

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
TIF REPORT - FINAL APPROVAL**

Date: March 25, 2021
Preliminary Approval: August 29, 2019
Applicant: City of Paducah, Finance Department
Project Name: Paducah Downtown Riverfront Redevelopment Project
City: Paducah **County:** McCracken
Program Type: Mixed-Use Redevelopment in Blighted Urban Areas
TIF Term: 20 years **DFS Staff:** Kylee Palmer

Project Description: The City of Paducah, along with its county and regional partners, plan to redevelop 315 acres of Paducah's downtown riverfront to attract new tourism, recreation, and economic development opportunities. The TIF District includes approximately 200 acres of city-owned lands underwater to support water dependent uses and shoreline improvements, and approximately 115 acres of upland mixed-use redevelopment and public infrastructure investment. The Project will increase capacity for downtown visitors while creating a more welcoming environment offering a variety of entertainment options and attractions. The reimagined riverfront will further enhance the attractiveness of Paducah as a site to host a variety of events, and the additional boating capacity will allow for more out-of-town boating traffic to dock downtown. The overall environment is expected to make Paducah a more attractive location for businesses and their employees.

The Project is expected to include additional hotel rooms, restaurants, retail stores, conference and event space with supportive food services, a museum, a reimagined art house/theatre, and manufacturing/processing space. The proposed development is expected to include:

- 100-room limited service hotel (80,000 square feet)
- 47 boutique hotel rooms (28,215 square feet)
- 266,540 square feet of residential (204 units)
- 77,653 square feet of restaurant/entertainment space
- 34,075 square feet of retail space
- 130,000 square feet of manufacturing space
- 12,540 square feet of theater space
- 30,000 square feet of convention center, museum and restaurant space
- Public infrastructure improvements
- Surface lot parking

Total estimated cost of the project is approximately \$156.3 million, excluding financing.

Construction begin in 2020 with expected completion in 2025.

Infrastructure: Infrastructure costs total approximately \$56.4 million:

- Land preparation
- Public buildings/structures
- Sewers/storm drainage
- Curbs, sidewalks, promenades and pedways
- Roads
- Street lighting
- Provision of utilities
- Environmental remediation
- Public space or parks
- Parking
- Public landings
- Fountains, benches and sculptures
- Riverbank modifications and improvements

Eligible Public Infrastructure Costs: \$ 47,211,384.00

Consultant Report: The project was reviewed by an independent consultant and determined to create a net new positive impact on the Commonwealth. The Office of State Budget Director and the Finance and Administration Cabinet approved the consultant's recommendations and have certified the report and the findings with a statutorily-required Certification of Net Positive Impact to the Commonwealth. The applicant has also reviewed the report and agrees with the findings and the amount eligible for recovery.

Total Capital Investment: \$ 156,344,483 **Type of Eligible Cost:** Public Infrastructure

Increment Recovery: The following taxes are available for recovery from the footprint over the TIF term through a **50%** recovery, as based on the independent consultant analysis:

<u>Pledged Taxes</u>	<u>Term Pledged</u>
Property Tax	20 years
Sales Tax	20 years
Withholding Tax	20 years

Approved Cost:

\$21,400,000

Please note only amounts deemed as public infrastructure that occur within the state footprint are eligible for recovery through increments as outlined above. No state taxes shall be eligible for recovery until the minimum capital investment of \$20,000,000 (but not to exceed \$200,000,000) has been verified as being invested in the development area.

Special Condition/Requirement:

In order to ensure the applicant makes the capital investment, staff recommends including the following special condition/requirement:

Total cumulative investment of \$156,344,483, excluding financing costs, must be achieved to be eligible for the maximum total incentive of \$21,400,000. The actual project completion percentage of the investment will be applied annually to the total incentive approved of \$21,400,000 to determine the maximum total incentive available/earned for the project during the term of the agreement.