



City Commission Meeting Highlights

Tuesday, April 9, 2019, at 5:30 p.m. at City Hall

Photo: Paducah Board of Commissioners, City Manager, Staff and Citizens celebrated the adoption of the TIF Ordinance after the Commission Meeting

Establishing a Tax Increment Financing District (TIF) for Downtown Paducah

The Paducah Board of Commissioners approved an ordinance to establish a Tax Increment Financing District (TIF) as authorized under KRS 154.30 for the Downtown Riverfront Area. The ordinance also authorizes the Mayor to enter into an Interlocal Cooperation Agreement and a Local Participation Agreement for 20 years with McCracken County.

Mayor Brandi Harless said, "This is a very historic moment for the City of Paducah. This is a big deal. I'm proud of all of us." Commissioner Sandra Wilson pointed out the great collaboration with McCracken County in the creation of the TIF.

City Manager Jim Arndt said, "This will pay dividends literally over the next two decades."



This ordinance 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 has adopted companion documents as well. The next step will be to submit an application for the creation of a TIF district to the Kentucky Cabinet for Economic Development.

The TIF district will 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.

New Rates for Paducah Water Customers

The Paducah Board of Commissioners approved an ordinance to repeal the current Paducah Water rates and approved an ordinance setting new rates. The Board of Commissioners of Waterworks governs Paducah Water; however, the lowering or raising of water rates must be ratified by the City Commission. At the City Commission's March 26 meeting, General Manager Bill Robertson and Office Manager Tillman Burnett made a presentation about Paducah Water's structure, assets, and current financial challenges.

Robertson said that over the past several years the cost to comply with Federal water quality regulations, increased pension costs, increased electricity costs, and a general decline in water use per customer have reduced net operating revenue to a point that Paducah Water has insufficient revenue to properly operate and maintain its facilities.



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The new rate structure approved at this meeting removes the upper two rate blocks: users that consume 500,001 to 1 million gallons and users that consume more than 1,000,001 gallons per month. Those rate blocks are now replaced with one rate block with a charge of \$2.02 per 1000 gallons for users who consume more than 500,001 gallons per month. There is a reduction in the monthly rate for the consumers who use 1500 gallons or less per month.

Another change in the rate structure is the addition of a flat customer charge of \$2 per month effective July 1. This flat fee will be in addition to the water consumption costs. The flat fee will increase to \$3 per month per customer effective July 1, 2020, and then increases to \$4 per month effective July 1, 2021.

Paducah Water provided a comparison between these new rates and the monthly average of other water utilities in Kentucky. The estimated monthly water cost for a Paducah Water user that consumes 5000 gallons of water will be \$27.51. The Kentucky average is \$39.75 per month for a 5000 gallon per month user.

Paducah Water plans to use the increase in funding to eliminate lead service lines in the distribution system, provide for 30-day meters reads for all consumers, and provide for the installation of an automated meter system that will allow customers to view and manage their water usage.

Paducah Water was started by investors in 1885 and purchased by the City in 1930. Paducah Water has 51 employees with an annual budget of \$11.5 million. The system has a 19.99 mgd water treatment plant, 631 miles of water mains, seven storage tanks, and five pump stations. More than 66,000 people are served by Paducah Water which has a service area including McCracken County and small portions of Graves County and Marshall County.

Greenway Trail Phase IV Contract

The Paducah Board of Commissioners approved a Municipal Order authorizing a contract in the amount of \$475,619 with Youngblood Excavating & Contracting, LLC for the Greenway Trail Phase IV project. This project consists of the construction of approximate 3500 linear feet of trail and 1300 linear feet of sidewalk along the riverfront in the Schultz Park area. Phase IV of the Greenway Trail will extend the trail toward Schultz Park on the riverfront from its current terminus at Campbell Street near the Schroeder Expo Center. The trail will navigate pedestrians and cyclists along a path next to the concrete floodwall in front of the Convention Centers, go across the parking lot behind the Holiday Inn Paducah Riverfront, and then join with the new Riverfront Project adjacent to the Transient Boat Dock. The City has received grant funding for this project. This project will begin in the next few weeks with a 90 day construction period.

Quick Highlights

- Wendy Baxter with Sullivan University made a presentation to the Board about the University's new Mayfield Learning Center. She also emphasized that the University is offering 20 percent off the cost of classes to anyone who lives in the Jackson Purchase Region.
- Municipal Order approved adopting the annual 911 service agreement in the amount of \$28,080 with Jackson Purchase 2-Way Radio, Inc.
- Municipal Order approved authorizing the purchase of a 100' midmount aerial platform truck in the amount of \$1.2 million from Finley Fire Equipment for use by the Paducah Fire Department. Using the Fleet Lease Trust Fund, the City has been setting aside funds to replace the City's existing ladder truck with an aerial platform truck which has additional safety and firefighting features.
- Ordinance approved amending Chapter 46 of the Paducah Code of Ordinances to adopt addressing standards for properties and buildings in the City of Paducah.
- Ordinances introduced (vote April 23) for residential infill development agreements between the City of Paducah and Higdon Development, Inc. for the Greenway Village Phase II project and the Ridgewood Villas Phase I and II project. These agreements provide for rebates of ad valorem real property taxes (with a cap on each project) during a specified time period with the developer constructing public infrastructure including streets, gutters, and storm sewer system.

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