



# City Block Redevelopment Project

Update to City Commission Regarding the Sale of Property

July 28, 2020



# Where We Left Off

## Project Update Presentation to City Commission

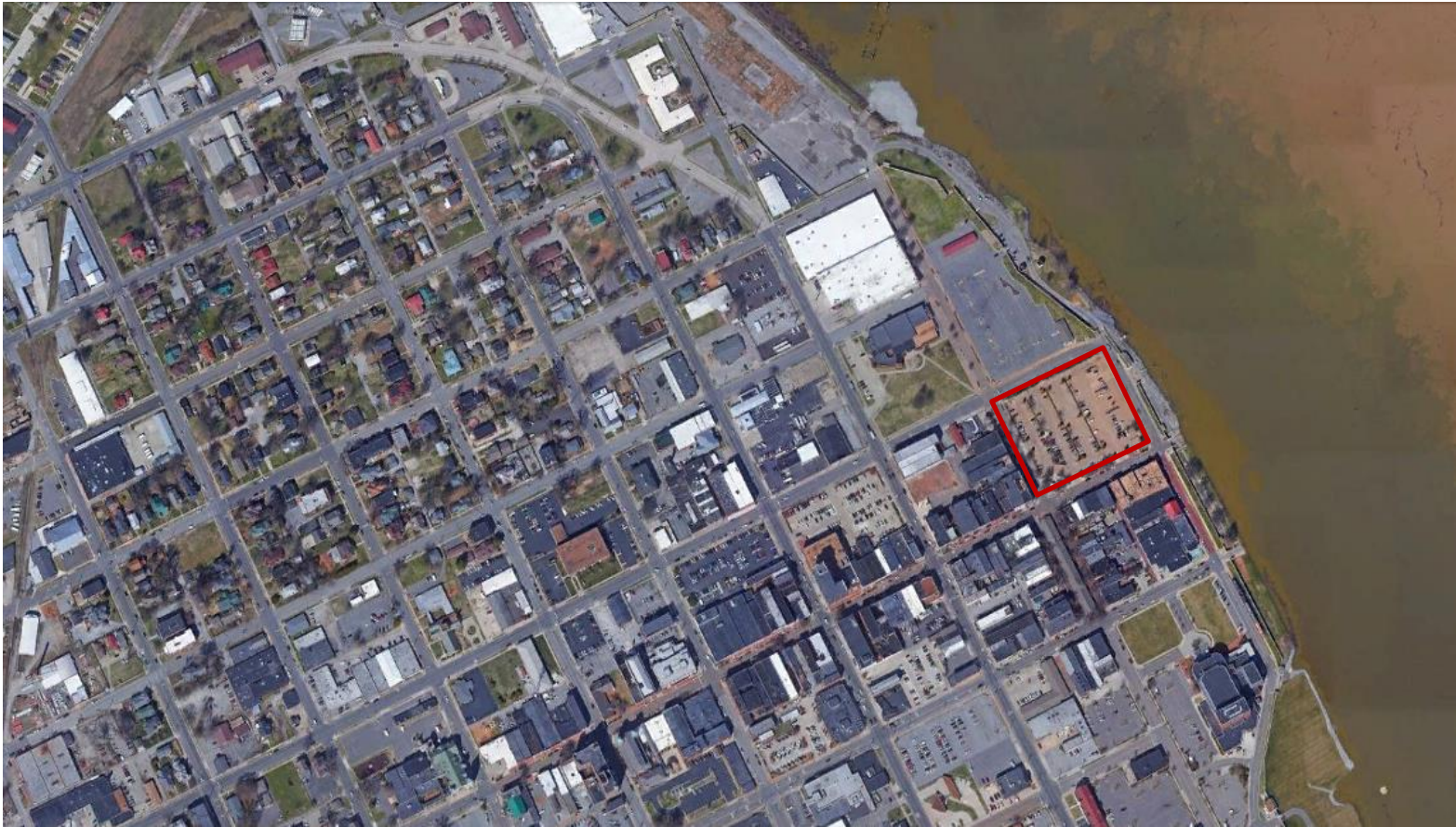
- March 10: Parking Assessment Presentation to Commission

