



**JOINT CALLED MEETING FOR THE BOARD OF
COMMISSIONERS OF THE CITY OF PADUCAH AND
MCCRACKEN COUNTY FISCAL COURT
FOR AUGUST 26, 2019**

4:30 PM

**McCRACKEN COUNTY COURTHOUSE, COURTROOM "D"
300 CLARENCE GAINES STREET, PADUCAH, KY**

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

DELETIONS

	I.	<u>ORDINANCE(S) - ADOPTION</u>
		A. Authorize an Interlocal Agreement with McCracken County, the Paducah Convention and Visitors Bureau, the Julian Carroll Convention Center, and the McCracken County Tourism Sports Commission - J ARNDT
		B. Accept the Assets and Appointing Authority of the Paducah-McCracken County Tourist and Convention Commission and Amend Paducah Code of Ordinances Sections 2-441 & 2-445 - J ARNDT
		C. Establish the City of Paducah Transient Room Tax - J ARNDT
	II.	<u>EXECUTIVE SESSION</u>

Agenda Action Form

Paducah City Commission

Meeting Date: August 26, 2019

Short Title: Authorize an Interlocal Agreement with McCracken County, the Paducah Convention and Visitors Bureau, the Julian Carroll Convention Center, and the McCracken County Tourism Sports Commission - **J ARNDT**

Category: Ordinance

Staff Work By: James Arndt

Presentation By: James Arndt

Background Information: This Ordinance authorizes the Mayor to enter into a five-way interlocal agreement with community partners. The agreement includes assurances for our municipal bond holders for the 2010 debt issuance and for our financing lease issued in 2017. The agreement assures the continued collection of 2% transient room tax for the retirement of tourism related municipal debt by the County Treasurer. The agreement also empowers the newly created Sports Commission to pursue long term development, design, construction, operation, maintenance, sales, and marketing of tournament worthy sports facilities.

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 the execution of the Interlocal Agreement

Attachments:

1. Ordinance
2. Interlocal Agreement V10

ORDINANCE NO. 2019-____ - _____

AN ORDINANCE OF THE CITY OF PADUCAH, KENTUCKY,
AUTHORIZING AND APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE
CITY OF PADUCAH, KENTUCKY, THE COUNTY OF MCCRACKEN, KENTUCKY, THE
PADUCAH- MCCRACKEN COUNTY TOURIST AND CONVENTION COMMISSION, THE
PADUCAH-MCCRACKEN COUNTY CONVENTION CENTER CORPORATION, AND
THE MCCRACKEN COUNTY SPORTS TOURISM COMMISSION TO ESTABLISH
RESPECTIVE RIGHTS AND DUTIES RELATED TO TOURISM, CONVENTION, AND
RECREATION ACTIVITIES AND TO MEMORIALIZE ARRANGEMENTS FOR THE
ALLOCATION OF THE TRANSIENT ROOM TAXES WITHIN THE CITY OF PADUCAH
AND MCCRACKEN COUNTY

WHEREAS, the parties have jointly and cooperatively determined that it is in the
best interest of all concerned to create, by separate action, an independent, county- established
Convention and Visitors Bureau to be called the McCracken County Sports Tourism
Commission ("the Sports Commission") to fund recreational activities and projects; and

WHEREAS, the parties previously, in 1970, jointly and cooperatively created the
current and existing Bureau, which has become an awarding-winning and accredited commission
promoting recreational, convention and tourist activities; and

WHEREAS, the parties have jointly and cooperatively worked to create, finance,
expand, and promote the Paducah Convention and Expo Center owned and operated by the
Corporation, and wish to continue to do so; and

WHEREAS, the parties now wish to establish their respective rights and duties in
connection within the tourism, convention, and recreation activities within the City of Paducah
and McCracken County and to memorialize their arrangements for the allocation of the transient

room taxes in order to provide for the orderly payment and retirement of existing liabilities and to provide for the orderly payment and allocation of the taxes collected; and

WHEREAS, in connection with the proposed actions herein, it is necessary for the City, the County, the Bureau, and the Corporation to enter into this Agreement as authorized by Kentucky Revised Statutes (KRS) 65.210 through 65.314, as amended;

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

SECTION 1. That the Board of Commissioners of the City of Paducah, Kentucky, hereby approves an Interlocal Agreement between the City of Paducah, Kentucky ("the City"), the County of McCracken, Kentucky ("the County"), the Paducah- McCracken County Tourist and Convention Commission ("the Bureau") and the Paducah-McCracken County Convention Center Corporation ("the Corporation") and the McCracken County Sports Tourism Commission (the "Sports Commission"), in substantially the form attached hereto as Exhibit A and made part hereof. It is further determined that it is necessary and desirable and in the best interests of the City to enter into the Interlocal Agreement for the purposes therein specified, and the execution and delivery of the Agreement is hereby authorized and approved.

