSCAR CROSS AVE
CLARENCE GAINES ST
PARK AVE
CAMPBELL ST
322
326
414
310

III. QUALIFYING PUBLIC INFRASTRUCTURE

If the Project successfully applies for participation through any of the state TIF programs, it may be eligible to recover up to 100 percent of Approved Public Infrastructure costs, certain soft costs, and costs related to land preparation, demolition, and clearance through the recapture of local and state incremental tax revenues. These Approved Public Infrastructure costs may include:

- Land preparation and demolition
- Public buildings/structures
- Sewers/storm drainage
- Curbs, sidewalks, promenades, and pedways
- Roads and street lighting
- Provision/modification of utilities
- Environmental remediation
- Floodwalls/floodgates
- Public spaces and parks
- Parking
- Easements of rights of way
- Transportation facilities
- Public landings
- Amenities (fountains, benches, sculptures, etc.)
- River bank modifications
- Related soft costs, legal fees, and contingencies;

All of the proposed public infrastructure Project elements discussed in the previous section should qualify under one of these categories of public infrastructure. While these costs may be recoverable, it should be understood that the funding of these anticipated public infrastructure improvements would be on a reimbursement basis that will require proof of the expenditure before funds will be released through the TIF program and that the amount available from State participation will be subject to a cap.

In addition, these funds will not be available until the Project meets a minimum spending threshold (discussed in the next section) and also begins to generate the incremental tax revenues that can then be used to make financing payments or reimburse the out-of-pocket expenditures on these elements.

IV. TAX INCREMENT FINANCING

Tax Increment Financing ("TIF") is a form of economic incentive, which uses the increase in local and state tax revenues generated on a development footprint (the "increment") to finance certain public infrastructure components of the Project.

This financing is typically structured by the applicable local government issuing tax increment bonds either as the guarantor or just as a conduit for the bonds. The proceeds of the bonds are used to finance approved infrastructure costs. The increment is then used to retire the bonds.

The Paducah Riverfront TIF Project will fall under the "Mixed-use" status. It meets the following statutory qualifications for a "Mixed-use status":

- It must have a net positive economic and fiscal impact to the Commonwealth.
- It must not include any retail establishment that exceeds twenty thousand (20,000) square feet of finished space.
- It must meet the required minimum capital investment of $20,000,000.
- It must include pedestrian amenities and public space.
- The development area must be less than the maximum three-square miles.
- The development must include at least two of the following: retail, residential, office, restaurant, or hospitality.
- The project must be located in an area with blighted conditions and inadequate public infrastructure.
- Under the Mixed-use TIF program, the tax recovery period is limited to 20 years.

In addition to the basic "mixed-use" requirements listed above, the Project is also expected to meet the other legal requirement related to the local government's creation of a "Development Area." The local government can create a Development Area by determining that the area meets any two of the following conditions, but three findings are required for State Mixed-use TIF Program participation:

a) Substantial loss of residential, commercial, or industrial activity or use;

b) Forty percent (40%) or more of the households are low-income households;

c) More than fifty percent (50%) of residential, commercial, or industrial structures are deteriorating or deteriorated;

d) Substantial abandonment of residential, commercial, or industrial structures;

e) Substantial presence of environmentally contaminated land;

f) Inadequate public improvements or substantial deterioration in public infrastructure; or

g) Any combination of factors that substantially impairs or arrests the growth and economic development of the city or county; impedes the provision of adequate housing; impedes the development of commercial or industrial property; or adversely affects public health, safety, or general welfare due to the development area's present condition and use.

Because the Paducah Riverfront TIF Project meets the statutory qualifications of the State Mixed-use TIF program, it is eligible to use the incremental taxes created by the Project to recover up to 100 percent of approved public infrastructure costs over a 20-year recovery period. These recoverable incremental taxes include:

- State Sales tax
- State Ad Valorem (real property) tax
- State Individual Income tax
- State Corporate Income tax
- Local Ad Valorem (real property) taxes
- Local Occupational taxes

All of the recoverable taxes must be generated within the Project's TIF footprint (see previously, Figure 2).

V. INCREMENTAL TAX REVENUE ESTIMATES

For the purpose of estimating the amount of potentially available TIF dollars from the footprint that will be available to repay public infrastructure expenditures, it is necessary to calculate the expected tax revenue on the new footprint. Fiscal impact measures TIF applicable tax revenues that result from the spending and income related to the activities at the Project. This analysis estimates the fiscal impacts of the TIF-applicable tax revenues. Only taxes that are eligible for tax increment financing are used.

Below is a breakdown of the taxes used to determine the fiscal impacts of the Project:

- State taxes:
  - Property Tax ..... $0.122 per $100 of assessed value
  - Sales Tax ..... 6.0 percent of sales
  - Individual Income Tax ..... 5.0 percent of income[5]
- Local tax:
  - City of Paducah Property Tax ..... $0.2610 per $100 of assessed value[6]
  - McCracken County Property Tax ..... $0.2170 per $100 of assessed value[7]
  - City of Paducah Payroll Tax ..... 2.00 percent of salaries[8]

The estimated fiscal impact of the Project is based on a number of different assumptions regarding the revenue generated by each component of the Paducah Riverfront Mixed-use TIF Development Project. The revenue calculations are based on the size of the Project component and its estimated sales per a given unit of measure.

[5] Given the recent tax code changes in Kentucky, Commonwealth Economics is using a flat income tax rate of 5 percent on all income earned in the state.

[6] Assumes full participation from the City of Paducah real property tax. By law, School (.84%) and Fire District taxes are not eligible for participation in the State TIF programs.

[7] Assumes participation from the McCracken County real property tax which may include: general fiscal court of .094%, library of .059%, extension services of .02904%, health of .024%, and mental health of .011%. By law, School (.52%) and Fire District taxes are not eligible for participation in the State TIF programs.

[8] Assumes full participation from the City of Paducah local occupational license tax fee.

Tax Revenue Assumptions

Estimated tax revenues were generated using the following assumptions, direct impact multipliers generated by the IMPLAN modeling software for McCracken County utilizing a blended average of component revenue, employee, and salary assumptions provided by the City of Paducah and proposed private developers.[9]

Retail – 34,075 Sq Ft

- Sales/Sq Foot ~ $250
- Sq Feet / Employee ~ 142
- Average Salary ~ $14,598

Restaurant – 77,653 Sq Ft

- Sales/Sq Foot ~ $250
- Sq Feet / Employee ~ 209
- Average Salary ~ $21,642

Hotel – 147 Rooms

- Average Daily Room Rate ~ $100
- Rooms / Employee ~ 5
- Average Salary ~ $31,780

Independent Art House/Theater – 12,540 Sq Ft

- Sales/Sq Foot ~ $97
- Sq Feet / Employee ~ 1,572
- Average Salary ~ $27,015

Manufacturing Space – 130,000 Sq Ft

- Sales/Sq Foot ~ $112
- Sq Feet / Employee ~ 1,532
- Average Salary ~ $44,522

[9] Potential Project Developers provided Project scope estimates and initial building tenant assumptions for input into CE's analysis. However, CE has no knowledge to suggest with certainty that the estimates provided are feasible.

Residential Housing – 200 Units

- Average Unit Rent per Month ~ $825
- Units / Employee ~ 1
- Average Salary ~ $12,435

Museum – 12,500 Sq Ft

- Sales / Sq Foot ~ $120
- Sq Feet / Employee ~ 687
- Average Salary ~ $30,301

Conference/Event Space – 15,000 Sq Ft

- Sales / Sq Foot ~ $250
- Sq Feet / Employee ~ 864
- Average Salary ~ $17,637

Food Service – 2,500 Sq Ft

- Sales/Sq Foot ~ $250
- Sq Feet / Employee ~ 341
- Average Salary ~ $19,388

Baseline Tax Revenue Calculation

In order to properly estimate the tax revenues that will actually be available for a mixed-use TIF project, it is necessary to subtract the baseline tax revenues from the expected future revenues. The baseline tax revenues currently generated within the proposed development area are likely significantly less than will be generated there after the Paducah Riverfront Redevelopment Project is completed.

Because the anticipated footprint of the new Paducah Riverfront Redevelopment holds a variety of private businesses, the amount of sales tax currently generated is not accessible without authorization/consent. Only the income, occupational, and property taxes currently paid on each parcel within the footprint are certain. Because the sales tax is currently unknown, our analysis here has only included the current income, occupational, and property taxes.

Commonwealth Economics, the City of Paducah, and the McCracken County PVA reviewed over 154 parcels of land and calculated a total existing taxable property value

for the anticipated Development Area of $22.0 million. Furthermore, Commonwealth Economics and the City of Paducah have estimated a total existing payroll of approximately $4.0 million. Based on this analysis, the resulting income, occupational, and property tax baseline calculation for the footprint totals an estimated $412,056 annually, as shown below in Figure 3.

Figure 3

Estimated On-Site Baseline Taxes - Paducah Riverfront TIF Project

	TIF Rate	Base Taxable Amount		Tax Revenue
State Property Tax	0.1220%	$22,028,315	(private property value)	$26,875
State Sales and Use Tax	6.00%	$0	(gross sales)	$0
State Individual Income Tax	5.00%	$3,998,373	(gross salaries)	$199,919
City of Paducah Property Tax	0.2610%	$22,028,315	(private property value)	$57,494
McCracken County Property Tax	0.2170%	$22,028,315	(private property value)	$47,801
City of Paducah Occupational License Tax	2.00%	$3,998,373	(gross salaries & profits)	$79,967
Total Tax Revenues				**$412,056**

Incremental Tax Revenue Calculation

Figure 4, on the next page, shows the projected TIF revenues resulting from the new Paducah Riverfront Redevelopment over a 20-year period. All applicable property, income, and sales taxes are included. To account for the potential growth in future tax revenues, all calculations are adjusted at the rate of 1.5% each year. Again, because the sales, income, and occupational taxes are currently unknown, our analysis here has only subtracted the current baseline property taxes. It is important to note that a baseline for sales, income, and occupational taxes will need to be established at some point throughout the application process.

As shown in Figure 4, over the allowable 20-year TIF period, the Paducah Riverfront Redevelopment is estimated to produce $123.1 million in State and Local TIF-eligible tax revenues. Of this eligible amount, approximately $99.0 million is from State tax revenues and $24.1 million is from Local tax revenues.

After the baseline property taxes are subtracted and 20 percent retained by state (the 20 percent retained by the state is required by statute), total cash flow eligible for TIF participation is estimated to reach up to $94.8 million over the 20-year period. This includes $75.0 million from State TIF participation and $19.8 million from Local participation. It is important to understand that the State TIF participation would also be subject to a "net new" cap imposed by the Cabinet for Economic Development based on an independent consultant's analysis, and reimbursement is limited to Approved Public Infrastructure expenditures. Additionally, State may participate less than 80%.

Commonwealth Economics

Figure 4

Paducah Riverfront TIF Project

Incremental Tax Revenue Estimates under the State Mixed-use TIF Program

		Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	20-Year Total
Estimated Future Tax Revenues from Project										
State Tax Revenues										
State Sales Tax		$68,897,102	$2,979,506	$3,024,198	$3,069,561	$3,115,605	$3,162,339	$3,406,737	$3,953,658	$68,897,102
State Property Tax		$3,439,505	$148,744	$150,975	$153,240	$155,538	$157,871	$170,072	$197,376	$3,439,505
Individual Income Tax		$26,611,765	$1,150,845	$1,168,108	$1,185,630	$1,203,414	$1,221,465	$1,315,865	$1,527,115	$26,611,765
Total State Tax Revenues		$98,948,371	$4,279,095	$4,343,282	$4,408,431	$4,474,557	$4,541,676	$4,892,674	$5,678,148	$98,948,371
Local Tax Revenues										
McCracken County Property Tax		$6,117,808	$264,569	$268,538	$272,566	$276,654	$280,804	$302,506	$351,070	$6,117,808
Paducah Property Tax		$7,358,285	$318,214	$322,988	$327,832	$332,750	$337,741	$363,843	$422,255	$7,358,285
Paducah Payroll Tax		$10,644,706	$460,338	$467,243	$474,252	$481,366	$488,586	$526,346	$610,846	$10,644,706
Total Local Tax Revenues		$24,120,799	$1,043,122	$1,058,769	$1,074,650	$1,090,770	$1,107,131	$1,192,695	$1,384,171	$24,120,799
Total Estimated Future Tax Revenues		$123,069,170	$5,322,217	$5,402,050	$5,483,081	$5,565,327	$5,648,807	$6,085,369	$7,062,320	$123,069,170
"Baseline" Tax Revenues										
State Tax Revenues										
State Property Tax "Baseline"		$621,438	$26,875	$27,278	$27,687	$28,102	$28,524	$30,728	$35,661	$621,438
State Individual Income Tax "Baseline"		$4,622,852	$199,919	$202,917	$205,961	$209,051	$212,186	$228,585	$265,282	$4,622,852
Total State Tax "Baseline"		$5,244,290	$226,793	$230,195	$233,648	$237,153	$240,710	$259,313	$300,943	$5,244,290
Local Tax Revenues										
McCracken County Property Tax "Baseline"		$1,105,345	$47,801	$48,518	$49,246	$49,985	$50,735	$54,656	$63,430	$1,105,345
Paducah Property Tax "Baseline"		$1,329,470	$57,494	$58,356	$59,232	$60,120	$61,022	$65,738	$76,292	$1,329,470
Paducah Payroll Tax "Baseline"		$1,849,141	$79,967	$81,167	$82,384	$83,620	$84,875	$91,434	$106,113	$1,849,141
Total Local Tax "Baseline"		$4,283,955	$185,263	$188,042	$190,862	$193,725	$196,631	$211,828	$245,835	$4,283,955
Total "Baseline" Tax Revenues		$9,528,246	$412,056	$418,237	$424,510	$430,878	$437,341	$471,141	$546,778	$9,528,246
Incremental Tax Revenue Generated by Project		**$113,540,925**	**$4,910,161**	**$4,983,813**	**$5,058,570**	**$5,134,449**	**$5,211,466**	**$5,614,229**	**$6,515,542**	**$113,540,925**
Incr. Tax Rev. Available for State TIF Program	at 80%	**$74,963,265**	$3,241,842	$3,290,469	$3,339,826	$3,389,924	$3,440,772	$3,706,689	$4,301,764	$74,963,265
Incr. Tax Rev. Available for McCracken County Participation	at 100%	**$5,012,463**	$216,768	$220,019	$223,319	$226,669	$230,069	$247,850	$287,640	$5,012,463
Incr. Tax Rev. Available for Paducah Participation	at 100%	**$14,824,380**	$641,091	$650,708	$660,468	$670,375	$680,431	$733,017	$850,696	$14,824,380

VI. ECONOMIC AND EMPLOYMENT IMPACTS

When construction of the proposed Paducah Riverfront TIF Redevelopment Project is complete, the new events, hotel, independent art house/theater, museum, manufacturer, restaurants, retail stores, residential housing, and various activities and transactions occurring within the improved site will generate on-going, annual economic and fiscal impacts to the local economy. Initial transactions occurring within the hotel, independent art house/theater, museum, manufacturing space, restaurants, and retail stores will ripple out into the local economy and generate indirect spending, induced spending, increased earnings, and employment, as well as various tax revenues. It is important to understand that these impacts include economic and fiscal activity that may take place outside of the Project footprint, and therefore, are not all recoverable through the TIF program. These impact estimates, however, assist in quantifying the Project's overall economic value to the Commonwealth.