## City Obligations Completed

- ✓ Due Diligence: Environmental Review, Geotechnical Analysis, Utilities, and Parking Assessment
- ✓ Stakeholder Listening Sessions
- ✓ TIF Preliminary Approval
- ✓ Engage Independent Consultant on TIF Application

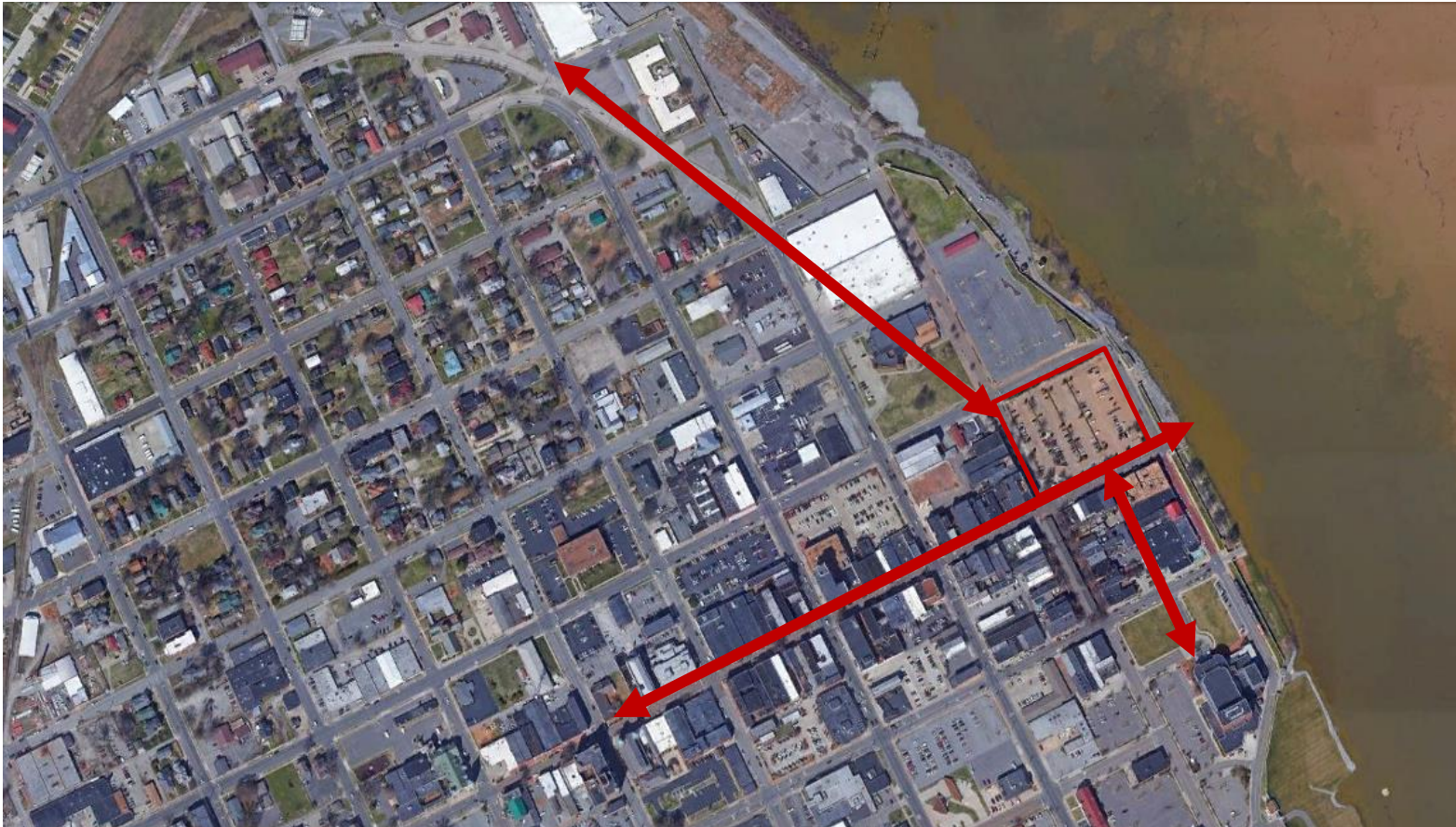


# City Block Project Site





# Design and Program Goals: Connectivity



Design the Space to Visually and Physically Connect Historic Downtown, Existing Arts and Cultural Landmarks, and Paducah's Riverfront



# Design and Program Goals: Town Square



Create a Vibrant & Multi-Functional Downtown Destination That Encourages People to Gather, Spend Time, and Support Local Businesses.