SECTION 2. The Mayor of the City of Paducah is hereby authorized to execute the Interlocal Agreement approved in Section 1 above.

SECTION 3. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 4. The City Commission hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of this City Commission, and that all deliberations of this City Commission and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

SECTION 5. All ordinances, resolution, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.

SECTION 6. 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, _____

Adopted by the Board of Commissioners, _____

Recorded by Lindsay Parish, City Clerk, _____

Published by *The Paducah Sun*, _____

\\ord\interlocal City – County – Convention & Visitors Bureau CVB - Sports Commission –
Convention Center 8-2019

INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement ("Agreement") is made and entered into as of the 26th day of August, 2019, by and among the **CITY OF PADUCAH, KENTUCKY** ("the City"), the **COUNTY OF McCRACKEN, KENTUCKY** ("the County"), the **PADUCAH-McCRACKEN COUNTY TOURIST AND CONVENTION COMMISSION** ("the Bureau") and the **PADUCAH-McCRACKEN COUNTY CONVENTION CENTER CORPORATION** ("the Corporation") and the **McCRACKEN COUNTY SPORTS TOURISM COMMISSION** (the "Sports Commission").

WHEREAS, the parties have jointly and cooperatively determined that it is in the best interest of all concerned to create, by separate action, an independent, county-established Convention and Visitors Bureau to be called the McCracken County Sports Tourism Commission ("the Sports Commission") to fund recreational activities and projects; and

WHEREAS, the parties previously, in 1970, jointly and cooperatively created the current and existing Bureau, which has become an awarding-winning and accredited commission promoting recreational, convention and tourist activities; and

WHEREAS, the parties have jointly and cooperatively worked to create, finance, expand, and promote the Paducah Convention and Expo Center owned and operated by the Corporation, and wish to continue to do so; and

WHEREAS, the parties now wish to establish their respective rights and duties in connection within the tourism, convention, and recreation activities within the City of Paducah and McCracken County and to memorialize their arrangements for the allocation of the transient room taxes in order to provide for the orderly payment and retirement of existing liabilities and to provide for the orderly payment and allocation of the taxes collected; and

WHEREAS, in connection with the proposed actions herein, it is necessary for the City, the County, the Bureau, the Corporation, and the Sports Commission to enter into this Agreement as authorized by Kentucky Revised Statutes (KRS) 65.210 through 65.314, as amended;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AMONG THE PARTIES, IT IS AGREED AS FOLLOWS:

ARTICLE I - THE BUREAU

Section 1.1 - County Withdrawal: The McCracken County Fiscal Court, by its own unilateral action, will take official action to withdraw from the jointly-created Paducah-McCracken County Tourist and Convention Commission, effective October 1, 2019.

Section 1.2 - City Acceptance: Upon notice of the County's withdrawal, the City will pass a city ordinance to accept and assume the current and existing Bureau, along with all of its assets, liabilities, and employees, and establish it as the City of Paducah's Tourist and Convention Commission. The City will repeal, amend, and/or revise its ordinances, resolutions, and all amendments and supplements thereto governing its relationship with the Bureau to reflect its sole sponsorship thereof, and will continue its awarding-winning and accredited work promoting recreational, convention, and tourist activities.

Section 1.3 - Legal Entity: As the Bureau is already established and exists with taxpayer identification numbers and all other corporate formalities, it is the express intent of the parties that the status of the legal entity shall not change. The City's revised ordinances will reflect acceptance of the same board members, same employees, same personnel and employment benefits, same contracts, same vendors, same assets, and same liabilities as are currently held by the Bureau. The only changes will be that future board members will be appointed by the City only, in compliance with state statutes, and funded by the City Room Tax, in compliance with state statutes.

Section 1.4 - Purpose: The Bureau will continue to undertake any activity permitted by statute, and will continue its current focus and work on all tourism-related activity in the County, including sports and recreation.

ARTICLE II - THE SPORTS COMMISSION

Section 2.1 - The Sports Commission: The McCracken County Fiscal Court did establish the McCracken County Sports Tourism Commission pursuant to KRS 91A.350, et seq.

Section 2.2 - Purpose: The Sports Commission may undertake any activity permitted by statute; however, its primary focus will be sports tourism. It will pursue a sports commission accreditation.

Section 2.3 - Intent to be bound: The parties intend for the Sports Commission to be bound and be a party to this Agreement.