For analytical purposes, annual impact is estimated based on component type, such as the retail and restaurant space. Conceptually, annual economic impact would include the "ripple effects" generated from direct spending made by the shoppers and restaurant patrons. This direct spending would then result in indirect spending, induced spending, increased earnings, and employment.

Economic Impact- Definitions

Economic impact reflects the "ripple effect" or "multiplying effect" from initial transaction, or "direct spending," that occurs as a direct result of a project being developed. In the Paducah Riverfront TIF Project case, examples of initial transactions are the visitors' expenditures during their time in Paducah at various lodging facilities, restaurants, and shops. The "ripples" from these initial transactions include the following:

- **Indirect Spending –** consists of re-spending of the initial or direct expenditures. For example, a visitor's direct expenditure on a retail purchase causes the store to purchase goods and other items from suppliers. The portion of these store purchases that are within the local, regional, or state economies is counted as an indirect economic impact.

- **Induced Spending –** represents changes in local consumption due to the personal spending by employees whose incomes are affected by the Project. For example, a waiter at a restaurant may spend more because he/she earns more.

The amount of the increased income the waiter spends in the local economy is considered an induced impact.

- **Increased Earnings** – measures the change in total personal income, area-wide, that results from the initial spending activities occurring as a result of the Project.
- **Increased Employment** – measures the change in number of jobs, area-wide, that result from the initial spending activities that occur as a result of the Project.

Indirect spending, induced spending, increased earnings, and employment impact are estimated using multiplier factors. The multipliers utilized were derived from an IMPLAN input-output model. IMPLAN is a nationally recognized model commonly used to estimate economic impact. An input-output model analyzes the commodities and income that normally flow through the various sectors of the economy.

Impact Analysis of Construction

The construction of the Paducah Riverfront TIF Project will create a one-time influx of spending, which will ripple throughout the economy and result in indirect output, induced output, labor income, and employment, as well as the related tax revenues.

There are two key impacts from construction to both the City of Paducah and the Commonwealth of Kentucky. First, the construction itself directly creates construction jobs, which are subject to state individual income tax and local occupational license tax. Second, construction spending will ripple out and generate indirect output due to spending on materials, induced output, increased earnings, and employment throughout the economy, as well as State Sales Tax revenues associated with the induced impacts. Figure 5, on the next page, conceptually illustrates the flows of construction impacts, as well as the assumptions and tax rates utilized for the impact calculation.

Figure 5

Paducah Riverfront TIF Project Conceptual Diagram of One-Time Economic and Fiscal Impact from Construction		
Sources of Impact	**Economic and Fiscal Impact**	**Rate**
Total Construction Costs		
» Property Value Impacts		
	» State Property Tax Assessed Value	0.1220%
	» City of Paducah Property Tax Assessed Value	0.2610%
	» McCracken County Property Tax Assessed Value	0.2170%
» Employment and Income Impacts		
	» State Individual Income Tax on Total Labor Income	5.00%
	» City of Paducah Occupational License Tax on Direct Labor Income	2.00%
» Induced Output		
	Taxable Induced Spending Estimate	50%
	» Sales Tax on Materials and Induced Spending	6.00%

Figure 6 shows the IMPLAN-calculated impacts derived from construction costs of the Project in order to estimate the resulting direct, indirect, and induced impacts.

Figure 6

Impact Summary - Construction Only				
Impact Type	**Employment**	**Labor Income**	**Total Value Added**	**Output**
Direct Effect	1,168	$57,530,526	$76,222,597	$156,344,484
Indirect Effect	338	$14,981,544	$24,268,903	$48,018,124
Induced Effect	429	$17,197,146	$30,872,017	$54,493,828
Total Effect	**1,935**	**$89,709,216**	**$131,363,517**	**$258,856,436**

Shown in Figure 6, the $156.3 million of capital investment is estimated to generate 1,935 jobs (1,168 direct construction jobs and 767 indirect and induced jobs). These jobs consequently are estimated to generate approximately $89.7 million of total labor income.

The one-time influx of these economic impacts which will "ripple" throughout the economy and result in indirect spending, induced spending, increased earnings and employment, all of which create related tax revenues. These fiscal impacts are described in detail in Figure 7, on the next page, which shows the taxes derived from the IMPLAN model results generated using the estimated construction costs of the various Project components.

Figure 7

Paducah Riverfront TIF Project Estimates of One-Time Economic and Fiscal Impacts of Construction	
Economic Impact	**Total**
Direct	$156,344,484
Indirect	$48,018,124
Induced	$54,493,828
Total Output	$258,856,436
Estimated Taxable Assessed Value	$99,892,934
Total Employment	1,935
Direct Employment	1,168
Total Labor Income	$89,709,216
Direct Labor Income	$57,530,526
Fiscal Impact (Tax Revenues)	
State Tax Revenues	
State Property Tax	$121,869
State Sales & Use Tax	
On Induced Spending	$3,269,630
State Individual Income Tax	
On Total Labor Income	$1,066,723
Total State Tax Revenues	$4,458,222
Local Tax Revenues	
City of Paducah Property Tax	$260,721
McCracken County Property Tax	$216,768
City of Paducah Occupational License Tax	
On Direct Labor Income	$1,150,611
Total Local Tax Revenues	$1,628,099
Total Tax Revenues	**$6,086,321**

As shown in Figure 7, the one-time impact of construction, alone, is estimated to generate $258.9 million of total output, $89.7 million of total labor income, 1,935 jobs, and $6.1 million of state and local tax revenues during the construction period.

Annual Operational Impact

Upon completion of Project construction, the new events, hotel, independent art house/theater, museum, manufacturer, restaurants, residential housing, and retail stores will generate annual impacts to the local community and State.

Economic Impact of Independent Art House / Theater

Spending by movie goers and art enthusiast's will ripple throughout the economy, creating indirect and induced impacts in both wages and jobs throughout the area. Figure 8 shows the annual and 20-year total estimated economic impacts of the independent art house/theater.

Figure 8

Paducah Riverfront TIF Project
Summary of Economic Impacts - Independent Art House / Theater

	Year 1	Year 2	Year 3	Year 4	Year 5	20-Year Total
Economic Impact						
Total Revenue (Direct)	$1,094,742	$1,111,163	$1,127,831	$1,144,748	$1,161,919	$25,314,450
Indirect Impact	$401,513	$407,536	$413,649	$419,854	$426,151	$9,284,454
Induced Impact	$262,748	$266,689	$270,689	$274,750	$278,871	$6,075,696
Total Economic Impact	$1,759,003	$1,785,388	$1,812,169	$1,839,351	$1,866,942	$40,674,599
Total Employment	14	14	14	14	14	
Total Wages	$426,372	$432,768	$439,260	$445,848	$452,536	$9,859,295

Economic Impact of Museum

Spending by museum visitors will ripple throughout the economy, creating indirect and induced impacts in both wages and jobs throughout the area. Figure 9 shows the annual and 20-year total estimated economic impacts of the museum.

Figure 9

Paducah Riverfront TIF Project
Summary of Economic Impacts - Museum

	Year 1	Year 2	Year 3	Year 4	Year 5	20-Year Total
Economic Impact						
Total Revenue (Direct)	$1,350,000	$1,370,250	$1,390,804	$1,411,666	$1,432,841	$31,216,951
Indirect Impact	$703,636	$714,191	$724,904	$735,777	$746,814	$16,270,649
Induced Impact	$567,690	$576,205	$584,848	$593,621	$602,525	$13,127,071
Total Economic Impact	$2,621,326	$2,660,646	$2,700,556	$2,741,064	$2,782,180	$60,614,671
Total Employment	27	27	27	27	27	
Total Wages	$926,944	$940,848	$954,961	$969,285	$983,824	$21,434,339

Economic Impact of Conference/Event Space

Spending by convention conference/event visitors will ripple throughout the economy, creating indirect and induced impacts in both wages and jobs throughout the area. Figure 10 shows the estimated economic impacts of the conference/event space, annually and in a 20-year total.

Figure 10

Paducah Riverfront TIF Project
Summary of Economic Impacts - Conference / Event Space

	Year 1	Year 2	Year 3	Year 4	Year 5	20-Year Total
Economic Impact						
Total Revenue (Direct)	$3,375,000	$3,425,625	$3,477,009	$3,529,165	$3,582,102	$78,042,376
Indirect Impact	$995,699	$1,010,635	$1,025,794	$1,041,181	$1,056,799	$23,024,218
Induced Impact	$470,728	$477,789	$484,956	$492,230	$499,614	$10,884,960
Total Economic Impact	$4,841,427	$4,914,049	$4,987,760	$5,062,576	$5,138,515	$111,951,555
Total Employment	29	29	29	29	29	
Total Wages	$761,029	$772,444	$784,031	$795,791	$807,728	$17,597,775

Economic Impact of Hotel

Spending at the hotel will ripple throughout the economy, creating indirect and induced impacts in both wages and jobs throughout the area. Figure 11 shows the estimated economic impacts of the hotel, annually and in a 20-year total.

Figure 11

Paducah Riverfront TIF Project
Summary of Economic Impacts - Hotel

	Year 1	Year 2	Year 3	Year 4	Year 5	20-Year Total
Economic Impact						
Total Revenue (Direct)	$3,219,848	$3,268,145	$3,317,167	$3,366,925	$3,417,429	$74,454,682
Indirect Impact	$934,954	$948,978	$963,213	$977,661	$992,326	$21,619,555
Induced Impact	$929,438	$943,380	$957,530	$971,893	$986,472	$21,492,014
Total Economic Impact	$5,084,239	$5,160,503	$5,237,910	$5,316,479	$5,396,226	$117,566,251
Total Employment	43	43	43	43	43	
Total Wages	$1,507,504	$1,530,116	$1,553,068	$1,576,364	$1,600,009	$34,859,012

Economic Impact of Retail Space

Spending within the retail space will ripple throughout the economy, creating indirect and induced impacts in both wages and jobs throughout the area. Figure 12, on the next page, shows the estimated economic impacts of the retail space, annually and in a 20-year total.

Figure 12

Paducah Riverfront TIF Project Summary of Economic Impacts - Retail	Year 1	Year 2	Year 3	Year 4	Year 5	20-Year Total
Economic Impact						
Total Revenue (Direct)	$7,666,875	$7,781,878	$7,898,606	$8,017,085	$8,137,342	$177,286,265
Indirect Impact	$3,149,499	$3,196,741	$3,244,692	$3,293,363	$3,342,763	$72,827,957
Induced Impact	$3,399,416	$3,450,407	$3,502,163	$3,554,695	$3,608,016	$78,606,957
Total Economic Impact	$14,215,789	$14,429,026	$14,645,462	$14,865,143	$15,088,121	$328,721,179
Total Employment	288	288	288	288	288	
Total Wages	$5,522,741	$5,605,583	$5,689,666	$5,775,011	$5,861,636	$127,706,034

Economic Impact of Restaurant Space

Spending by visitors on restaurant dining will ripple throughout the economy, creating indirect and induced impacts in both wages and jobs throughout the area. Figure 13 shows the estimated economic impacts of the restaurant space, annually and in a 20-year total.

Figure 13

Paducah Riverfront TIF Project Summary of Economic Impacts - Restaurant	Year 1	Year 2	Year 3	Year 4	Year 5	20-Year Total
Economic Impact						
Total Revenue (Direct)	$17,471,925	$17,734,004	$18,000,014	$18,270,014	$18,544,064	$404,014,977
Indirect Impact	$5,303,585	$5,383,139	$5,463,886	$5,545,845	$5,629,032	$122,638,342
Induced Impact	$7,329,665	$7,439,610	$7,551,204	$7,664,472	$7,779,439	$169,488,727
Total Economic Impact	$30,105,175	$30,556,753	$31,015,104	$31,480,331	$31,952,536	$696,142,047
Total Employment	462	462	462	462	462	
Total Wages	$11,912,673	$12,091,363	$12,272,733	$12,456,825	$12,643,677	$275,464,684

Economic Impact of Manufacturing Space

Spending by manufacturing workers in the community will ripple throughout the economy, creating indirect and induced impacts in both wages and jobs throughout the area. Figure 14, on the next page, shows the estimated economic impacts of the manufacturing space, annually and in a 20-year total.

Figure 14

Paducah Riverfront TIF Project Summary of Economic Impacts - Manufacturing Space						
	Year 1	Year 2	Year 3	Year 4	Year 5	20-Year Total
Economic Impact						
Total Revenue (Direct)	$13,104,000	$13,300,560	$13,500,068	$13,702,569	$13,908,108	$303,012,534
Indirect Impact	$4,037,801	$4,098,368	$4,159,844	$4,222,241	$4,285,575	$93,368,767
Induced Impact	$3,930,768	$3,989,729	$4,049,575	$4,110,319	$4,171,973	$90,893,761
Total Economic Impact	$21,072,569	$21,388,657	$21,709,487	$22,035,129	$22,365,656	$487,275,062
Total Employment	140	140	140	140	140	
Total Wages	$6,373,786	$6,469,392	$6,566,433	$6,664,930	$6,764,904	$147,385,296

Economic Impact of Residential Housing

Spending by new residents in the community will ripple throughout the economy, creating indirect and induced impacts in both wages and jobs throughout the area. Figure 15 shows the estimated economic impacts of the residential housing, annually and in a 20-year total.