# Design and Program Goals: Complete Streetscape



100 Block Broadway, 1913

Re-Establish the Historic “Rhythm” of Buildings along Broadway and Jefferson





# Design and Program Goals: Maintain Off-Street Public Parking



Maintain parking and design parking lot to be flexible for public events, festivals, outdoor markets, etc.



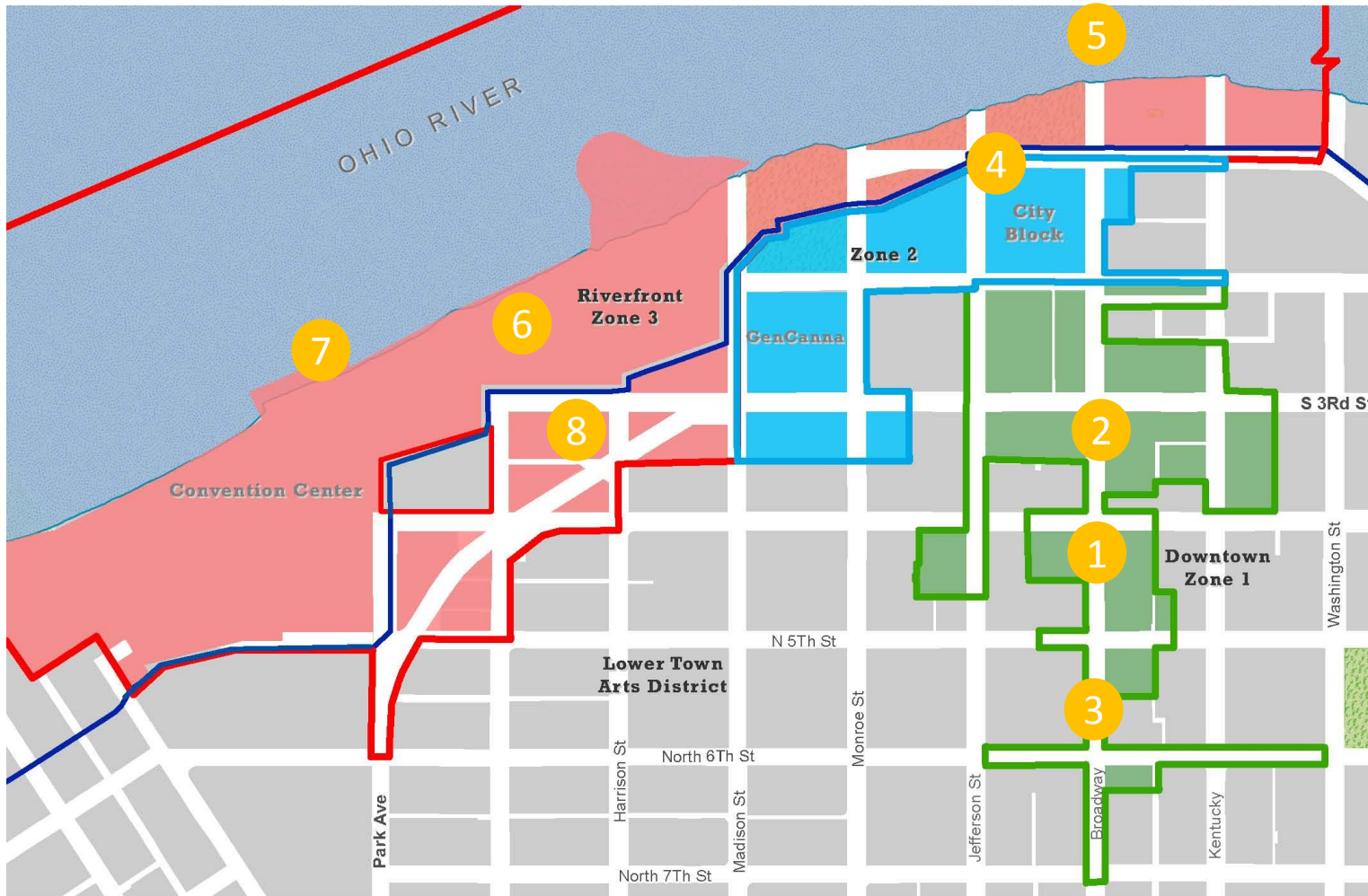
# Design and Program Goals: Keep 2<sup>nd</sup>/Broadway Corner Public