ARTICLE III - DECLARATION OF PUBLIC POLICY

Section 3.1 - Declaration: The parties hereby declare that it is in the best interest of each to cooperate in focusing their tourism, convention, and recreation efforts, and in developing the new sports attractions discussed herein. This is to be declared a public project, for public purposes, as defined in the Kentucky Revised Statutes. In accordance with this declaration, the parties have entered into this Agreement pursuant to the provisions of the Interlocal Act, so that the public policy goals herein may be realized by the parties.

Section 3.2 - Cooperation and Collaboration: It is the express intent of the parties that the Bureau, the Sports Commission, and the Corporation shall work cooperatively and shall collaborate on projects related to the attraction, retention, and promotion of tourism, convention, and recreational activities and facilities. The parties agreed that a representative from each shall hold quarterly meetings to discuss cooperation and collaboration. It is anticipated that the Sports Commission and the Bureau will discuss the possibility of the Bureau initially mentoring the Sports Commission as it begins its program of work and management. However, nothing in this paragraph or agreement is intended to alter the Kentucky statutory framework (KRS 91A.350 through KRS 91A.390) of management of either the City's Bureau or the County's Sports Commission.

Section 3.3 - City's Current Request for Qualification: The City has advertised a Request for Qualifications for the Development of Athletic Fields and Associated Facilities to develop designs for construction. This RFQ notes that that the working designs/plans must be acceptable to the City and the County with a working group including both City and County representatives. The Sports Commission will also be included.

Section 3.4 - Sports Complex: The parties agree that the Sports Commission will pursue the long term development, design, construction, operation, maintenance, sales and marketing of tournament worthy sports facilities which will attract out-of-town tourists to our community. It is anticipated that the Sports Commission will consider, with input from the parties, both the short term and long term development and/or purchase of facilities which could service the tourism aspects of the following sports, including but not limited to, baseball, soccer, softball and volleyball (alphabetically and not in priority.)

ARTICLE IV - COUNTY ROOM TAX

Section 4.1 - County Room Tax: The Fiscal Court of the County shall take all actions necessary to cause the County to levy the County Room Tax on all Room Rents within the County's jurisdictional boundaries during the term of this Agreement. For so long as this Agreement is in effect, all County Room Tax Revenues shall be applied as follows:

- 33.33% (constituting Convention Center Room Tax Revenues) shall be deposited in the Bond Payment Fund in accordance with ARTICLE VII hereof;
- 16.67% shall be transferred to a convention center operating in McCracken County and designated by the McCracken County Fiscal Court as the County Convention Center; and
- 50.00% shall be transferred to the Sports Commission and applied by the Sports Commission for the purposes set forth herein.

Agency	Transient Room Tax	Distribution Percentage
McCracken County Sports Tourism Commission	3%	50%
Convention Center and Fine Arts Center Escrow Account	2%	33.33%
Convention Center operating in McCracken County and designated by the McCracken County Fiscal Court as the County Convention Center	1%	16.67%
TOTALS	6%	100%

Notwithstanding any other provision of this Agreement, the County shall levy, collect, and apply the Convention Center Room Tax as set forth herein for so long as the Series 2010 Bonds or the Series 2017 Financing Lease, or any obligations issued by the City to refund or refinance either or both of the same, are owed by the City or outstanding.

ARTICLE V - CITY ROOM TAX

Section 5.1 - City Room Tax: The City shall take all actions necessary to cause the City to levy the City Room Tax on all Room Rents within the City's jurisdictional boundaries during the term of this Agreement. For so long as this Agreement is in effect, all City Room Tax Revenues shall be applied as follows:

- 75.00% shall be transferred to the Bureau and applied by the Bureau as set forth herein; and
- 25.00% shall be transferred to the Corporation and applied by the Corporation for the purposes set forth herein.

Agency	Transient Room Tax	Distribution Percentage
Convention and Visitors Bureau Paducah	3%	75%
Convention Center Corporation	1%	25%
TOTALS	4%	100%

ARTICLE VI - COLLECTION OF ROOM TAX

Section 6.1 - Collection: The parties agree that the City Room Tax and the County Room Tax will be collected and handled by the McCracken County Treasurer, and enforcement will be handled by the McCracken County Attorney's office. The McCracken

County Treasurer will receive and disburse the City Room Tax Revenues and the County Room Tax Revenues to the designated recipients thereof.

Section 6.2 - Effective Date: The parties agree that the effective cut-off date for the distribution of the transient room tax monies pursuant to the 2010 Interlocal Cooperation Compact shall be the 1st day of October, 2019. The parties also acknowledge that there is a two-month lag in the reporting and collection of the current transient room tax revenues. Accordingly, all monies due and owing prior to the effective date must be distributed in the same manner as was done before the imposition of the City Room Tax and the County Room Tax and allocations as set forth herein.