Figure 15

Paducah Riverfront TIF Project Summary of Economic Impacts - Residential Housing						
	Year 1	Year 2	Year 3	Year 4	Year 5	20-Year Total
Economic Impact						
Total Revenue (Direct)	$1,813,541	$1,840,745	$1,868,356	$1,896,381	$1,924,827	$41,935,728
Indirect Impact	$0	$0	$0	$0	$0	$0
Induced Impact	$1,375,631	$1,396,265	$1,417,209	$1,438,468	$1,460,045	$31,809,633
Total Economic Impact	$3,189,172	$3,237,010	$3,285,565	$3,334,849	$3,384,871	$73,745,361
Total Employment	157	157	157	157	157	
Total Wages	$2,241,517	$2,275,140	$2,309,267	$2,343,906	$2,379,065	$51,832,098

Economic Impact of Food Service Space

Spending by caterers and food providers will ripple throughout the economy, creating indirect and induced impacts in both wages and jobs throughout the area. Figure 16, on the next page, shows the estimated economic impacts of the catering space, annually and in a 20-year total.

Figure 16

Paducah Riverfront TIF Project Summary of Economic Impacts - Food Service	Year 1	Year 2	Year 3	Year 4	Year 5	20-Year Total
Economic Impact						
Total Revenue (Direct)	$562,500	$570,938	$579,502	$588,194	$597,017	$13,007,063
Indirect Impact	$166,463	$168,960	$171,494	$174,067	$176,678	$3,849,232
Induced Impact	$143,538	$145,691	$147,876	$150,094	$152,346	$3,319,116
Total Economic Impact	$872,501	$885,588	$898,872	$912,355	$926,040	$20,175,411
Total Employment	9	9	9	9	9	
Total Wages	$233,270	$236,769	$240,320	$243,925	$247,584	$5,394,055

Summary Economic Impacts of Project

The combined estimated economic impacts of all components over a 20-year period are shown, below, in Figure 17.

Figure 17

Paducah Riverfront TIF Project Summary of Economic Impacts - Total	Year 1	Year 2	Year 3	Year 4	Year 5	20-Year Total
Economic Impact						
Total Revenue (Direct)	$49,658,431	$50,403,307	$51,159,357	$51,926,747	$52,705,649	$1,148,285,025
Indirect Impact	$15,693,150	$15,928,547	$16,167,475	$16,409,988	$16,656,137	$362,883,174
Induced Impact	$18,409,620	$18,685,765	$18,966,051	$19,250,542	$19,539,300	$425,697,936
Total Economic Impact	$83,761,201	$85,017,619	$86,292,884	$87,587,277	$88,901,086	$1,936,866,135
Total Employment	1,169	1,169	1,169	1,169	1,169	
Total Wages	$29,905,836	$30,354,423	$30,809,740	$31,271,886	$31,740,964	$691,532,588

As shown, the combined operational economic impacts over a 20-year period are estimated to include approximately $1.2 billion in direct impact and $1.9 billion in total economic impact throughout the region. Ongoing employment is expected to support an additional 1,169 jobs and a total of $691.5 million in wages over the 20 years, representing a significant economic impact to the City and Commonwealth.[10]

[10] It is expressly acknowledged that Commonwealth Economics cannot guarantee and shall face no liability regarding the success of any proposed project, bond issue, loan, grant, the ability to obtain funding from any source or the accuracy of any estimated revenue stream. Commonwealth Economics utilized second and third-party sources, including the City and proposed private developers, deemed to be reliable but cannot guarantee their accuracy. Moreover, estimates and analysis presented in this report are based on trends and assumptions (outlined in detail within this document), which usually result in differences between the projected results and actual results. And because events and circumstances frequently do not occur as expected, those differences may be material.

This study is not intended to focus on the extent to which the Project will bring "net new" activity to the City. It should be understood that the "net new" economic impacts of certain redeveloped Project components will vary.

VII. CONCLUSION

This Project will provide countless benefits to Paducah and the Commonwealth of Kentucky and should meet the statutory qualifications of the State's Mixed-use TIF Program. The Paducah Riverfront TIF Project is positioned to provide new space for public events including a steamboat landing, town square, and riverfront park, additional hotel rooms, a local culture driven independent art house/theater, a regional renown museum, and unique manufacturing jobs, as well as newly redeveloped space for restaurant and retail stores surrounding residential housing units.

This Mixed-use TIF Redevelopment Project will only be made possible through a partnership between the public sectors and potential private developers in order to provide support for the necessary infrastructure costs. The redeveloped vacant properties and riverfront public infrastructure components will attract and support a greater level of density and vertical development throughout the City which will spur additional event and businesses activity.

It is important that the State Mixed-use TIF Program allow the Project to use the increase in tax revenues generated within its footprint to help alleviate the high costs associated with qualifying public infrastructure needs. It is estimated that up to approximately $113.5 million in incremental tax revenue will be generated within the TIF footprint. After at least 20 percent is retained by the State, approximately $94.8 million of this incremental tax revenue may be available over 20 years through the TIF program to cover costs that qualify as approved public infrastructure. However, this participation would be subject to a "net new" cap imposed by the Cabinet for Economic Development based on an independent consultant's analysis, which will likely further limit the amount available for reimbursement. Additionally, the net present value of this $94.8 million is dependent upon many variables in the tax-exempt financing/bonding market.

The additional downtown activity, along with the new tax revenue and approximately 3,000+ jobs and over $781.2 million in wages supported as a result of the Project's impacts throughout the economy, will be a great benefit to both the City of Paducah and the Commonwealth of Kentucky.

D R A F T

LOCAL PARTICIPATION AGREEMENT

FOR THE

DOWNTOWN RIVERFRONT DEVELOPMENT AREA

BY AND AMONG THE

CITY OF PADUCAH

AND THE

COUNTY OF MCCRACKEN

AND THE

CITY OF PADUCAH FINANCE DEPARTMENT

_____, 2019

Exhibit A – The Development Area, including legal description
Exhibit B – The Project
Exhibit C – The Plan for Financing the Project
Exhibit D – Estimated Incremental Revenues

DRAFT

INDEX TO

LOCAL PARTICIPATION AGREEMENT

DATED _____, 2019

CITY OF PADUCAH, COUNTY OF MCCRACKEN, AND

THE CITY OF PADUCAH FINANCE DEPARTMENT

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DRAFT

LOCAL PARTICIPATION AGREEMENT
Downtown Riverfront Development Area

THIS LOCAL PARTICIPATION AGREEMENT (this "Agreement") is made as of the ____ day of _____, 2019 (the "Effective Date") by and among the CITY OF PADUCAH, a Kentucky Municipal Corporation (the "City"), the COUNTY OF MCCRACKEN, and the PADUCAH CITY FINANCE DEPARTMENT (the "Agency"), collectively (the "Parties");

RECITALS

WHEREAS, pursuant to the Act, as hereinafter defined, the City has on the _____ day of _____, 2019, adopted Ordinance Number _____, (the "Development Area Ordinance"), whereby it established the Downtown Riverfront Development Area (the "Development Area") for the purpose of promoting a mixed-use development of previously developed land; and

WHEREAS, pursuant to the Act, as hereinafter defined, the County has on the day of _____, 2019, adopted Ordinance Number _____, (the "Development Area Ordinance"), whereby it established the Downtown Riverfront Development Area (the "Development Area") for the purpose of promoting a mixed-use development of previously developed land; and

WHEREAS, the Paducah Board of Commissioners and McCracken County Fiscal Court recognize and determine individually that the real property that constitutes the Development Area has been and is currently characterized by vacant parcels, deteriorated structures, and underutilized land, that continuation of the physical deterioration and inadequate infrastructure within the Development Area will discourage and interfere with the City and County's growth policies to encourage the sensible development of land within the Development Area, and that the acquisition, financing, construction and development of those improvements and buildings, as identified in Exhibit B herein (collectively, the "Project"), will contribute to the public welfare of the citizens of the City, County, and the Commonwealth of Kentucky (the "State") and will thereby materially enhance the area and be in furtherance of the general health and welfare of the citizens of the City, County, and the State; and

WHEREAS, the Paducah Board of Commissioners and McCracken County Fiscal Court recognize and determine individually that the project is a mixed-use development which includes significant public infrastructure improvements; and

WHEREAS, the Parties recognize that the development of the Development Area will not likely occur without a public-private partnership and financial assistance provided to the Project by the City, County, and the State; and

WHEREAS, the Parties desire to set forth the duties and responsibilities of the Parties with respect to the administration, financing and pledging of Incremental Revenues in support of the development of the Project within the Development Area; and

WHEREAS, pursuant to the Development Area Ordinance, the City of Paducah has authorized the Mayor to execute and enter into this Agreement between the City, County, and Paducah City Finance Department, and the Agency desires to enter into this Agreement; and

WHEREAS, pursuant to the Development Area Ordinance, the McCracken County Fiscal Court has authorized the Judge to execute and enter into this Agreement between the City, County, and Paducah City Finance Department, and the Agency desires to enter into this Agreement; and

WHEREAS, pursuant to the Act (as hereinafter defined), the City, County and the Agency desire to set forth their mutual agreements, understandings and obligations in this Local Participation Agreement, in order to facilitate development of the Project within the Development Area.

STATEMENT OF AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, and in consideration of the premises and the mutual covenants and undertakings contained herein, it is agreed and covenanted by and among the Parties hereto as follows:

SECTION I
Recitals

The Parties hereto agree that the above "recitals" or "recital clauses" are incorporated herein by reference as if fully restated herein and form a part of the agreement among the Parties hereto.

SECTION II
Definitions

For the purposes of this Agreement, the following words and phrases shall have the meanings assigned in this Section II, unless the context clearly indicates that a contrary or different meaning is intended.

1. "Act" or "the Act". Shall mean KRS 65.7041 to KRS 65.7083 and KRS 154.30-010 to KRS 154.30-090.

2. "Agency". Shall mean the City of Paducah Finance Department which shall be responsible for administering the Special Fund and the Development Area Ordinance pursuant to the TIF Documents and the Act.

3. "Agreement". Shall mean this Local Participation Agreement, including all Exhibits attached hereto.

4. "Approved Public Infrastructure Costs". Shall have the meaning as provided in the Act.

5. "City". Shall mean the City of Paducah, Kentucky.

6. "City Authorizations". Shall mean those necessary governmental authorizations, resolutions, orders, hearings, notices, ordinances, and other acts, required by laws, rules, or regulations to provide the City and its officers with the proper authority to perform all obligations of the City resulting from this Agreement, and

perform all other obligations of the City made necessary by, or resulting from the establishment of the Development Area.

7. "County". Shall mean McCracken County, Kentucky acting by and through the McCracken County Fiscal Court.

8. "County Authorizations". Shall mean those necessary governmental authorizations, resolutions, orders, hearings, notices, ordinances, and other acts, required by laws, rules, or regulations to provide the County and its officers with the proper authority to perform all obligations of the County resulting from this Agreement, and perform all other obligations of the County made necessary by, or resulting from the establishment of the Development Area.

9. "Developer". Shall mean several different development groups, separately and collectively, their successors, affiliates, subsidiaries or related entities, that propose to develop the Development Area.

10. "Development Area". Shall mean the "Downtown Riverfront Development Area" as defined in the Development Area Ordinance.

11. "Development Area Ordinance." Shall mean Ordinance No. _____, adopted by the City on _____, 2019 and/or Ordinance No. _____, adopted by the County on _____, 2019.

12. "Effective Date". Shall have the meaning given in the introductory paragraph of this Agreement.

13. "Financing Plan". Shall mean the plan for financing the Project as described in Section X of this Agreement and in Exhibit C attached hereto, as it may be amended with the approval of the Agency.

14. "Incremental Revenues". Shall mean the amount of revenues received by the City and County with respect to the Development Area, and the State with respect to the "Footprint" (as defined in the Act), by subtracting "Old Revenues" (as defined in the Act) from "New Revenues" (as defined in the Act) in a calendar year.

11. "KEDFA". Shall mean the Kentucky Economic Development Finance Authority.

12. "New Revenues". Shall have the meaning as provided in the Act.

13. "Old Revenues". Shall have the meaning as provided in the Act.

14. "Private Financing". Shall mean the financing needed to provide for the development and construction of the Project elements or any financing received by the Developer(s) that is not from City, County, or the State.

15. "Project". Shall mean the improvements within the Development Area.

16. "Project Costs". Shall mean any Capital Investment, as defined in the Act, within the Development Area.

17. "Redevelopment Assistance". Shall have the meaning as provided in the Act.

18. "Special Fund". Shall mean the Downtown Riverfront Development Area Special Fund established in the Development Area Ordinance and maintained by the Agency, for the purpose of receiving, distributing and maintaining Incremental Revenues pledged by the City, County and/or State, in the manner set forth in the TIF Documents in connection with the Development Area.

19. "State". Shall mean the Commonwealth of Kentucky, including any of its agencies and departments.

20. "Tax Incentive Agreement". Shall mean any anticipated agreement(s) between KEDFA and the Agency related to the pledge of State Incremental Revenues to pay for Approved Public Infrastructure Costs.

21. "Termination Date". Shall have the meaning as provided in the Development Area Ordinances.

22. "TIF Documents". Shall mean the Development Area Ordinance, the Local Participation Agreement, the Tax Incentive Agreement, the Development Plan, any Interlocal Cooperation Agreement, and related documents.

23. "Unavoidable Delays". Shall mean delays due to labor disputes, lockouts, acts of God, enemy action, civil commotion, riot, governmental regulations not in effect at the date of execution of this Agreement, conditions that could not have been reasonably foreseen by the claiming party, inability to obtain construction materials or energy, fire, or unavoidable casualty, provided such matters are beyond the reasonable control of the party claiming such delay.

SECTION III
Parties

The parties to this Agreement shall be the City, the County and the Agency.

SECTION IV
Duties and Responsibilities of City and County

The City and County shall have the following duties and responsibilities in connection with the development of the Development Area:

1. Provide for the issuance of Incremental Revenues to the Agency for deposit into the Special Fund that is to be created by the Agency for the collection of Incremental Revenues pledged herein from City and/or County real property ad valorem taxes and occupational taxes (consisting of business occupational taxes and payroll

taxes) and State Incremental Revenues pledged in accordance with the terms of the Tax Incentive Agreement, within the Development Area from the Project.