Strengthen Public Use of the Corner of 2<sup>nd</sup> and Broadway



# TIF District Project Area



# Pre-Development Agreement

## Mutual Agreement

- City grants Developer exclusive right to undertake design and development of the Site
- Term: 12 months

## Developer Obligations

- Develop a Site Plan and Program that prioritizes a hotel, public parking, public open space, and one or more mixed used buildings
- Program shall consider parking needs, views, design character, and market demand

## City Obligations

- Due Diligence: Environmental Review, Geotechnical Analysis, Utility Assessment, Parking Assessment
  - Stakeholder Engagement
  - Continue efforts to establish TIF District prior to transfer of property.
-



# Stakeholder Listening Sessions

## Outreach Meetings Held

2<sup>nd</sup> Street Condo Association (3x)

Owner 100 Block (3x)

Downtown Merchant Association (3x)

Convention and Visitors Bureau (2 x)

Civic Beautification Board (2x)

Chamber of Commerce Committees (2x)

Main Street Board of Directors and Design Committee (2x)

Paducah Hospitality Association

Yeiser Art Center Board of Directors

Paducah Garden Clubs

Greater Paducah Economic Development

River Discovery Board of Directors

Market House Theater Board of Directors

# What We've Heard

## Issues That Have Been Addressed

- Public Events
- Views for the Condo Association
- Historic buildings
- Carriages, Art a'la Cart, Gazebo and Personalized Bricks
- Retaining public spaces (parking, parks) as city-owned land
- Design approval of buildings and public areas
- Parking Mobility – signage; wayfinding; and ADA accessible
- Parking Capacity

## Issues Addressed in Final Development Agreement

- Implementation schedule and conveyance of property
- Protective measures during construction
- Financial terms and risk management



# Final Site Plan - \$21 million private investment

## DEVELOPMENT CONCEPT PLAN



**4-½ STORY HOTEL + MIXED-USE COMMERCIAL**  
 84 ROOM HOTEL = 50,000 SF  
 RESTAURANTS & RETAIL = 9,500 SF  
 ROOFTOP EVENT SPACE = 5,000 SF  
**TOTAL = 64,500 SF**