ARTICLE VII-CURRENT CONTRACTS AND LIABILITIES

The parties hereby acknowledge and agree that none of the terms described in this Agreement are intended to modify the substance of the existing agreements and arrangements among two or more of the parties regarding the payment of and the security for the Series 2010 Bonds and the Series 2017 Financing Lease. Given, however, that the financial support for the Bureau will change from the County to the City as a result of this Agreement, the parties hereby agree, for the purpose of maintaining such existing agreements and arrangements:

(a) That the rights, duties, and obligations of the County, the City, and the Bureau under the 2010 Interlocal Cooperation Compact are hereby acknowledged and affirmed except to the extent such Compact is hereby amended and supplemented in accordance with the terms of conditions of the immediately following subsection (b). The County, the City, and the Bureau hereby agree and acknowledge that the amendments and supplements contained in the immediately following subsection (b) are not intended to substantively change the obligations of the County, the City, and the Bureau with respect to the funding of Debt Service for the Series 2010 Bonds, but to reaffirm their respective obligations in light of the parties' actions with respect to the Bureau reflected herein.

(b) That for so long as the Series 2010 Bonds remain outstanding under the Series 2010 Ordinance:

(i) The County shall levy the Convention Center Room Tax and shall remit all Convention Center Room Tax Revenues to the City to pay Debt Service for the Series 2010 Bonds. The City shall deposit all Convention Center Room Tax Revenues in the Bond Payment Fund and shall apply, or shall cause the Paying Agent to apply, all Convention Center Room Tax Revenues to the payment of Debt Service for the Series 2010 Bonds.

(ii) If the sum of Convention Center Room Tax Revenues deposited in the Bond Payment Fund five Business Days before any Debt Service Payment Date are insufficient to pay Debt Service on the immediately following Debt Service Payment Date, the City, the County, and the Bureau shall each deposit monies in the Bond

Payment Fund, or cause monies to be deposited in the Bond Payment Fund, in amounts equal to one third of the Deficiency determined as of such date.

(iii) If either the City or the Bureau fails to deposit the full amount required on any date pursuant to subsection (ii) above, the County shall deposit any additional amount needed before the applicable Debt Service Payment Date to permit the Paying Agent to pay the full amount of Debt Service due on such Debt Service Payment Date provided that such payment, when combined when all such prior payments by the County hereunder, do not exceed the principal balance of the County Series 2010 GO Note.

(c) That the rights, duties, and obligations of the City and the County under the 2017 Interlocal Cooperation Agreement are hereby acknowledged and affirmed with respect to the Series 2017 Financing Lease.

ARTICLE VIII - DURATION; AMENDMENTS

This Agreement will become operational-and will have force and effect-upon its execution and approval by the Attorney General (pursuant to KRS 65.260) and the filing of this Agreement with the McCracken County Clerk. The duration of this Agreement will be from its effective date through (and including) the fiscal year end after all current and new financing obligations incurred by the parties are paid in full, whereupon this Agreement may be deemed terminated.

ARTICLE IX - NON-LIABILITY OF OFFICERS AND EMPLOYEES

No officer or employee of the City or County may be subjected to any personal liability for any debt or contract created by this Agreement, nor resulting from it.

ARTICLE X - NATURE OF AGREEMENT

The City and County agree to engage in a joint and cooperative undertaking within only the scope set out in this Agreement. They do not intend to create any relationship of surety or indemnification, nor responsibility for indebtedness, liabilities, or claims incurred by either the City or the County in their governmental operations. Furthermore, the execution of this Agreement will not constitute a waiver of any defense or immunity to which the City or County would otherwise be entitled under any applicable law.

ARTICLE XI - TERMINATION

This Agreement may only be completely terminated or modified only by agreement and joint action of the City and the County. Termination of the Agreement shall not affect the legal status or standing of the Bureau, Corporation or Sports Commission, and each shall retain its own assets and property. Notwithstanding the foregoing, this Agreement may not be terminated for so long as the Series 2010 Bonds or the Series 2017 Financing

Lease, or any obligations issued by the City to refund or refinance either or both of the same, are owed or outstanding.

Upon the retirement and payment in full of all bonds, financing leases and/or any other long term debts or liabilities this Agreement may be terminated through unilateral action by either the City or the County upon giving one year's written notice to all parties.