2. Pledge one-hundred percent (100%) of the City's and County's Incremental Revenues from City and County real property ad valorem taxes and occupational taxes (consisting of business occupational taxes and payroll taxes) generated within the Development Area to pay for Redevelopment Assistance in connection with the Project pursuant to the terms set forth in the TIF Documents, for a twenty (20) year period.

3. Make, in participation with the Agency and the Developer(s), application(s) to KEDFA requesting State TIF participation in accordance with applicable provisions of the Act. The application(s) shall request State participation, as provided in the Financing Plan.

4. Designate the Agency as the entity responsible for the oversight, administration, and implementation of the Development Area Ordinance and the Special Fund pursuant to the TIF Documents and the Act.

5. Meet as may be required with the Developer and the Agency for the purpose of reviewing the progress of the development of the Development Area and review the analysis of such progress prepared by the Agency (in conjunction with the Developer) for distribution to the City, County and the State in accordance with the Act.

6. Provide the Agency with information necessary for the Agency to prepare by March 15, or such other date to meet the reporting schedule of KEDFA or the State to receive State Incremental Revenues under the Tax Incentive Agreement, of each year during the term of this Agreement an annual report including, but not limited to: (a) the total real property taxes, business occupational license taxes and business

employee payroll taxes collected within the Development Area during the previous calendar year; (b) a determination of New Revenues collected within the Development Area during the previous calendar year; and (c) the amount, if any, of Incremental Revenues spent from the Special Fund on Administrative Costs, Approved Public Infrastructure Costs and/or Redevelopment Assistance in connection with the Project.

7. Upon receipt of Developer's request provide, or require the Agency to provide, written confirmation that the Developer(s) is in good standing with its obligations under the terms of this Agreement.

SECTION V
Duties and Responsibilities of the Agency

The Agency shall have the following duties and responsibilities in connection with the development of the Development Area:

1. Act as the party responsible for the oversight, administration, and implementation of the Development Area Ordinance and the Special Fund.

2. Participate with the City, County and Developer in the application(s) to KEDFA, requesting State TIF participation in accordance with the applicable provisions of the Act. The application(s) shall request State participation, as provided in the Financing Plan.

3. Meet as may be required with the Developer, the City and County for the purpose of reviewing the progress of the development of the Development Area and prepare an analysis of such progress for distribution to the City, County and the State in accordance with the Act.

4. Prepare by no later than March 15, or such other date to meet the reporting schedule of KEDFA or the State to receive Incremental Revenues from the State under the Tax Incentive Agreement, of each year during the term of this Agreement, an annual report and provide same to the City and County, the Developer and KEDFA including, but not limited to: (a) the total real property taxes, business occupational license taxes and business employee payroll taxes collected within the Development Area during the previous calendar year; (b) a determination of New Revenues collected within the Development Area during the previous calendar year; and (c) the amount, if any, of Incremental Revenues spent from the Special Fund on Administrative Costs, Approved Public Infrastructure Costs and/or Redevelopment Assistance in connection with the Project.

5. Each year, once the Agency has received deposits of Incremental Revenues into the Special Fund from the City, County, and/or State, pay such funds to the City, County, and/or Developer (as applicable) within thirty (30) days to cover the payment of Administrative Costs, Approved Public Infrastructure Costs and/or Redevelopment Assistance pursuant to the terms set forth in the TIF Documents.

6. Comply with any requirements and carry out any duties and responsibilities as the Agency under the terms of a Tax Incentive Agreement (as defined in the Act) with KEDFA and this Agreement.

7. Upon receipt of Developer's request provide written confirmation that the Developer(s) is in good standing with its obligations under the terms of this Agreement.

SECTION VI
Identification and Pledge of Incremental Revenues

1. To the extent Incremental Revenues are generated, for the planned twenty (20) year period after the Activation Date (as defined in the Act) of the

Development Area, as provided in the TIF Documents and the Act, the City and the County hereby pledge one-hundred percent (100%) of the City's and County's Incremental Revenues from City and County real property ad valorem taxes and occupational taxes (consisting of business occupational taxes and payroll taxes), generated within the Development Area from the Project to pay for Redevelopment Assistance and Administrative Costs within the Development Area pursuant to the terms set forth in the TIF Documents. The Incremental Revenues shall be determined by calculating the New Revenues collected from the Development Area, and subtracting the Old Revenues collected from within the Development Area for the base year, as provided for in the TIF Documents and the Act.

2. Incremental Revenues pledged by the City and County in this Section shall be issued at least annually, no later than each June 1st after the first calendar year of activation, to the Agency for deposit to the Special Fund. The Incremental Revenues from the City and County are hereby irrevocably pledged and shall be maintained by the Agency and used solely for payment and/or reimbursement of Redevelopment Assistance and Administrative Costs in support of the Project and for no other purpose. Such Special Fund shall be continued and maintained until the Termination Date of the Development Area.

3. Incremental Revenues received by the Agency from the State pursuant to the Tax Incentive Agreement shall be deposited in the Special Fund as soon as they are received each year after the first calendar year of activation. The Incremental Revenues from the State are hereby irrevocably pledged and shall be maintained by the Agency and used solely for payment of, or as reimbursement for, Approved Public Infrastructure Costs in support of the Project(s) pursuant to the terms set forth in the TIF Documents

and for no other purpose. The Special Fund shall be continued and maintained until the Termination Date of the Development Area.

4. At the Termination Date (as defined in the Development Area Ordinance) all amounts remaining in the Special Fund shall be transferred to the General Fund of the City and County based upon how much of the increment each had deposited.

SECTION VII
Anticipated Benefits to the City and County

The City and County anticipate receiving substantial benefits as a result of the pledge of their Incremental Revenues to support development of the Development Area as set forth herein. Detailed summaries of projected Incremental Revenues for the City and County on an annual basis during the term of this Agreement are attached as Exhibit D hereto. The maximum amount of Incremental Revenues to be paid each by the City and County shall be one-hundred percent (100%) of the Incremental Revenues generated from the Development Area, and the maximum number of years the payment of Incremental Revenues to support the development of the Development Area will be made is twenty (20) years.

SECTION VIII
Description of Development Area

A detailed description of the Development Area is set forth in Exhibit A attached hereto and incorporated herein.

SECTION IX
Description of Project; Costs

A detailed description of the individual projects that collectively constitute the Project is set forth in Exhibit B attached hereto and incorporated herein. Also included in Exhibit B is an estimate of the costs of construction, acquisition and development of such proposed projects. The elements of the Project planned to be supported or paid

for with Incremental Revenues are listed on the attached Exhibit B, subject to further amendment as deemed necessary by the City, County, and Agency and in accordance with the TIF Documents. Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that the Project may be changed and modified so long as the Project continues to fulfill the goals of the Development Area as established in the Development Area Ordinance and the TIF Documents.

SECTION X
Financing Plan

The financing for the Project shall generally be in accordance with the Financing Plan set forth in Exhibit C attached hereto. It is understood that the Financing Plan for the Project may be modified as development of the Project progresses and that more specific details of the nature of each aspect of financing the proposed Project components shall be more particularly contained in any Private Financing and other documents at the time that each aspect of the financing needed for the Project is obtained. However, the pledge of Incremental Revenues herein to support the Project shall not be modified without the specific approval of the City, County, Agency, Developer(s) and/or State as may be applicable.

It is understood by the parties that the project financing for the project as provided in this Agreement shall not constitute a debt of the City, County, the Agency or the State or a pledge of the full faith and credit of the City, County, the Agency or the State and the City, County, Agency and the State shall have no obligation, whatsoever, toward the payment of any developer's costs for the project beyond the pledge of incremental revenues as provided for in this agreement, and that any project financing needed for the project shall be the responsibility of the developer.

SECTION XI
Commencement Date; Activation Date; Termination Date

This Agreement shall commence and be effective as of the date of execution hereof by the City and County. The Activation Date for the pledge of Incremental Revenues as set forth in Section VI hereof shall be determined by the Agency in accordance with the Act. This Agreement shall terminate upon the Termination Date. This Agreement shall not terminate upon the execution of any deeds or other agreements required or contemplated by this Agreement, or referred to herein, and the provisions of this Agreement shall not be deemed to be merged into the deeds, or any other such deeds or other agreements, it being the intent of the parties hereto that this Agreement shall survive the execution and delivery of any such agreements.

SECTION XII
Default

If the City, County or the Agency (a "Defaulting Party") shall default in its obligation to make payments of Incremental Revenues set forth herein, the Agency (unless it is the Defaulting Party), the Developer and/or the indenture trustee or trustees for outstanding financing obligations secured by such Incremental Revenues shall have the power to enforce the provisions of this Agreement against the Defaulting Party. If the City, County or the Agency materially breaches or defaults on any of its nonpayment related obligations under this Agreement, the Developer, and/or the indenture trustee or trustees for the outstanding financing obligations may give notice that remedial action must be taken within thirty (30) days. The Defaulting Party shall correct such breach or default within thirty (30) days after such notice, provided however that if (i) the default is one which cannot with due diligence be remedied by the Defaulting Party within thirty (30) days and (ii) the Defaulting Party proceeds as promptly as reasonably possible

after such notice and with all due diligence to remedy such default, the period after such notice within which to remedy the default shall be extended for such period of time as may be necessary to remedy the same with all due diligence.

SECTION XIII
Governing Law

The laws of the State shall govern as to the interpretation, validity and effect of this Agreement.

SECTION XIV
Severability

If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be held in any proceeding to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it was held to be invalid or unenforceable, shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law, but only if and to the extent such enforcement would not materially and adversely frustrate the parties essential objectives as expressed herein.

SECTION XV
Force Majeure

The City and/or County shall not be deemed to be in default in the performance of any obligation on such parties' part to be performed under this Agreement, other than an obligation requiring the payment of a sum of money, if and so long as the nonperformance of such obligation shall be directly caused by Unavoidable Delays; provided, that within fifteen (15) days after the commencement of such Unavoidable Delay, the non performing party shall notify the other party in writing of the existence and nature of any such Unavoidable Delay and the steps, if any, which the non-performing party shall have taken or planned to take to eliminate such Unavoidable

Delay. Thereafter, the non-performing party shall, from time to time, on written request of the other party, keep the other party fully informed, in writing, of further developments concerning such Unavoidable Delay and the effort being made by the non-performing party to perform such obligation as to which it is in default. All provisions of any construction schedule shall be adjusted in accordance with such Unavoidable Delay.

SECTION XVI
Notices

Any notice to be given under this Agreement shall be in writing, shall be addressed to the party to be notified at the address set forth below or at such other address as each party may designate for itself from time to time by notice hereunder, and shall be deemed to have been given upon the earliest of (i) three (3) days following deposit in the U.S. Mail with proper postage prepaid, Certified or Registered, (ii) the next business day after delivery to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement, satisfactory with such carrier, made for the payment of such fees, or (iii) receipt of notice given by telecopy or personal delivery:

If to the City:	Mayor Brandi Harless 300 S. 5th Street Paducah, Kentucky 42003
With a Copy to:	Paducah City Clerk 300 S. 5th Street Paducah, Kentucky 42003
If to the Agency:	City of Paducah Finance Department 300 S. 5th Street Paducah, Kentucky 42003

If to the County: Judge Craig Clymer
300 Clarence Gains Street
Paducah, Kentucky 42003

With a Copy to: McCracken County Clerk
300 Clarence Gains Street
Paducah, Kentucky 42003

SECTION XVII
Approvals

Whenever a party to this Agreement is required to consent to, or approve, an action by the other party, or to approve any such action to be taken by another party, unless the context clearly specifies a contrary intention, or a specific time limitation, such approval or consent shall be given within thirty (30) days and shall not be unreasonably withheld or delayed by the party from whom such approval or consent is required.

SECTION XVIII
Entirety of Agreement

As used herein, the term "Agreement" shall mean this Local Participation Agreement and the Exhibits attached hereto. This Agreement embodies the entire agreement and understanding of the parties hereto with respect to the subject matter herein contained, and supersedes all prior agreements, correspondence, arrangements, and understandings relating to the subject matter hereof. No representation, promise, inducement, or statement of intention has been made by any party which has not been embodied in this Agreement, and no party shall be bound by or be liable for any alleged representation, promise, inducement, or statement of intention not so set forth. This Agreement may be amended, modified, superseded, or cancelled only by a written instrument signed by all of the parties hereto, and any of the terms, provisions, and

conditions hereof may be waived only by a written instrument signed by the waiving party. Failure of any party at any time or times to require performance of any provision hereof shall not be considered to be a waiver of any succeeding breach of any such provision by any part.

SECTION XIX
Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

SECTION XX
Headings and Index

The headings in this Agreement and the Index are included for purposes of convenience only and shall not be considered a part of this Agreement in construing or interpreting any provision hereof.

SECTION XXI
Exhibits

All exhibits to this Agreement shall be deemed to be incorporated herein by reference and made a part hereof, above the signatures of the parties hereto, as if set out in full herein.

SECTION XXII
No Waiver; Construction

No waiver of any condition or covenant of this Agreement to be satisfied or performed by the City and or County shall be deemed to imply or constitute a further waiver of the same, or any like condition or covenant, and nothing contained in this Agreement nor any act of either party, except a written waiver signed by such party, shall be construed to be a waiver of any condition or covenant to be performed by the other party. No provisions of this Agreement shall be construed against a party by reason of such party having drafted such provisions.

SECTION XXIII
Multiple Counterparts

This Agreement may be executed in multiple counterparts, each of which shall constitute an original document.

SECTION XXIV
Relationship of the Parties

Except as expressly stated and provided for herein, neither anything contained in this Agreement nor any acts of the parties hereto shall be deemed or construed by the Parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of association among any of the Parties of this Agreement.

SECTION XXV
No Third Party Beneficiary

Except as otherwise specified herein, the provisions of this Agreement are for the exclusive benefit of the City, the County, the Agency, and the Developer(s), their successors and permitted assigns, and not for the benefit of any other person or entity, nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any other person or entity.