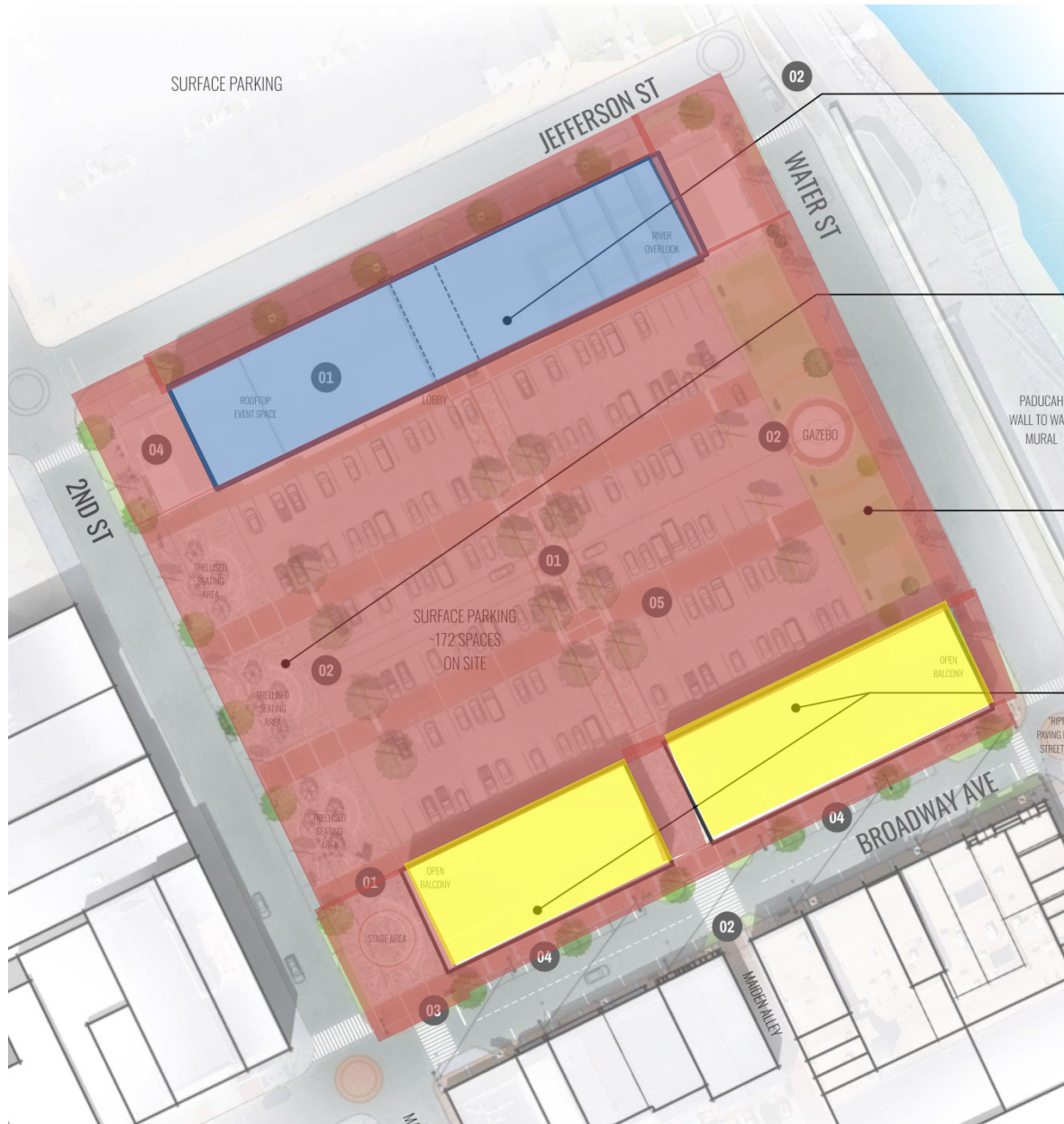
**URBAN PARK**  
 PERMANENT HARDSCAPE PROMENADE  
 CONNECTS VISUALLY TO OTHER IMPORTANT LANDMARKS IN DOWNTOWN PADUCAH  
**TOTAL = 11,000 SF**

**GREENSPACE PARK**  
 MULTI-PROGRAMMED SOFTSCAPE PARK  
**TOTAL = 11,000 SF**

**3-STORY MIXED-USE COMMERCIAL & RESIDENTIAL**  
 COMMERCIAL @ STREET = 18,000 SF  
 ~xx UNIT RESIDENTIAL = 36,000 SF  
 OPEN PATIO SPACES W/ RIVER VIEWS  
**TOTAL = 54,000 SF**

- DESIGN FEATURES**
- 01 CREATE A VIBRANT & MULTI-FUNCTION "TOWN SQUARE"
  - 02 VISUAL CONNECTION OF EXISTING SPACES WITH PROMINENT PADUCAH HISTORY & CHARACTER
  - 03 CREATE "100% CORNER @ 2ND & BROADWAY"
  - 04 INFILL FOR URBAN DENSITY & COMPLETING BLOCK IDENTITY
  - 05 PARKING LOT THAT CAN BE CONVERTED FOR PUBLIC FESTIVALS, CONCERTS, FARMERS MARKETS & OTHER EVENTS