ARTICLE XII - DEFINITIONS

Capitalized terms used not otherwise defined in this Agreement shall have the following meanings:

"Bond Payment Fund" means the "General Obligations Refunding Bonds, Series 2010B Bond Payment Fund" established by the Series 2010 Ordinance.

"City Room Tax" means an aggregate transient room tax levied by the City on Room Rents pursuant to Section 91A.390 of the Kentucky Revised Statutes equal to 4.0% of the amount of such Room Rents.

"City Room Tax Revenues" means all tax revenues generated by the City's levy of the City Room Tax.

"Convention Center Room Tax" means a transient room tax levied by the County on Room Rents pursuant to Section 91A.390 of the Kentucky Revised Statutes equal to 2.0% of the amount of such Room Rents.

"Convention Center Room Tax Revenues" means all tax revenues generated by the County's levy of the Convention Center Room Tax.

"County" means the County of McCracken, Kentucky, a county and a political subdivision of the Commonwealth of Kentucky.

"County Room Tax" means an aggregate transient room tax levied by the County on Room Rents pursuant to Section 91A.390 of the Kentucky Revised Statutes equal to 6.0% of the amount of such Room Rents. The County Room Tax shall include the Convention Center Room Tax.

"County Room Tax Revenues" means all tax revenues generated by the County's levy of the County Room Tax.

"County Series 2010 GO Note" means the County of McCracken, Kentucky General Obligation Refunding Note, Series 2010.

"Debt Service" means all principal of and accrued interest payable on the Series 2010 Bonds in accordance with their terms or the terms of the Series 2010 Ordinance.

"Debt Service Payment Date" means the date of any scheduled payment of principal or interest for the Series 2010 Bonds.

"Deficiency" means, with respect to any Debt Service Payment Date, the difference between the Debt Service Due on such Debt Service Payment Date and the amount of Convention Center Room Tax Revenues deposited in the Bond Payment Fund on the relevant date of determination.

"First Amendment to Interlocal Cooperation Compact" means the First Amendment to Interlocal Cooperation Compact dated as of July 1, 2010, by and among the County, the City, the Bureau, and the Corporation.

"Interlocal Act" means Sections 65.210 through 65.300 of the Kentucky Revised Statutes.

"Paying Agent" means The Bank of New York Mellon Trust Company, N.A., Dallas, Texas.

"Room Rents" means the revenue produced by the rental by any person, company, corporation, or like or similar person of a suite, room, or rooms subject to taxation pursuant to Section 91A.390 of the Kentucky Revised Statutes.

"Series 2010 Bonds" means the City of Paducah, Kentucky General Obligation Refunding Bonds, Series 2010 outstanding as of the date hereof in an aggregate principal amount of \$3,610,000.

"Series 2010 Ordinance" means Ordinance No. 2010-7-7714 adopted by the City Commission of the City of Paducah, Kentucky on July 27, 2010.

"Series 2017 Financing Lease" means the General Obligation Lease Agreement dated as of January 24, 2017, by and between the City, as lessee, and Community Financial Services Bank, as lessor ("Financing Lessor") in an original principal amount of \$3,000,000.

"2001 Interlocal Cooperation Compact" means the Interlocal Cooperation Compact dated as of June 1, 2001, by and among the County, the City, the Bureau, and the Corporation.

"2010 Interlocal Cooperation Compact" means the 2010 Interlocal Cooperation Company, as amended and supplemented by the First Amendment to Interlocal Cooperation Compact.

"2017 Interlocal Cooperation Agreement" means the Interlocal Cooperation Agreement dated as of January 1, 2017, by and between the City and the County governing the Series 2017 Financing Lease.

ARTICLE XIII - MISCELLANEOUS

This Agreement will be binding upon the parties hereto and upon their respective permitted successors and transferees.

Nothing expressed or implied herein is intended or may be construed to confer upon any person, firm, or corporation-other than the parties hereto and the Financing Lessor-any right, remedy, or claim by reason of this Agreement or any term hereof. All terms contained herein will be for the sole and exclusive benefit of the parties hereto, their successors and permitted transferees, and the Financing Lessor.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

If one or more provisions of this Agreement (or the applicability of any such provisions, for any set of circumstances), is determined invalid or ineffective for any reason, such a determination may not affect the validity and enforceability of the remaining provisions of this Agreement. If any provisions are found to be invalid or ineffective for a specific set of circumstances, they may not be rendered invalid or ineffective for any other set of circumstances.