SECTION XXVI
Diligent Performance

With respect to any duty or obligation imposed on a party to this Agreement, unless a time limit is specified for the performance of such duty or obligation, it shall be the duty or obligation of such party to commence and perform the same in a diligent and workmanlike manner and to complete the performance of such duty or obligation as soon as reasonably practicable after commencement of the performance thereof.

Notwithstanding the above, time is of the essence with respect to any time limit specified herein.

SECTION XXVII
Assignment of Rights and Delegation of Duties

No Party to this Agreement may assign this Agreement, or any part hereof, except as provided herein, without the prior written consent of the other Parties, except that the Developer or other ultimate recipient of Incremental Revenues as may be determined in subsequent agreements may assign its rights to receive reimbursement for Redevelopment Assistance and/or Approved Public Infrastructure Costs to a financial institution that provides financing. Nothing in this Section shall be construed to require prior written consent for the Developer to assign any of its rights or obligations under this Agreement to a subsidiary, affiliate or related entity.

IN WITNESS WHEREOF, the Parties hereto have hereunto set their hands on the date and year first above set forth herein, to be effective as of the Effective Date.

CITY OF PADUCAH

By:_____
Brandi Harless
Its: Mayor

Approval as to Form:

_____
David Denton
City Attorney

COUNTY OF MCCRACKEN

By:_____
Craig Clymer
Its: Judge Executive

Approval as to Form:

_____
Samuel Clymer
County Attorney

CITY OF PADUCAH FINANCE DEPARTMENT

By:_____
Jonathan Perkins
Its: Director

EXHIBITS

Exhibit A: Development Area Map and Description

Exhibit B: The Project

Exhibit C: Financing Plan

Exhibit D: Estimated Incremental Revenues

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Exhibit A: Development Area Map and Description

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CITY OF PADUCAH TIF BOUNDARY DISTRICT LEGAL DESCRIPTION

An area to be known as the Downtown Riverfront Development Area containing 317.01 Acres located on the northeasterly side of the City of Paducah on the banks of the Ohio River and more particularly bounded and described as follows:

Beginning at a point in the thread of the Ohio River, a plat of which showing said thread is recorded in the McCracken County Clerk's office in Plat Cabinet "M", Page 516 and also being the northwesterly corner of the herein described tract; **THENCE FROM SAID POINT OF BEGINNING** with said thread for the following five calls: S 45°11'49" E a distance of 1160.24 feet to a point; S 43°45'46" E a distance of 1708.12 feet to a point; S 42°59'08" E a distance of 422.05 feet to a point; S 40°13'00" E a distance of 1249.02 feet to a point; S 45°34'19" E a distance of 1306.71 feet to a point; thence S 64°46'05" W a distance of 2008.99 feet to a point on the southern bank of the Ohio River; thence in a westerly direction and crossing a river access ramp, S 84°46'47" W a distance of 206.37 feet to a point in the City of Paducah Flood Wall; thence travelling parallel to South Water Street and along said flood wall, N 24°54'56" W a distance of 341.80 feet to a point in said flood wall; thence crossing Kentucky Avenue, N 24°57'33" W a distance of 66.31 feet to a point in said flood wall; thence crossing South Water Street, S 64°43'38" W a distance of 66.07 feet to a point at the intersection of the right-of-ways of South Water Street and Kentucky Avenue; thence continuing northwestwardly with right-of-way of said South Water Street, N 25°01'16" W a distance of 258.88 feet to a point; thence S 64°27'13" W a distance of 186.00 feet to a point in the centerline of Maiden Alley; thence with the centerline of said alley, N 24°44'01" W a distance of 93.15 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 64°59'21" W a distance of 175.69 feet to a point in the easterly right-of-way of Market House Square; thence with said right-of-way and crossing aforesaid Kentucky Ave, S 24°52'09" E a distance of 416.22 feet to a point in the intersection of the right-of-way of Kentucky Avenue and Marine Way; thence crossing Marine Way, S 65°19'04" W a distance of 108.77 feet to a point in aforesaid southerly right-of-way of Kentucky Avenue; thence crossing Kentucky Ave and running with the westerly right-of-way of Market House Square, N 25°57'52" W a distance of 416.44 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 65°46'12" W a distance of 121.49 feet to a point in said right-of-way; thence S 24°42'07" E a distance of 418.67 feet to a point in the aforesaid southerly right-of-way of Kentucky Avenue; thence running with said right-of-way, S 62°38'30" W a distance of 168.11 feet to a point in the intersection of said right-of-way with South 3rd Street; thence with the right-of-way of South 3rd Street, S 23°00'06" E a distance of 137.97 feet to a point in said right-of-way; thence crossing South 3rd Street, S 41°56'04" W a distance of 71.63 feet to a point in the westerly right-of-way of said South 3rd Street; thence S 65°14'37" W a distance of 348.63 feet to a point in the easterly right-of-way of South 4th Street; thence with said right-of-way, N 24°37'29" W a distance of 171.62 feet to a point in the intersection of the right-of-way of Kentucky Avenue and South 4th Street; thence with the right-of-way of South 4th Street, N 64°59'11" E a distance of 114.97 feet to a point; thence crossing Kentucky Avenue, N 34°57'03" W a distance of 67.00 feet to a point in the northerly right-of-way of said Kentucky Avenue; thence N 25°03'27" W a distance of 174.91 feet to a point; thence S 65°01'18" W a distance of 45.28 feet to a point; thence N 24°48'24" W a distance of 174.90 feet to a point in the southerly right-of-way Broadway Street; thence with said right-of-way, S 64°44'44" W a distance of 57.62 feet to a point in the intersection of Broadway Street and South 4th Street; thence with the right-of-way of South 4th Street, S 24°54'58" E a distance of 174.62 feet to a point; thence crossing South 4th Street, S 65°04'00" W a distance of 278.52 feet to a point; thence S 23°31'59" E a distance of 63.08 feet to a point; thence in a southwestwardly direction and crossing South 5th Street, S 64°48'59" W a distance of 193.09 feet to a point in the westerly right-of-way of South 5th Street; thence N 25°09'08" W a distance of 62.95 feet to a point; thence S

65°01'39" W a distance of 167.98 feet to a point; thence N 24°48'05" W a distance of 175.37 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 64°58'06" W a distance of 178.28 feet to a point in the intersection of the right-of-way of Broadway Street and South 6th Street; thence with the right-of-way of South 6th Street and crossing Kentucky Ave, S 25°01'27" E a distance of 762.55 feet to a point in the intersection of the right-of-way of South 6th Street and Washington Street; thence crossing Washington Street, S 64°51'35" W a distance of 60.01 feet to a point in said intersection; thence with the right-of-way of South 6th Street, N 24°59'27" W a distance of 596.03 feet to a point; thence S 64°55'13" W a distance of 86.19 feet to a point; thence N 25°05'10" W a distance of 165.70 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 65°02'20" W a distance of 316.59 feet to a point in the intersection of the right-of-way of Broadway Street and South 7th Street; thence N 28°32'21" W a distance of 66.14 feet to a point in the northwesterly intersection of the right-of-way of Broadway Street and North 7th Street; thence crossing North 7th Street and with the northerly right-of-way of Broadway Street, N 64°59'00" E a distance of 407.46 feet to a point in the intersection of the right-of-way of Broadway Street and North 6th Street; thence with the westerly right-of-way of North 6th Street, N 25°08'51" W a distance of 347.54 feet to a point in the intersection of the right-of-way of North 6th Street and Jefferson Street; thence N 64°51'35" E a distance of 60.00 feet to a point in the southeasterly intersection of the right-of-way of North 6th Street and Jefferson Street; thence with the easterly right-of-way of North 6th Street, S 25°08'51" E a distance of 346.93 feet to a point in the northeasterly intersection of the right-of-way of North 6th Street and Broadway Street; thence with the northerly right-of-way of Broadway Street, N 65°03'01" E a distance of 344.71 feet to a point in the northwesterly intersection of the right-of-way of Broadway Street and North 5th Street; thence with the westerly right-of-way of North 5th Street, N 24°48'41" W a distance of 173.06 feet to a point; thence crossing North 5th Street, N 65°07'19" E a distance of 60.00 feet to a point in the easterly right-of-way of North 5th Street; thence with said right-of-way, S 24°48'43" E a distance of 173.21 feet to a point in the northeasterly intersection of the right-of-way of North 5th Street and Broadway Street; thence with the northerly right-of-way of Broadway Street, N 64°45'05" E a distance of 174.01 feet to a point; thence N 25°05'03" W a distance of 196.20 feet to a point; thence in a northeasterly direction and crossing North 4th Street, N 63°13'48" E a distance of 238.92 feet to a point in the easterly right-of-way of said street; thence with said right-of-way, S 25°02'01" E a distance of 204.08 feet to a point in the northeasterly intersection of the right-of-way of North 4th Street and Broadway Street; thence with the northerly right-of-way of Broadway Street, N 64°57'31" E a distance of 172.96 feet to a point; thence N 23°36'18" W a distance of 347.60 feet to a point in the southerly right-of-way of Jefferson Street; thence with said right-of-way, S 64°53'20" W a distance of 478.09 feet to a point; thence crossing Jefferson Street, N 24°59'46" W a distance of 240.09 feet to a point; thence N 65°05'06" E a distance of 59.20 feet to a point; thence N 23°27'01" W a distance of 4.60 feet to a point; thence N 64°52'00" E a distance of 12.43 feet to a point; thence S 24°59'57" E a distance of 4.64 feet to a point; thence N 65°05'07" E a distance of 159.85 feet to a point in the westerly right-of-way of North 4th Street; thence with said right-of-way, S 24°45'50" E a distance of 172.60 feet to a point in the southwesterly intersection of the right-of-way of North 4th Street and Jefferson Street; thence crossing North 4th street and along the northerly right-of-way of Jefferson Street, N 65°00'39" E a distance of 827.30 feet to a point in the northwesterly intersection of the right-of-way of Jefferson Street and North 2nd Street; thence with the westerly right-of-way of North 2nd Street, N 25°07'02" W a distance of 346.61 feet to a point in the southwesterly intersection of the right-of-way of North 2nd Street and Monroe Street; thence S 64°55'49" W a distance of 346.02 feet to a point in the southeasterly intersection of the right-of-way of North 3rd Street and Monroe Street; thence with the right-of-way of North 3rd Street, S 25°20'42" E a distance of 147.24 feet to a point; thence crossing said street, S 64°33'53" W a distance of 241.19 feet to a point; thence N

25°27'54" W a distance of 971.87 feet to a point in the southwesterly intersection of the right-of-way of North Loop Road and Harrison Street ; thence with the southerly right-of-way of Harrison street and crossing North 4th Street, S 65°54'51" W a distance of 232.58 feet to a point in the southwesterly intersection of the right-of-way of North 4th Street and Harrison Street; thence generally with the westerly right-of-way of North 4th Street for the following three calls: N 25°16'17" W a distance of 236.37 feet to a point; N 40°43'43" W a distance of 60.14 feet to a point, N 62°58'37" W a distance of 144.85 feet to a point and S 64°26'17" W a distance of 239.30 feet to a point in the southeasterly intersection of the right-of-way of North 5th Street and Martin Luther King Jr Drive; thence with the easterly right-of-way of North 5th Street, N 25°02'48" W a distance of 294.92 feet to a point in the southeasterly intersection of the right-of-way of North 5th Street and North Loop Road; thence crossing North 5th Street and generally following the southerly right-of-way of North Loop Road for the following three calls: N 85°40'45" W a distance of 160.89 feet to a point; S 82°59'13" W a distance of 118.29 feet to a point and S 68°08'39" W a distance of 155.05 feet to a point in the southeasterly intersection of the right-of-way of North 6th Street and Park Avenue; thence crossing Park Avenue, N 25°28'50" W a distance of 62.61 feet to a point in the northeasterly intersection of the right-of-way of North 6th Street and Park Avenue; thence with the northerly right-of-way of Park Avenue, N 65°55'25" E a distance of 339.29 feet to a point in the northwesterly intersection of the right-of-way of North 5th Street and Park Avenue; thence with the westerly right-of-way of North 5th Street and following the City of Paducah Flood Wall, N 24°57'44" W a distance of 479.73 feet to a point in said flood wall; thence following said flood wall, N 38°18'54" W a distance of 251.26 feet to a point in said flood wall; thence N 67°50'04" W a distance of 142.29 feet to a point; thence N 32°55'26" E a distance of 239.83 feet to a point; thence N 58°09'36" W a distance of 265.92 feet to a point; thence N 29°56'31" E a distance of 513.53 feet to a point on the bank of the Ohio River; thence N 42°54'07" E a distance of 1885.13 feet **to a point; the point of beginning, having an area of 317.01 acres**.

There is excepted and not herein included all of that property currently leased to Holiday Inn Riverfront and more particularly bound and described as follows: **Beginning at a point** in the northeasterly intersection of the right-of-way of Executive Boulevard and North 4th Street, THENCE FROM SAID POINT OF BEGINNING and with the easterly right-of-way of said North 4th Street, N 41°12'07" W a distance of 330.15 feet to a point in the southeasterly intersection of the right-of-way of North 4th Street and Park Avenue; thence S 64°24'18" W a distance of 155.91 feet to a point; thence S 25°01'05" E a distance of 318.36 feet to a point in the northerly right-of-way line of Executive Boulevard; thence with the northerly right-of-way of Executive Boulevard, N 64°19'10" E a distance of 247.94 feet to **a point; the point of beginning, having an area of 64251.97 square feet, 1.48 Acres**.

This description was prepared for establishing the City of Paducah Downtown Riverfront Development Area only and is not to be used for the conveyance of real property. Bearings and distance have not been verified via field survey.

Exhibit B: The Project

The City of Paducah will be working with various developers to complete the Project in Paducah through a mixture of public and private investment. The aim is to redevelop and connect vacant properties in the downtown area to Paducah's riverfront, while also developing the necessary public infrastructure and new supportive uses on a handful of adjacent lots that are build ready. This will attract and support a greater level of density and vertical development throughout the City which will spur additional event and businesses activity.