# Ownership Tracts



## Tract 1: Privately Owned

- Boutique Hotel Facility
- 21,840 sf

## Tract 2: City Owned

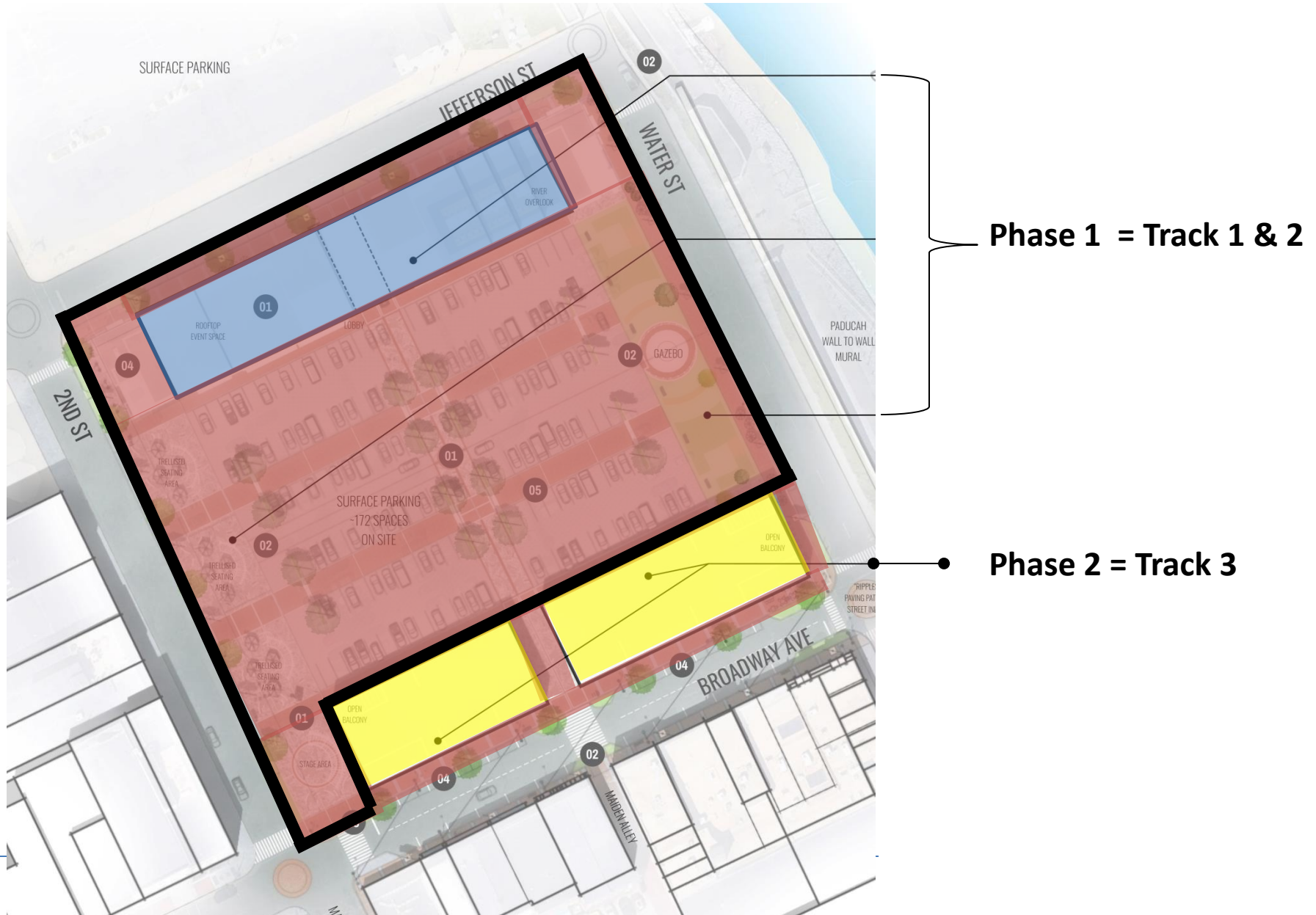
- Parking Facility
- Urban Park
- Greenspace Park
- 79,613 sf

## Tract 3: Privately Owned

- Mixed-Use Residential and Commercial
- 24,000 sf



# Construction Phasing



# Development Agreement Structure

- I. Defined Terms
- II. Development and Construction of Phase I Facilities
- III. Construction Requirements of the Public Facilities
- IV. Development and Construction of Phase II Facilities
- V. Developer's Acceptance of Development Site
- VI. Miscellaneous Provisions