This Agreement may be executed in one or more counterparts. When each party hereto has executed at least one counterpart, this Agreement will become binding on all parties. Such counterparts will be deemed to be one and the same document with this Agreement.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

CITY OF PADUCAH, KENTUCKY,
Authorized by Action of the City
Commission on August 26, 2019

By: _____
Brandi Harless, Mayor

Have seen and approved as to form:

City Attorney Glenn D. Denton

COUNTY OF MCCRACKEN, KENTUCKY,
Authorized by Action of the Fiscal Court of
McCracken County on August 26, 2019

By: _____
Craig Z. Clymer, Judge Executive

Have seen and approved as to form:

County Attorney Samuel G-R Clymer

**PADUCAH-MCCRACKEN COUNTY
CONVENTION TOURIST AND
CONVENTION COMMISSION,** Authorized
by Action of the Board of Commissioners
on August 15, 2019

By: _____
Vick Patel, Chairman

Have seen and approved as to form:

CVB Attorney Elizabeth A. Wieneke

**PADUCAH-MCCRACKEN CONVENTION
CENTER CORPORATION**, Authorized by
Action of the Board of Commissioners on
August 21, 2019

By: _____
Mark Whitlow, Chairman

Have seen and approved as to form:

CCC Attorney Nicholas M. Holland

**MCCRACKEN COUNTY SPORTS
TOURISM COMMISSION**, Authorized by
Action of Board of Commissioner on
August 26, 2019

By: _____
, Chair

Have seen and approved as to form:

Sports Commission Attorney Kent Price

APPROVAL

Office of the Attorney General
700 Capitol Avenue, Suite 118
Frankfort, Kentucky 40601-3449
(502) 696-5300

This Interlocal Cooperation Agreement is in proper form and is compatible with the laws of the Commonwealth of Kentucky; therefore, it is approved this _____ day of _____, 2019.

**OFFICE OF KENTUCKY ATTORNEY
GENERAL, ANDY BESHEAR**

By: _____

Title: _____

Date: _____

Agenda Action Form

Paducah City Commission

Meeting Date: August 26, 2019

Short Title: Accept the Assets and Appointing Authority of the Paducah-McCracken County Tourist and Convention Commission and Amend Paducah Code of Ordinances Sections 2-441 & 2-445 - **J ARNDT**

Category: Ordinance

Staff Work By: James Arndt

Presentation By: James Arndt

Background Information: This Ordinance accepts the current joint City and County Convention and Visitors Bureau (CVB) as a City CVB. The Ordinance renames the CVB as the Paducah CVB and the City accepts the sole appointing authority to the CVB Board. All members of the current CVB Board shall remain on the Board for the duration of their current terms. This Ordinance is effective upon execution of the interlocal agreement by all parties.

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 an Ordinance to accept the assets of the current Joint City County Convention and Visitors Bureau, to rename it as the Paducah Convention & Visitors Bureau and amend Code of Ordinance Sections 2-441 & 2-445 to reflect said changes.

Attachments:

1. Ordinance

ORDINANCE NO. 2019-_____

**AN ORDINANCE ACCEPTING THE ASSETS AND
APPOINTING AUTHORITY OF THE PADUCAH-
MCCRACKEN COUNTY TOURIST AND CONVENTION
COMMISSION AND RENAMING SAME AND AMENDING
CHAPTER 2, ARTICLE VI, DIVISION 5 OF THE CITY OF
PADUCAH CODE OF ORDINANCES**

WHEREAS, City of Paducah (“City”) and County of McCracken, Kentucky (“County”) previously created the current and existing Paducah-McCracken County Convention and Visitors Bureau (the “Bureau”) for the purpose of promoting recreational, convention, and tourist activities; and

WHEREAS, Chapter 2, Article VI, Division 5 of the Code of Ordinances of the City of Paducah, which is titled “Paducah-McCracken County Convention and Visitors Bureau,” governs the creation and oversight of the Bureau; and

WHEREAS, the County has withdrawn from the Bureau and has elected to create a separate, county-established tourist and convention commission, to be called the McCracken County Sports Tourism Commission; and

WHEREAS, upon the withdrawal of the County from the Bureau, the City has agreed to accept sole governing and appointing authority for the Bureau;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PADUCAH, KENTUCKY:

Section 1. Acknowledgement. The Board of Commissioners hereby acknowledges the intent of the City of Paducah to continue the operations of the Paducah-McCracken County Convention and Visitors Bureau as it currently exists, utilizing the same tax identification number for the organization. The City shall act as the sole governing body for purposes of KRS 91A.350-91A.392.

Section 2. Acceptance of Assets and Liabilities. The current and existing Bureau shall continue to own all of its assets and liabilities without the participation or involvement of McCracken County.

