

# City Commission, developer back downtown TIF

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## 'Signature TIF' for Kentucky 54 project needs quick approval

By [Keith Lawrence](#)

Messenger-Inquirer

Matt Hayden, head of Gulfstream Enterprises LLC, joined with the Owensboro City Commission on Tuesday in support of creating a tax increment financing district in downtown Owensboro -- once a "signature TIF" has been finally approved on Kentucky 54.

The two proposed districts would be different.

Gateway Commons, the 200-acre development Gulfstream is proposing, would cost \$390 million. Signature TIFs are anything above \$200 million.

What's being proposed downtown would only have to cost \$20 million or more to qualify for a TIF.

"We're not going to abandon downtown," Mayor Tom Watson promised more than once.

"We're in both camps," Commissioner David Johnson said. "We want both projects."

Mayor Pro Tem Al Mattingly agreed.

But he said the city has to act now in support of Gateway Commons because signature TIFs have to win state approval by Jan. 1.

Smaller TIFs will still be around indefinitely, he said.

"We're all downtown supporters," Commissioner Cathy Armour said. "Two TIFs is what I hope for."

Hayden said Gateway Commons would have \$210 million worth of private investment and \$180 million worth of public investment -- a 6,000-seat arena, a 130,000-square-foot convention center and the lobby of a 250-room hotel as well as a percentage of the infrastructure costs.

The private area -- an open-air "lifestyle center" -- would include 630,000 square feet of retail space, 240,000 square feet of restaurants and office space, 150 condos and 116 apartments.

City and state taxes on the development for the next 30 years would be used to pay off the \$180 million in bonds for the public improvements if the state approves the project.

While it's being developed, the entrance would be off Kentucky 54 just east of Highland Elementary School. Once the U.S. 60/U.S. 231 bypass is extended across Pleasant Valley Road, the main entrance would be at that off-ramp, Hayden said.

The eastern edge of the development would be near the planned \$500 million Owensboro Medical Health System hospital.

Hayden projected employment of the center at more than 4,000 people.

Gulfstream is also developing Highland Pointe, an 85-acre, \$85-million shopping center on Kentucky 54 at the bypass.

Hayden said Gateway Commons will help to fill that center as well.

"We're seeing a large interest by big box stores in the Kentucky 54 area," he said. "They were going back and forth, looking at Frederica and Kentucky 54."

But once developer David Hocker abandoned plans for a \$200-million-plus development on Frederica Street, the interest has shifted back to Kentucky 54, Hayden said.

He said Gulfstream also has options on 65 acres along the current eastern leg of the bypass that can be used to attract more industry to the community.

Approximately 50 people -- most of them downtown supporters -- attended the town hall meeting that came a week after the commission voted to back Gateway Commons.

At last week's meeting, the commission approved a document prohibiting the city from partnering with any other groups interested in submitting a TIF proposal to the state within the next year.

That restriction ruled out any formal city support for a downtown TIF before July 1, 2008.

And downtown supporters took that as evidence that the commission was abandoning plans for downtown development.

"I promise you we're committed 110 percent to see what fits in a downtown TIF," Watson told one downtown supporter Tuesday night.

But he said the city needs to identify a developer willing to partner with the community on that project.

Daviess Fiscal Court said Friday that it is considering a downtown TIF. And Watson said the city will work with the county.

J.T. Fulkerson, the city's finance director, said Gateway Commons, if fully developed, would mean \$1.2 million in additional taxes for the county school system.