Planning is currently underway for the proposed redevelopment, which is anticipated to include the following components:

- Public Buildings/Structures: Riverfront Park, Steamboat Landing, Parking, Town Square, and Broadband Infrastructure Improvements
- Redeveloped/New Restaurant and Retail Space - 111,728 total square feet
- Hotel rooms – 147
- Independent Art House/Theater - 12,540 square feet
- Redeveloped Manufacturing Space – 130,000 square feet
- Redeveloped/New Residential Housing – 204 units
- Museum – 12,500 square feet
- Conference/Event Space – 15,000 square feet
- Conference Food Services – 2,500 square feet

Based on construction, site work, and miscellaneous costs, the total construction cost, public and private, is estimated to be approximately $156.3 million. It is anticipated that $56.5 million of the total cost may be considered as approved public infrastructure, including: the riverfront park, steamboat landing, museum, conference/event space, town square, a portion of the broadband infrastructure, independent art house/theater, parking, and all site work and utility provisions.

Exhibit C: Financing Plan

To provide funding support for the needed capital improvements set forth in the Development Plan and to provide support for the Project and provide redevelopment assistance, the City of Paducah ("City") and McCracken County ("County") plan to create the Downtown Riverfront Development Area pursuant to the provision of KRS 65.7041 to KRS 65.7083 and to utilize a portion of the new incremental revenues generated to provide redevelopment assistance and support the financing of public infrastructure improvements.

The plan provides that the City and County will pledge 100% of the new incremental revenues, generated from within the Development Area, from real property taxes and occupational taxes over a 30-year period to pay for certain project costs. It is understood that the local revenues from the Development Area that were being generated prior to the Project's development (the baseline) shall not be subject to any pledge of revenues to support the Project.

In addition, the plan may include the submission of an application to the Kentucky Economic Development Finance Authority (KEDFA) to seek a pledge of 80% of new incremental state revenues from the footprint of the Project, to provide funding for approved public infrastructure costs. Other state and federal incentive programs may also be levered in order to make the Project feasible.

Financing Plan

The Project is made up of both public and private components. The total cost of the project is estimated to be approximately $156.3 million, which includes approximately $56.5 million in qualifying public infrastructure costs.

It is expected that certain public infrastructure costs and all private development costs of the project will be financed privately by the developer(s). This private financing may include tax-exempt tax increment financing bonds and there may also be bonds or other debt issued that will be guaranteed by a public entity to finance certain pieces of this project. A portion of the incremental revenues pledged in this agreement will be granted to the developer or a trustee on a receipts basis, as outlined by KRS 154.30-090. The pledge of these incremental revenues is critical to the affordability of financing the project. Until the structure of the deal is finalized – and the balance of public and private cost sharing delineated – it is too early at this time to detail the financing costs of the project.

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Exhibit D: Estimated Incremental Revenues
Paducah Riverfront TIF Project
Incremental Tax Revenue Estimates under the State Mixed-use TIF Program

	20-Year Total	Year 1	Year 2	Year 3	Year 4	Year5	Year 10	Year 20
Estimated Future Tax Revenues from Project								
State Tax Revenues								
State Sales Tax	$68,897,102	$2,979,506	$3,024,198	$3,069,561	$3,115,605	$3,162,339	$3,406,737	$3,953,658
State Property Tax	$3,439,505	$148,744	$150,975	$153,240	$155,538	$157,871	$170,072	$197,376
Individual Income Tax	$26,611,765	$1,150,845	$1,168,108	$1,185,630	$1,203,414	$1,221,465	$1,315,865	$1,527,115
Total State Tax Revenues	$98,948,371	$4,279,095	$4,343,282	$4,408,431	$4,474,557	$4,541,676	$4,892,674	$5,678,148
Local Tax Revenues								
McCracken County Property Tax	$6,117,808	$264,569	$268,538	$272,566	$276,654	$280,804	$302,506	$351,070
Paducah Property Tax	$7,358,285	$318,214	$322,988	$327,832	$332,750	$337,741	$363,843	$422,255
Paducah Payroll Tax	$10,644,706	$460,338	$467,243	$474,252	$481,366	$488,586	$526,346	$610,846
Total Local Tax Revenues	$24,120,799	$1,043,122	$1,058,769	$1,074,650	$1,090,770	$1,107,131	$1,192,695	$1,384,171
Total Estimated Future Tax Revenues	$123,069,170	$5,322,217	$5,402,050	$5,483,081	$5,565,327	$5,648,807	$6,085,369	$7,062,320
"Baseline" Tax Revenues								
State Tax Revenues								
State Property Tax "Baseline"	$621,438	$26,875	$27,278	$27,687	$28,102	$28,524	$30,728	$35,661
State Individual Income Tax "Baseline"	$4,622,852	$199,919	$202,917	$205,961	$209,051	$212,186	$228,585	$265,282
Total State Tax "Baseline"	$5,244,290	$226,793	$230,195	$233,648	$237,153	$240,710	$259,313	$300,943
Local Tax Revenues								
McCracken County Property Tax "Baseline"	$1,105,345	$47,801	$48,518	$49,246	$49,985	$50,735	$54,656	$63,430
Paducah Property Tax "Baseline"	$1,329,470	$57,494	$58,356	$59,232	$60,120	$61,022	$65,738	$76,292
Paducah Payroll Tax "Baseline"	$1,849,141	$79,967	$81,167	$82,384	$83,620	$84,875	$91,434	$106,113
Total Local Tax "Baseline"	$4,283,955	$185,263	$188,042	$190,862	$193,725	$196,631	$211,828	$245,835
Total "Baseline" Tax Revenues	$9,528,246	$412,056	$418,237	$424,510	$430,878	$437,341	$471,141	$546,778
Incremental Tax Revenue Generated by Project	$113,540,925	$4,910,161	$4,983,813	$5,058,570	$5,134,449	$5,211,466	$5,614,229	$6,515,542
Incr. Tax Rev. Available for State TIF Program at 80%	$74,963,265	$3,241,842	$3,290,469	$3,339,826	$3,389,924	$3,440,772	$3,706,689	$4,301,764
Incr. Tax Rev. Available for McCracken Co. Participation at 100%	$5,012,463	$216,768	$220,019	$223,319	$226,669	$230,069	$247,850	$287,640
Incr. Tax Rev. Available for Paducah Participation at 100%	$14,824,380	$641,091	$650,708	$660,468	$670,375	$680,431	$733,017	$850,696

CITY OF PADUCAH, KENTUCKY
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PADUCAH MAKING CERTAIN FINDINGS CONCERNING AND ESTABLISHING A DEVELOPMENT AREA FOR ECONOMIC DEVELOPMENT PURPOSES WITHIN THE CITY OF PADUCAH, MCCRACKEN COUNTY, KENTUCKY, TO BE KNOWN AS THE DOWNTOWN RIVERFRONT DEVELOPMENT AREA; APPROVING A LOCAL PARTICIPATION AGREEMENT BETWEEN THE CITY OF PADUCAH, THE COUNTY OF MCCRACKEN, AND THE CITY OF PADUCAH FINANCE DEPARTMENT ESTABLISHING THE PROCESS FOR ADMINISTERING THE PLAN; ESTABLISHING AN INCREMENTAL TAX SPECIAL FUND FOR APPROVED PUBLIC INFRASTRUCTURE COSTS AND REDEVELOPMENT ASSISTANCE; AND DESIGNATING THE CITY OF PADUCAH FINANCE DEPARTMENT AS THE AGENCY RESPONSIBLE FOR OVERSIGHT, ADMINISTRATION, AND IMPLEMENTATION OF THIS ORDINANCE AND THE SPECIAL FUND; AUTHORIZING THE MAYOR TO TAKE SUCH OTHER APPROPRIATE ACTIONS AS ARE NECESSARY OR REQUIRED IN CONNECTION WITH THE ESTABLISHMENT OF THE DEVELOPMENT AREA;

WHEREAS, the City of Paducah (the "City") by virtue of the laws of the Commonwealth of Kentucky (the "State"), Kentucky Revised Statutes, specifically Sections 65.7041 to 65.7083, as may be amended (the "Act"), is authorized to, among other things, (1) establish a Development Area to encourage reinvestment in and development and reuse of areas of the City, (2) enter into agreements in connection with the establishment and redevelopment of a Development Area, (3) establish a Special Fund for deposit of incremental revenues resulting from the redevelopment of a Development Area, and (4) designate an Agency to oversee, implement and administer the Special Fund for Approved Public Infrastructure Costs and Redevelopment Assistance costs, pursuant to the terms set forth in the TIF Documents, expended within a Development Area;

WHEREAS, the City desires to establish a "Development Area" to encourage investment and redevelopment within such Development Area and to pledge a portion of the "Incremental Revenues" generated from the redevelopment of such Development Area for the payment and reimbursement of Approved Public Infrastructure costs and Redevelopment Assistance costs expended within the Development Area pursuant to the terms set forth in the TIF Documents;

WHEREAS, the City has identified a Development Area that is a contiguous tract of previously developed land consisting of not more than three (3) square miles within the City, specifically described in Exhibit A attached hereto and incorporated by reference herein, that is in need of redevelopment and which is not reasonably expected to be redeveloped without public assistance;

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WHEREAS, several different development groups or their affiliates, separately and collectively, (the "Developers") have proposed the development of a mixed-use project within the Development Area;

WHEREAS, the City has determined that it is in the best interest of the City to establish this geographic location as the Development Area to encourage investment and redevelopment within the Development Area;

WHEREAS, the City has agreed to support and encourage redevelopment within the Development Area by pledging certain Incremental Revenues to pay for and to reimburse Approved Public Infrastructure Costs and Redevelopment Assistance costs as more specifically set forth in the Local Participation Agreement;

WHEREAS, a "Development Plan," as defined in KRS 65.7041 to 65.7083 and KRS 154.30-101 to 154.30-090, has been presented for the consideration and adoption by the City, proposing the redevelopment of the Development Area by the Developers;

WHEREAS, the City, pursuant to the Act, held a public hearing on February 26, 2019 after giving proper notice concerning the City's intention to consider the adoption of the Development Plan;

WHEREAS, the adoption of the Development Plan and the establishment of the Development Area are for a public purpose, and the establishment and creation of the Development Area within the City is for the benefit and welfare of the City's citizens; and

WHEREAS, the City deems it necessary to enact this Ordinance in accordance with the Act and for the purposes set forth and described herein and in the Act;

NOW, THEREFORE, BE IT HEREBY ORDAINED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PADUCAH AS FOLLOWS:

SECTION 1. Definitions.

1.1 The capitalized terms set forth below when used herein shall have the following meanings:

"Act" means the Kentucky Revised Statutes, Sections 65.7041 to 65.7083, and Sections 154.30-010 to 154.30-090.

"Activation Date" shall have the meaning as provided in the Act.

"Administrative Costs" shall mean costs deemed necessary by the Agency related to oversight, administration and implementation of the Ordinance and all related TIF Documents.
"Agency" Shall mean the City of Paducah Finance Department, which shall be responsible for administering the Special Fund and the Development Area Ordinance pursuant to the TIF Documents and the Act.

"Approved Public Infrastructure Costs" shall have the meaning as provided in the Act.

"County" shall mean McCracken County, Kentucky acting by and through the McCracken County Fiscal Court.

"Developer" or "Developers" shall mean the several different development groups, separately and collectively, their successors, affiliates, subsidiaries or related entities, who propose to develop the Development Area.

"Development Area" means a contiguous geographic area of previously developed land, located within the geographical boundaries of the City, which is created for economic development purposes by this Ordinance, in which one (1) or more Projects are proposed to be located and consisting of less than 3 square miles, as more specifically described in Exhibit A attached hereto and incorporated by reference herein, to be known as the "Downtown Riverfront Development Area".

"Development Plan" means the Tax Increment Financing Development Plan for the Downtown Riverfront Development Area, which is attached hereto as Exhibit B and incorporated by reference herein.

"Establishment Date" means the date that the Development Area is established in accordance with the TIF Documents and the Act.

"Incremental Revenues" Shall mean the amount of revenues received by the City (and, if participating, revenues received by the County) with respect to the Development Area, and the State (if participating) with respect to the "Footprint" (as defined in the Act), by subtracting "Old Revenues" (as defined in the Act) from "New Revenues" (as defined in the Act) in a calendar year.

"Interlocal Cooperation Agreement" means the agreement that has been entered into by and between the McCracken County Fiscal Court and the City regarding the Development Area, substantially in the form attached as Exhibit E hereto and incorporated herein.

"KEDFA" means the Kentucky Economic Development Finance Authority.

"Local Participation Agreement" means that certain Local Participation Agreement for the Downtown Riverfront Development Area by and between the City, the County and the Agency, substantially in the form attached as Exhibit C hereto and incorporated herein.

"Mayor" means the Office of the Mayor of Paducah, Kentucky, acting in his or her capacity as assigned and approved by the Executive Authority of the City, and/or acting in the capacity of the Agency.

"New Revenues" Shall have the meaning as provided in the Act.

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"Old Revenues" Shall have the meaning as provided in the Act.

"Pledged Revenues" means that portion of the Incremental Revenues that are pledged by the City, County, and/or State into the Special Fund pursuant to the TIF Documents to be used pursuant to the terms of the TIF Documents and the Act.

"Redevelopment Assistance" shall have the meaning as provided in KRS 65.7045(30).

"Special Fund" means the Downtown Riverfront Development Area Special Fund established in this Ordinance and maintained by the Agency for the purpose of holding the City, County, and/or the State's Pledged Revenues.

"State" means the Commonwealth of Kentucky.

"Tax Incentive Agreement" shall mean that certain agreement(s) entered into pursuant to KRS 154.30-010 to KRS 154.30-090 of the Act by and between the Kentucky Economic Development Finance Authority and the Agency relating to the Development Area.

"Termination Date" shall have the meaning as provided in Section 4 of this Ordinance.

"The Downtown Riverfront Project" or "Project" means a mixed-use development to be constructed in the Development Area, as more specifically described in the Development Plan.

"TIF Documents" means this Ordinance, the Local Participation Agreement, the Tax Incentive Agreement, the Development Plan, any Interlocal Cooperation Agreement, and related documents.

1.2 All capitalized terms used herein and not defined above or in the recitals to this Ordinance shall have the meaning as set forth in the TIF Documents and/or the Act, as applicable.

SECTION 2. Findings and Determinations. In accordance with the Act, the City hereby makes the following findings and determinations with respect to the Development Area:

(a) The Development Area consists of a contiguous tract of land that is no more than three (3) square miles. The actual size of the Development Area is 315 acres, more or less.