Section 3. Appointing Authority. The City of Paducah hereby accepts sole appointing authority for the Bureau, as governed by KRS 91A.360 and City of Paducah Code of Ordinances Section 2-422. All current and existing board members shall remain on the board for the duration of their current terms. Thereafter, board members shall be appointed pursuant to the applicable section(s) of Kentucky Revised Statutes.

Section 4. Name. The Bureau shall hereafter be identified as the Paducah Convention and Visitors Bureau.

Section 5. Amendment to Section 2-441 of the City of Paducah Code of Ordinances. Section 2-441 of the Code of Ordinances is hereby amended to state as follows:

Sec. 2-441. Established; purpose.

The City, jointly with the County of McCracken, previously created and established a commission pursuant to the authority under KRS 91A.350-91A.392, known as the Paducah-McCracken County Convention and Visitors Bureau, for the purpose of promoting recreational, convention, and tourist activity in the City and the County. The County elected to withdraw from this joint commission and the City shall hereby be the sole governing body and appointing authority for this commission for its continued operation. The commission shall hereafter be known as the Paducah Convention and Visitors Bureau.

Section 6. Amendment to Section 2-445 of the City of Paducah Code of Ordinances. Section 2-445 of the Code of Ordinances is hereby amended to state as follows:

Sec. 2-445. Powers and duties; levy and collection of room tax.

The Paducah Convention and Visitors Bureau shall be governed by KRS 91A.350-91A.390, as now exists or as hereafter may be amended, and their powers and duties shall be those granted by said statutes. Any and all room taxes to be hereafter levied to support the activities of the Commission shall be levied on a city-wide bases by the City of Paducah and collected by the McCracken County Treasurer.

Section 7. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 8. Compliance With Open Meetings Laws. The City Commission hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of this City Commission, and that all deliberations of this City Commission and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 9. Conflicts. All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.

Section 10. Effective Date and Implementation. This ordinance shall be read on two separate days and shall become effective upon summary publication pursuant to KRS Chapter 424. Implementation of this ordinance shall occur only upon the execution of the Interlocal Agreement entered into between the City of Paducah, McCracken County, the

Paducah-McCracken County Convention and Visitors Bureau, the McCracken County Sports Tourism Commission, and the Convention Center Corporation.

Mayor Brandi Harless

ATTEST:

City Clerk, Lindsay Parish

Introduced by the Board of Commissioners, _____

Adopted by the Board of Commissioners, _____

Recorded by Lindsay Parish, City Clerk, _____

Published by *The Paducah Sun*, _____

Ord/2-441 Convention & Visitors Bureau CVB Accept Assets Amend Code
Ordinance Prepared by Denton Law Firm

Agenda Action Form

Paducah City Commission

Meeting Date: August 26, 2019

Short Title: Establish the City of Paducah Transient Room Tax - **J ARNDT**

Category: Ordinance

Staff Work By: James Arndt

Presentation By: James Arndt

Background Information: This Ordinance establishes a City 4% Transient Room Tax pursuant to Chapter 91A of the Kentucky Revised Statutes. Seventy-five percent of the 4% tax (3%) will be used to support the operations of the Paducah Convention and Visitors Bureau. Twenty-five percent of the 4% tax (1%) will be used to support the operations at the Julian Carroll Convention Center. The transient room tax will be collected by the McCracken County Treasurer through the passage of an interlocal agreement. This Ordinance shall take effect upon the execution of an interlocal agreement with McCracken County, Paducah Convention and Visitors Bureau, McCracken County Sports Tourism Commission, and the Convention Center Corporation.

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: To adopt an ordinance establishing a transient room tax in Paducah.

Attachments:

1. Ordinance

ORDINANCE NO. 2019-_____

**AN ORDINANCE ESTABLISHING THE CITY OF
PADUCAH TRANSIENT ROOM TAX**

WHEREAS, Kentucky Revised Statutes, Chapter 91A enables the City of Paducah to, among other things, impose a transient room tax on persons occupying rooms provided by organizations doing business as motor courts, motels, hotels, inns, and other similar accommodations; and

WHEREAS, Kentucky Revised Statutes, Chapter 91A provides that the City shall enact an ordinance for the collection and enforcement of a transient room tax;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PADUCAH, COMMONWEALTH OF KENTUCKY:

Section 1. Purpose. The purpose of this ordinance is to establish the procedures for the collection, use, disbursements, and enforcement of the transient room tax.

Section 2. Transient Room Tax Levy and Use. A transient room tax, which may be adjusted from time to time, shall be imposed within the city limits of Paducah on every person, group, or organization doing business as a motor court, motel, hotel, inn, bed and breakfast inn, or like or similar facility of the rent for every occupancy of a suite, room or rooms, charged by all persons, companies, or corporations. A tax of 3% will be levied for use by the Paducah Convention and Visitors Bureau, for the purpose of financing the operation of the Bureau. A tax of 1% will be levied for use by the Convention Center Corporation for the purpose of financing the operation of the Convention Center.

