

City will meet with developers

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TIF district proposal will be discussed

By [Owen Covington](#)

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The Owensboro City Commission will meet in closed session at City Hall on Thursday afternoon with the developers of a proposed tax increment financing district.

The meeting will concern potential property acquisition for the district, which could include a publicly funded convention center and arena as well as a mix of residential and commercial properties, City Manager Bob Whitmer said Monday.

Under state law, public bodies can close meetings to the public for the discussion of property acquisition or a specific proposal from a business where making the meeting public would put the proposal in jeopardy.

The city is in the process of reviewing a proposal for a "signature" tax increment financing district with an investment of more than \$200 million that was submitted a week ago from local developers Gulfstream Commercial Services LLC.

Under tax increment financing, local and state tax dollars from property, sales and other taxes can be used to finance public construction projects, which could include roads and drainage or facilities such as convention centers, hotels, athletic complexes or arenas.

Whitmer said the developers will be making a presentation of their proposal to the commission at Thursday's meeting and are still trying to secure the property for the district, which would be next to Kentucky 54 and the U.S. 60 bypass.

The next step for the city, if it commits to the project, would be to offer a memorandum of understanding to the State Tax Increment Financing Commission, which meets next in late July and is still in the process of establishing the application guidelines for TIF proposals.

"Signature" TIF districts are eligible to receive state property and income taxes from within the district but must be approved by the state commission by the end of the year.

The memorandum is needed to keep the state commission from being inundated by TIF proposals and to ensure local governments are willing to commit their own tax dollars to the district, Whitmer said.

"The state won't pursue the details unless a proposal is first tentatively supported by the city," Whitmer said.

The city's financial commitment, which would come in committing tax dollars from new development to pay for public project bonds, is dependent in part on what the state's financial role in the district would be, Whitmer said.

"We certainly are going to have to talk about the city's options," Whitmer said.

The TIF district details could be made public once property issues are resolved, Whitmer said, and the city is encouraging the developers to release those details if the City Commission commits to the project.

The proposal will need to move quickly from general to more specific details of what the district would include, Whitmer said.

"If Owensboro is going to support one, our objective would be to have the developer submit a proposal (to the state) as soon as possible," Whitmer said. "We know the tight time frame that they must work within."