(b) The Development Area is characterized by the following conditions that make it eligible for tax increment financing under KRS 65.7049(3):

1) **A substantial loss of commercial activity has occurred.** Commercial activity within the Development Area has been in a state of economic decline for years. In its present state, only some of the parcels zoned for commercial use within the Development Area are being used for commercial purposes,

while the majority contain underutilized, unoccupied, or deteriorating structures. The Development Area includes many empty storefronts and buildings which have been unoccupied for years and continue to deteriorate.

2) **Public improvements and public infrastructure are inadequate.** While the City has invested a significant deal of money and effort in recent years to assist in the revitalization of the riverfront in downtown Paducah, the area is still significantly lacking in terms of the infrastructure needed to support the desired redevelopment. The construction of the requisite public infrastructure creates a heavy financial burden for any potential developer within the Development Area.

3) **There is a combination of factors that substantially impairs growth and economic development of the Development Area.** Paducah sees the need to reshape its downtown riverfront core in order to generate the critical mass of activity that communities of its size so often struggle to reach. Reaching this critical mass would allow the City to achieve significant growth an economic development in this Area, but it is inhibited by a variety of issues. The presence of the floodwall along the riverfront makes cohesive and seamless development in the Area more difficult and creates additional costs that must be mitigated in order to attract private investment. The connectivity and visibility issues that it creates will require thoughtful investment from public sources, such as the TIF program. Traffic circulation in the area creates impediments to safe and pleasant pedestrian movement throughout the riverfront area that will require additional investment from public sources to reshape its flow while providing adequate and appealing transportation safety features. And while increased pedestrian traffic throughout the riverfront is the goal, it is likely that many of these pedestrians will still be planning to drive to the riverfront and park their car nearby before exploring the Area, which will require the construction of structured parking. This will allow more efficient land use by facilitating and promoting increased vertical construction along the riverfront, creating higher levels of density and allowing the community to maximize the Area's economic impacts. The Project's proposed mix of uses will be highly impactful within the Area and to the whole region, but these various factors have prevented such growth from occurring and will remain a barrier to achieving meaningful private investment in the area without financial assistance from public sources.

c) The establishment of the Development Area will not cause the assessed taxable value of real property within the Development Area and within all "development areas" and "local development areas" established by the City (as those terms are defined in the Act) to exceed twenty percent (20%) of the total assessed taxable value of real property within Paducah. The assessed value of taxable real property within the Development Area for calendar year 2018 was $22.0 million. The City and County have not previously established any other development area pursuant to the Act. The total assessed value of taxable real property within the County

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for the calendar year 2018 is approximately $4.0 billion. Therefore, the assessed value of taxable real property within all development areas is less than twenty percent (20%) of the assessed value of taxable real property within the County.

d) The City finds that the Development Area is not reasonably expected to be developed without public assistance. The public infrastructure costs within the Development Area are too high for the Project to occur without public assistance, particularly as relates to the lack of structured parking and pedestrian connectivity throughout the Development Area. It is estimated that the total cost of the public infrastructure improvements planned within the Development Area is approximately $56.5 million. Without public funding, including the critical pledge of State incremental revenues under the Commonwealth Participation Program for Mixed-Use Redevelopment in Blighted Urban Areas, the proposed Project within the Development Area would not be possible.

e) The public benefits of redeveloping the Development Area justify the public costs proposed. As detailed in the Commonwealth Economics Report, attached hereto as Exhibit D, (the "Report"), the investment is estimated to reach $156.3 million, only $56.5 million of which is expected to be spent on public infrastructure costs. The project is expected to support over 1,100 jobs annually and generate $88.9 million in total economic impact by year 5. Its construction, alone, is estimated to generate a one-time impact that includes over $156 million of construction spending resulting in $89.7 million of labor income, support for 1,935 jobs, and $258.9 million in total economic impact. While the City and County will pledge one-hundred percent (100%) of new ad valorem property taxes and occupational taxes to help pay for the proposed public infrastructure, it will generate significant new revenues from the other local taxes not pledged but still generated by the Project.

e) The City finds that very few portions of the area immediately surrounding the Development Area have been subject to growth and development through investment by private enterprise without the use of incentives, and certainly none to the extent contemplated by this Project. Additionally, certain circumstances within the development area would prevent its development without the use of public assistance, due to the extensive infrastructure needs, particularly with regard to parking and connectivity.

SECTION 3. Establishment, Name, Boundaries. The Development Area, which is described on Exhibit A attached hereto and made a part hereof, is located within the City and is hereby established and designated as the "Downtown Riverfront Development Area." At the time of the enactment of this Ordinance, the Development Area is less than three (3) square miles.

SECTION 4. Establishment Date, Commencement Date, Termination Date. The "Establishment Date" is the effective date of this Ordinance. The "Commencement Date" of the Development Area is the date of execution of the Local Participation Agreement. The

"Termination Date" shall be the earliest to occur of (i) the date exactly twenty (20) years subsequent to the Activation Date for the pledge of Incremental Revenues, as more particularly set forth in the Local Participation Agreement and the Act, or (ii) the final payment of the Incremental Revenues and the use of such Incremental Revenues pursuant to the TIF Documents; provided, however, that if a Tax Incentive Agreement for the Project or a Local Participation Agreement relating to the Development Area has a Termination Date that is later than the Termination Date established in this Ordinance, the Termination Date for the Development Area shall be extended to the Termination Date of the Tax Incentive Agreement, or the Local Participation Agreement. However, the Termination Date for the Development Area shall in no event be more than twenty (20) years from the Establishment Date.

SECTION 5. Adoption of Development Plan. The City of Paducah, acting by and through its Board of Commissioners, hereby adopts the Development Plan attached hereto and incorporated by reference herein as Exhibit B. The Board of Commissioners hereby finds and determines that a public hearing was duly held on February 26, 2019 to solicit public comment on the Development Plan, following publication of notice thereof in accordance with Chapter 424 of the Kentucky Revised Statutes, as amended. It is hereby confirmed that a copy of the Development Plan was filed with the City of Paducah City Clerk on February 7, 2019.

SECTION 6. Local Participation Agreement. The Mayor of the City is hereby authorized and directed to execute, acknowledge and deliver on behalf of the City a Local Participation Agreement authorizing the pledge of a portion of the Incremental Revenues of the City from the Development Area into the Special Fund to be used for the reimbursement of Approved Public Infrastructure Costs described in the Act and Redevelopment Assistance costs that have been expended within the Development Area. The form of Local Participation Agreement to be signed by the Mayor on behalf of the City of Paducah shall be in substantially the form attached hereto as Exhibit C and incorporated by reference herein, subject to further negotiations and changes therein as determined by the Mayor in his or her discretion that are not materially inconsistent with this Ordinance and not substantially adverse to the City. The approval of such changes by said officers, and that such changes are not substantially adverse to the City, shall be conclusively evidenced by the execution of such Local Participation Agreement by such officials.

SECTION 7. Special Fund. There is hereby established a Special Fund of the City to be known as the Downtown Riverfront Development Area Special Fund, and City officials are hereby authorized and directed to issue to the Agency for deposit into the Special Fund, all Pledged Revenues. The Agency shall maintain the Special Fund unencumbered except for the purposes set forth in Section 8 hereof. Funds deposited in the Special Fund shall be disbursed in accordance with the TIF Documents and the Act (i) to reimburse Approved Public Infrastructure Costs and certain Redevelopment Assistance costs within the Development Area, and (ii) to pay the Administrative Costs for administrative and other expenses that may be incurred by the Agency for the oversight, administration and implementation of this Ordinance and the Special Fund, and including but not limited to complying with any reporting requirements set forth in the TIF Documents, and costs for professional services related to the oversight, administration and implementation of this Ordinance and the Special Fund, as described in the TIF Documents, and/or the cost of any amendments to the TIF Documents.

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SECTION 8. Use of Pledged Revenues. Pledged Revenues shall be deposited into the Special Fund created under Section 7 hereof, and shall be used solely to: (a) in accordance with the TIF Documents and the Act, reimburse or fund certain Redevelopment Assistance costs described in KRS 65.7045(30)(e); (b) in accordance with the TIF Documents and the Act, reimburse or fund Approved Public Infrastructure Costs; (c) in accordance with the TIF Documents and the Act, reimburse or fund Administrative Costs; and (d) in accordance with the TIF Documents and the Act, reimburse or fund costs that may be incurred for such other purposes as may be determined by the City and that are appropriate and in compliance with the purposes set forth in this Ordinance, the other TIF Documents, and the Act, as the same may be amended from time to time.

SECTION 9. Authorization of Application to KEDFA. The Mayor and Agency are hereby further authorized and directed to execute, acknowledge and deliver on behalf of the City one or more applications to KEDFA and related offices of the State in order to obtain State TIF participation with regard to projects within the Development Area.

SECTION 10. Analysis. The Board of Commissioners of Paducah, Kentucky shall review and analyze the progress of the development activity in the Development Area on an annual basis or at the discretion of the Board of Commissioners. Such reports shall, at a minimum, include (but not be limited to) a review of the progress in meeting the stated goals of the Development Area. The Agency and other City officials shall report to the Paducah Board of Commissioners during such reviews and shall, when necessary, invite developers to participate in the review process to report on the progress of their developments within the Development Area. The review and documentation supporting the review shall be forwarded to KEDFA in accordance with the TIF Documents and the Act.

SECTION 11. Designation of Oversight Agency. Pursuant to the Act, the City hereby designates the City of Paducah Finance Department as the "Agency" of the City for purposes of the Act, for the implementation, oversight, administration and review responsibility for this Ordinance and the Special Fund, as established hereby and in accordance with the TIF Documents and the Act. The City of Paducah Finance Department shall act on behalf of the City in administering this Ordinance and the Special Fund. Upon execution of the Local Participation Agreement, the Mayor, City Attorney and Agency are further hereby authorized and directed to execute any Tax Incentive Agreements and other agreements relating to the creation and establishment of the Development Area and the creation of the Special Fund. The Mayor, City Attorney and Agency is hereby further authorized and directed to take such additional actions and to execute such additional documents as may be required by KEDFA and other entities to meet all of the requirements of and to qualify to participate in a State TIF program(s) as set forth in the TIF Documents and the Act, and to carry out the intent of this Ordinance, including but not limited to negotiating and executing any Memorandum of Agreement and/or Tax Incentive Agreement among KEDFA and the City and/or the Agency pertaining to a pledge of State Incremental Revenues for the Project pursuant to the Act, all on such terms and conditions as may be determined by the Mayor in his or her discretion that are not materially inconsistent with this Ordinance and not substantially adverse to the City. The Agency, acting on behalf of the City and County, shall utilize both the actual and anticipated future incremental revenues to be deposited to the Special Fund to assist in the financing of Approved Public Infrastructure costs

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and to otherwise provide Redevelopment Assistance in accordance with the purpose of this Ordinance and the Act. The Mayor, City Attorney and Agency shall obtain the approval and authorization of the Paducah Board of Commissioners before executing any development agreements or amendments or modifications to any of the TIF Documents on behalf of the City that are materially inconsistent with the original version of such TIF Document and/or substantially averse to the City.

SECTION 12. Severability. The provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall for any reason be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Ordinance.

SECTION 13. Repeal of Conflicting Orders and Ordinances. All prior resolutions, municipal orders or ordinances or parts of any resolution, municipal order or ordinance in conflict herewith are hereby repealed.

SECTION 14. Effective Date. This Ordinance shall be in full force and effect from and after its passage, attestation, recordation and publication of a summary hereof pursuant to KRS Chapter 424.

INTRODUCED, SECONDED AND GIVEN FIRST-READING APPROVAL at a duly convened meeting of the City of Paducah Board of Commissioners held on the _____ day of _____, 2019.

INTRODUCED, SECONDED AND GIVEN SECOND READING APPROVAL at a duly convened meeting of the City of Paducah Board of Commissioners held on the _____ day of _____, 2019.

CITY OF PADUCAH

_____
Brandi Harless, Mayor

ATTEST:

_____
Lindsay Parish, Paducah City Clerk

Published:

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EXHIBIT A

DEVELOPMENT AREA DESCRIPTION AND MAP

An area to be known as the Downtown Riverfront Development Area containing 317.01 Acres located on the northeasterly side of the City of Paducah on the banks of the Ohio River and more particularly bounded and described as follows:

Beginning at a point in the thread of the Ohio River, a plat of which showing said thread is recorded in the McCracken County Clerk's office in Plat Cabinet "M", Page 516 and also being the northwesterly corner of the herein described tract; **THENCE FROM SAID POINT OF BEGINNING** with said thread for the following five calls: S 45°11'49" E a distance of 1160.24 feet to a point; S 43°45'46" E a distance of 1708.12 feet to a point; S 42°59'08" E a distance of 422.05 feet to a point; S 40°13'00" E a distance of 1249.02 feet to a point; S 45°34'19" E a distance of 1306.71 feet to a point; thence S 64°46'05" W a distance of 2008.99 feet to a point on the southern bank of the Ohio River; thence in a westerly direction and crossing a river access ramp, S 84°46'47" W a distance of 206.37 feet to a point in the City of Paducah Flood Wall; thence travelling parallel to South Water Street and along said flood wall, N 24°54'56" W a distance of 341.80 feet to a point in said flood wall; thence crossing Kentucky Avenue, N 24°57'33" W a distance of 66.31 feet to a point in said flood wall; thence crossing South Water Street, S 64°43'38" W a distance of 66.07 feet to a point at the intersection of the right-of-ways of South Water Street and Kentucky Avenue; thence continuing northwestwardly with right-of-way of said South Water Street, N 25°01'16" W a distance of 258.88 feet to a point; thence S 64°27'13" W a distance of 186.00 feet to a point in the centerline of Maiden Alley; thence with the centerline of said alley, N 24°44'01" W a distance of 93.15 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 64°59'21" W a distance of 175.69 feet to a point in the easterly right-of-way of Market House Square; thence with said right-of-way and crossing aforesaid Kentucky Ave, S 24°52'09" E a distance of 416.22 feet to a point in the intersection of the right-of-way of Kentucky Avenue and Marine Way; thence crossing Marine Way, S 65°19'04" W a distance of 108.77 feet to a point in aforesaid southerly right-of-way of Kentucky Avenue; thence crossing Kentucky Ave and running with the westerly right-of-way of Market House Square, N 25°57'52" W a distance of 416.44 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 65°46'12" W a distance of 121.49 feet to a point in said right-of-way; thence S 24°42'07" E a distance of 418.67 feet to a point in the aforesaid southerly right-of-way of Kentucky Avenue; thence running with said right-of-way, S 62°38'30" W a distance of 168.11 feet to a point in the intersection of said right-of-way with South 3rd Street; thence with the right-of-way of South 3rd Street, S 23°00'06" E a distance of 137.97 feet to a point in said right-of-way; thence crossing South 3rd Street, S 41°56'04" W a distance of 71.63 feet to a point in the westerly right-of-way of said South 3rd Street; thence S 65°14'37" W a distance of 348.63 feet to a point in the easterly right-of-way of South 4th Street; thence with said right-of-way, N 24°37'29" W a distance of 171.62 feet to a point in the intersection of the right-of-way of Kentucky Avenue and South 4th Street; thence with the right-of-way of South 4th Street, N 64°59'11" E a distance of 114.97 feet to a point; thence crossing Kentucky Avenue, N 34°57'03" W a distance of 67.00 feet to a point in the northerly right-of-way of said Kentucky Avenue; thence N 25°03'27" W a distance of 174.91 feet to a point; thence S 65°01'18" W a distance of 45.28 feet to a point; thence N 24°48'24" W a distance of 174.90 feet to a point in the southerly right-of-way Broadway Street; thence with said right-of-way, S 64°44'44" W a distance of 57.62 feet to a point in the intersection of Broadway Street and South 4th Street; thence with the right-of-way of South 4th Street, S 24°54'58" E a distance of 174.62 feet to a point; thence crossing South 4th Street, S 65°04'00" W a distance of 278.52 feet to a point; thence S 23°31'59" E a distance of 63.08 feet to a point; thence in a southwestwardly direction and crossing South 5th Street, S 64°48'59" W a distance of 193.09 feet to a point in the westerly right-of-way of South 5th Street; thence N 25°09'08" W a distance of 62.95 feet to a point; thence S 65°01'39" W a distance of 167.98 feet to a point; thence N 24°48'05" W a distance of 175.37 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 64°58'06" W a distance of 178.28 feet to a point in the intersection of the right-of-way of Broadway Street and South 6th Street; thence with the right-of-way of South 6th Street and

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crossing Kentucky Ave, S 25°01'27" E a distance of 762.55 feet to a point in the intersection of the right-of-way of South 6th Street and Washington Street; thence crossing Washington Street, S 64°51'35" W a distance of 60.01 feet to a point in said intersection; thence with the right-of-way of South 6th Street, N 24°59'27" W a distance of 596.03 feet to a point; thence S 64°55'13" W a distance of 86.19 feet to a point; thence N 25°05'10" W a distance of 165.70 feet to a point in the southerly right-of-way of Broadway Street; thence with said right-of-way, S 65°02'20" W a distance of 316.59 feet to a point in the intersection of the right-of-way of Broadway Street and South 7th Street; thence N 28°32'21" W a distance of 66.14 feet to a point in the northwesterly intersection of the right-of-way of Broadway Street and North 7th Street; thence crossing North 7th Street and with the northerly right-of-way of Broadway Street, N 64°59'00" E a distance of 407.46 feet to a point in the intersection of the right-of-way of Broadway Street and North 6th Street; thence with the westerly right-of-way of North 6th Street, N 25°08'51" W a distance of 347.54 feet to a point in the intersection of the right-of-way of North 6th Street and Jefferson Street; thence N 64°51'35" E a distance of 60.00 feet to a point in the southeasterly intersection of the right-of-way of North 6th Street and Jefferson Street; thence with the easterly right-of-way of North 6th Street, S 25°08'51" E a distance of 346.93 feet to a point in the northeasterly intersection of the right-of-way of North 6th Street and Broadway Street; thence with the northerly right-of-way of Broadway Street, N 65°03'01" E a distance of 344.71 feet to a point in the northwesterly intersection of the right-of-way of Broadway Street and North 5th Street; thence with the westerly right-of-way of North 5th Street, N 24°48'41" W a distance of 173.06 feet to a point; thence crossing North 5th Street, N 65°07'19" E a distance of 60.00 feet to a point in the easterly right-of-way of North 5th Street; thence with said right-of-way, S 24°48'43" E a distance of 173.21 feet to a point in the northeasterly intersection of the right-of-way of North 5th Street and Broadway Street; thence with the northerly right-of-way of Broadway Street, N 64°45'05" E a distance of 174.01 feet to a point; thence N 25°05'03" W a distance of 196.20 feet to a point; thence in a northeasterly direction and crossing North 4th Street, N 63°13'48" E a distance of 238.92 feet to a point in the easterly right-of-way of said street; thence with said right-of-way, S 25°02'01" E a distance of 204.08 feet to a point in the northeasterly intersection of the right-of-way of North 4th Street and Broadway Street; thence with the northerly right-of-way of Broadway Street, N 64°57'31" E a distance of 172.96 feet to a point; thence N 23°36'18" W a distance of 347.60 feet to a point in the southerly right-of-way of Jefferson Street; thence with said right-of-way, S 64°53'20" W a distance of 478.09 feet to a point; thence crossing Jefferson Street, N 24°59'46" W a distance of 240.09 feet to a point; thence N 65°05'06" E a distance of 59.20 feet to a point; thence N 23°27'01" W a distance of 4.60 feet to a point; thence N 64°52'00" E a distance of 12.43 feet to a point; thence S 24°59'57" E a distance of 4.64 feet to a point; thence N 65°05'07" E a distance of 159.85 feet to a point in the westerly right-of-way of North 4th Street; thence with said right-of-way, S 24°45'50" E a distance of 172.60 feet to a point in the southwesterly intersection of the right-of-way of North 4th Street and Jefferson Street; thence crossing North 4th street and along the northerly right-of-way of Jefferson Street, N 65°00'39" E a distance of 827.30 feet to a point in the northwesterly intersection of the right-of-way of Jefferson Street and North 2nd Street; thence with the westerly right-of-way of North 2nd Street, N 25°07'02" W a distance of 346.61 feet to a point in the southwesterly intersection of the right-of-way of North 2nd Street and Monroe Street; thence S 64°55'49" W a distance of 346.02 feet to a point in the southeasterly intersection of the right-of-way of North 3rd Street and Monroe Street; thence with the right-of-way of North 3rd Street, S 25°20'42" E a distance of 147.24 feet to a point; thence crossing said street, S 64°33'53" W a distance of 241.19 feet to a point; thence N 25°27'54" W a distance of 971.87 feet to a point in the southwesterly intersection of the right-of-way of North Loop Road and Harrison Street ; thence with the southerly right-of-way of Harrison street and crossing North 4th Street, S 65°54'51" W a distance of 232.58 feet to a point in the southwesterly intersection of the right-of-way of North 4th Street and Harrison Street; thence generally with the westerly right-of-way of North 4th Street for the following three calls: N 25°16'17" W a distance of 236.37 feet to a point; N 40°43'43" W a distance of 60.14 feet to a point, N 62°58'37" W a distance of 144.85 feet to a point and S 64°26'17" W a distance of 239.30 feet to a point in the southeasterly intersection of the right-of-way of North 5th Street and Martin Luther King Jr Drive; thence with the easterly right-of-way of North 5th Street, N 25°02'48" W a distance of 294.92 feet

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to a point in the southeasterly intersection of the right-of-way of North 5th Street and North Loop Road; thence crossing North 5th Street and generally following the southerly right-of-way of North Loop Road for the following three calls: N 85°40'45" W a distance of 160.89 feet to a point; S 82°59'13" W a distance of 118.29 feet to a point and S 68°08'39" W a distance of 155.05 feet to a point in the southeasterly intersection of the right-of-way of North 6th Street and Park Avenue; thence crossing Park Avenue, N 25°28'50" W a distance of 62.61 feet to a point in the northeasterly intersection of the right-of-way of North 6th Street and Park Avenue; thence with the northerly right-of-way of Park Avenue, N 65°55'25" E a distance of 339.29 feet to a point in the northwesterly intersection of the right-of-way of North 5th Street and Park Avenue; thence with the westerly right-of-way of North 5th Street and following the City of Paducah Flood Wall, N 24°57'44" W a distance of 479.73 feet to a point in said flood wall; thence following said flood wall, N 38°18'54" W a distance of 251.26 feet to a point in said flood wall; thence N 67°50'04" W a distance of 142.29 feet to a point; thence N 32°55'26" E a distance of 239.83 feet to a point; thence N 58°09'36" W a distance of 265.92 feet to a point; thence N 29°56'31" E a distance of 513.53 feet to a point on the bank of the Ohio River; thence N 42°54'07" E a distance of 1885.13 feet **to a point; the point of beginning, having an area of 317.01 acres**.

There is excepted and not herein included all of that property currently leased to Holiday Inn Riverfront and more particularly bound and described as follows: **Beginning at a point** in the northeasterly intersection of the right-of-way of Executive Boulevard and North 4th Street, **THENCE FROM SAID POINT OF BEGINNING** and with the easterly right-of-way of said North 4th Street, N 41°12'07" W a distance of 330.15 feet to a point in the southeasterly intersection of the right-of-way of North 4th Street and Park Avenue; thence S 64°24'18" W a distance of 155.91 feet to a point; thence S 25°01'05" E a distance of 318.36 feet to a point in the northerly right-of-way line of Executive Boulevard; thence with the northerly right-of-way of Executive Boulevard, N 64°19'10" E a distance of 247.94 feet to **a point; the point of beginning, having an area of 64251.97 square feet, 1.48 Acres**.

This description was prepared for establishing the City of Paducah Downtown Riverfront Development Area only and is not to be used for the conveyance of real property. Bearings and distance have not been verified via field survey.

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EXHIBIT A

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EXHIBIT B

DEVELOPMENT PLAN

(Separate Document)

EXHIBIT C
LOCAL PARTICIPATION AGREEMENT

(Separate Document)

EXHIBIT D
COMMONWEALTH ECONOMICS REPORT

(Separate Document)

EXHIBIT E
INTERLOCAL COOPERATION AGREEMENT

(Separate Document)

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INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT ("Agreement"), pursuant to KRS 65.210 through KRS 65.300, is made and entered into this ____ day of _____, 2019, by and between (i) **THE CITY OF PADUCAH** ("City"), a city of the home rule class located in McCracken County, Kentucky, and (ii) the **MCCRACKEN COUNTY FISCAL COURT, for and on behalf of McCracken County, Kentucky** ("County"), a political subdivision of the Commonwealth of Kentucky.

W I T N E S S E T H

WHEREAS, the City and County desire to jointly participate in that certain Tax Increment Financing Development Plan for Downtown Riverfront Development Area ("Development Plan"), which is the subject of Ordinance No. _____ approved by the City of Paducah Board of Commissioners on _____, 2019 and Ordinance No. _____ approved by the McCracken County Fiscal Court on _____, 2019; and

WHEREAS, adoption of the ordinances sets out duties and responsibilities for the City and the County; and

WHEREAS, the City and County desire to jointly share and coordinate their respective proportionate responsibilities so as to maximize the efficiency of the monitoring, control and accounting of the incremental revenues received from the Development Area, for the mutual benefit of the City and County; and

WHEREAS, local governments are empowered under KRS 65.210 to KRS 65.300 to enter into agreements with other governmental entities to enhance efficient provision of services to their communities.

NOW, THEREFORE, the City and County agree as follows:

1. Purpose. In exchange for the mutual promises contained herein, the County shall assist the City with preparing and filing the Development Plan's State Tax Increment Financing Application and with administering the Special Fund and the Development Area, including the collection and depositing of revenues from the Special Fund derived from the Development Plan (the "Administration Activities"), with such responsibilities being defined by City and County Ordinance and the Local Participation Agreement. The City of Paducah Finance Department shall oversee, administer and implement the Special Fund and the Development Area.

2. Duties. The City and County will jointly and cooperatively share information, accounting, report preparation, record keeping arising from the Development Plan and related documents. This Agreement may be amended in the future to include administration and oversight of other development plans the City and County may jointly adopt.

3. Duration. This Agreement shall become effective beginning upon execution by the City and the County, approval by the Department of Local Government under 65.260(2) and the filing of a certified copy with the McCracken County Clerk and the Secretary of State, pursuant to KRS 65.290. The Agreement shall be in full force and effect for the life of the Development Plan and shall expire upon the earlier to occur of: (a) termination of the Development Plan and after all obligations imposed by Ordinance and/or the Local Participation Agreement , or (b) reaching the date twenty (20) years after the date first above written. Each party shall have the right to terminate the Agreement by passing the appropriate resolution and providing the non-terminating party sixty (60) days written notice prior to termination.

4. No new body or legal entity to be created. There shall be no separate body or legal entity created under this Agreement. There shall be no employees of a separate entity, but rather the City and County will use their own employees and/or officials to undertake their respective obligations pursuant to this Agreement.

5. Assets. City and County do not expect or intend to acquire any real or personal property or other assets related to the Administration Activities. To the extent there may be assets acquired in the Administrative Activities, upon termination of the Agreement such assets shall be distributed and/or transferred in conformity with the Development Plan and related documents, or by any applicable provisions of local, state or federal law.

6. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement.

7. Notice. Any notice required or permitted to be given hereunder shall be given via U.S. mail to:

If to the City:	Mayor Brandi Harless City of Paducah P.O. Box 2267 300 South 5th Street Paducah, KY 42002-2267
With a Copy to:	Lindsay Parish, City Clerk P.O. Box 2267 300 South 5th Street Paducah, KY 42002-2267
If to the Agency:	Finance Director Jon Perkins City of Paducah P.O. Box 2267 300 South 5th Street Paducah, KY 42002-2267
If to the County:	Judge Craig Clymer 300 Clarence Gains Street Paducah, Kentucky 42003
With a Copy to:	Julie Griggs McCracken County Clerk 300 Clarence Gains Street Paducah, Kentucky 42003

WHEREFORE, the parties have entered into this Agreement on the date first above written.

CITY OF PADUCAH

_____
Brandi Harless, Mayor

ATTEST:

_____
Lindsay Parish, City Clerk

COUNTY OF MCCRACKEN

_____
Craig Clymer, Judge Executive

ATTEST:

_____
Julie Griggs, County Clerk