Section 3. Designation of Convention Center. Effective October 1st, 2019, and until further orders from the City of Paducah, the Julian Carroll Convention Center is designated as the Convention Center for the City of Paducah.

Section 4. Exceptions. A transient room tax may not apply to the rental or leasing of an apartment supplied by an individual or business that holds itself out as exclusively providing apartments. "Apartment" means a room or set of rooms in an apartment building, fitted especially with a kitchen, and usually leased as a dwelling for a minimum period of thirty (30) days or more.

Section 5. Collections. All persons, groups, organizations, or businesses as identified in Section 2 must file a monthly report in a manner and on a form prescribed by the McCracken County Treasurer.

- A. Such report must be filed with the McCracken County Treasurer on or before the 20th day of every month, for the previous month, being a period beginning on the first day of the previous month and ending on the last day of the previous month.
- B. A report must be filed, regardless of any funds or taxes collected.
- C. Any tax payments must be remitted with the report.
- D. Any late fee or interest must be remitted with the report.
- E. Any filing received or United States Post marked after the 20th day following the reporting period will be deemed late, and will be charged the following interest and penalties:
 - 1. A late fee of 10% of the tax due per month (or daily fraction thereof) will be assessed. The minimum late fee assessed must not be less than \$25.00.
 - 2. An interest charge of 7% per annum on all late remittances will be assessed.
- F. For the purpose of verifying information, the treasurer may require the submission of certified copies of other state and federal tax documents.
- G. All funds collected pursuant to this section must be maintained in a separate account.
- H. All host participants in internet brokering arrangements to rent rooms, houses, farms, cabins, dwellings, or recreational vehicles with companies such as Airbnb, VRBO, or businesses of a similar type must register with the McCracken County Treasurer, providing the precise location of their rental-type unit(s), along with their tax identification numbers for the individual or company receiving the income from the rental-type unit(s). The host participant will be required to file all reports and comply with all sections on this ordinance. However, if the internet broker service enters a written, enforceable agreement with the City of Paducah to report, collect, and remit the taxes imposed by this ordinance, then the host participant will be excepted from the reporting requirements of this ordinance.

Section 6. Disbursements. The McCracken County Treasurer shall make monthly disbursements (which may be adjusted from time to time by the City of Paducah) in the following manner:

Agency	Transient Room Tax	Distribution Percentage
Paducah Convention and Visitors Bureau	3%	75%
Convention Center Corporation	1%	25%
TOTALS	4%	100%

Penalties and interest as a result of late payments must be disbursed at the same rates. The treasurer must use reasonable efforts to make disbursements on or before the 10th day of each month.

Section 7. Audit Authorized. All persons, groups, organizations, or businesses as identified in Section 2, and subject to the provisions of this ordinance, must maintain a record showing gross room rentals and permanent guest rentals, but a separate record may not be required if the taxpayer's regular records contain such information. Whenever the City of Paducah or the McCracken County Treasurer considers it necessary for the proper administration of this ordinance, a taxpayer must permit an officer or employee of the city or county to make an audit of such records and any other books, papers, files, and property of the taxpayer, and to examine witnesses under oath for the purpose of determining whether any provisions of this ordinance are being violated.

Section 8. Severability. The provisions of this ordinance are severable. If any section, clause, or other part of this ordinance, or the applicability of any part hereof, is deemed to be unconstitutional or otherwise invalid, such unconstitutionality or invalidity may not affect any of the remaining parts of this ordinance.

Section 9. Penalty for Violation of Section. Any person violating any provision of this chapter will be guilty of a misdemeanor and must, upon conviction, be subject to a fine of not more than \$500.00, or imprisonment for not more than 30 days, or both, for each offense. Every month for which a report was not properly filed will constitute a separate offense.

Section 10. Compliance With Open Meetings Laws. The City Commission hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of this City Commission, and that all deliberations of this City Commission and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 11. Conflicts. All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.

Section 12. Effective Date and Implementation. This ordinance shall be read on two separate days and shall become effective upon summary publication pursuant to KRS Chapter 424. Implementation of this ordinance shall occur only upon the execution of the Interlocal Agreement entered into between the City of Paducah, McCracken County, the Paducah-McCracken County Convention and Visitors Bureau, the McCracken County Sports Tourism Commission, and the Convention Center Corporation.

Mayor Brandi Harless

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City Clerk, Lindsay Parish

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