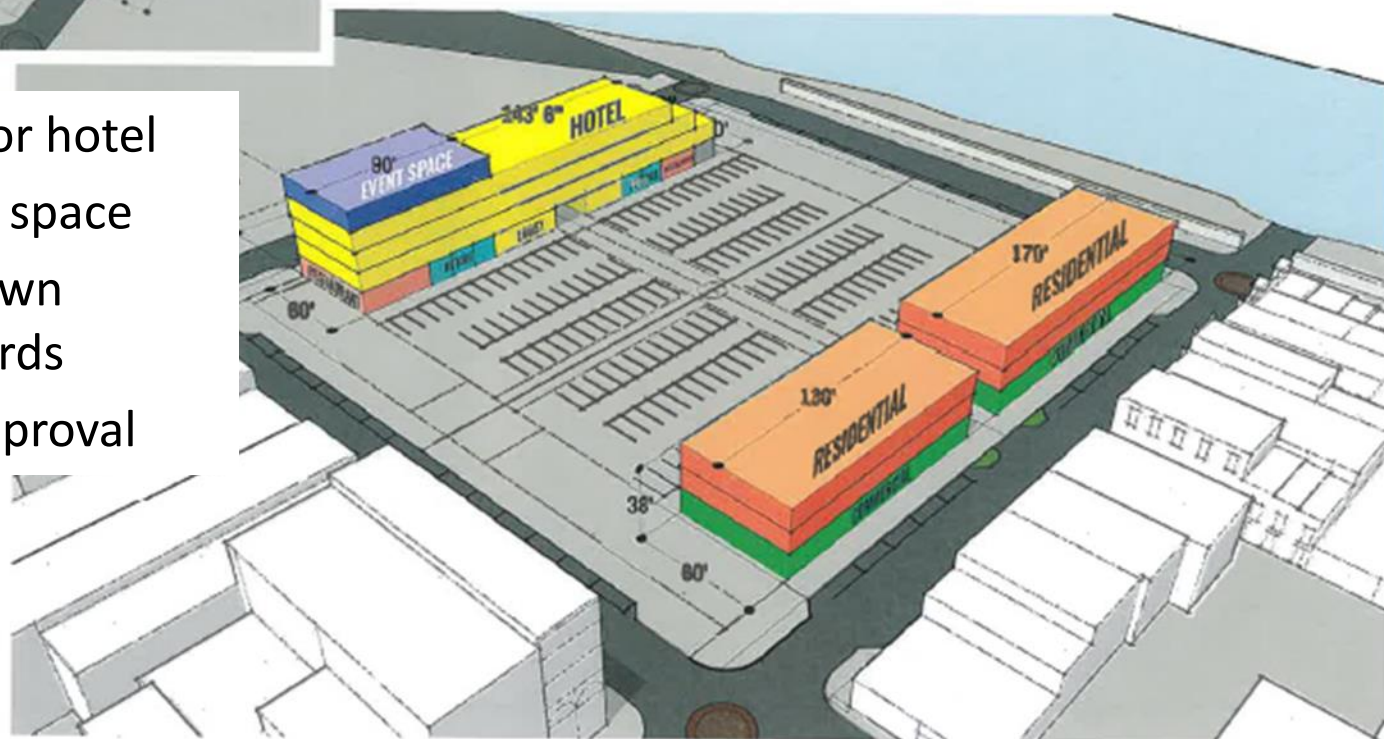
# Development and Construction of Phase I

## Track 1: Boutique Hotel Facility (\$12 million)



- ❑ 84 rooms (min 40; max 100)
- ❑ 64,500 sf total
- ❑ 4 ½ stories
- ❑ Ground floor lobby, commercial, and retail

- ❑ 2<sup>nd</sup> and 3<sup>rd</sup> floor hotel
- ❑ 4<sup>th</sup> floor event space
- ❑ Apply Downtown Design Standards
- ❑ City Design Approval



# Development and Construction of Public Facilities

## Track 2: Parking Facility, Greenspace, and Urban Park



- ❑ 172 public parking spaces (min 100)
- ❑ 60,000 sf for public parking
- ❑ 22,000 sf of public open space
- ❑ Design Charrette and City Design Approval
- ❑ Developer to maintain Track 2; City retains ownership





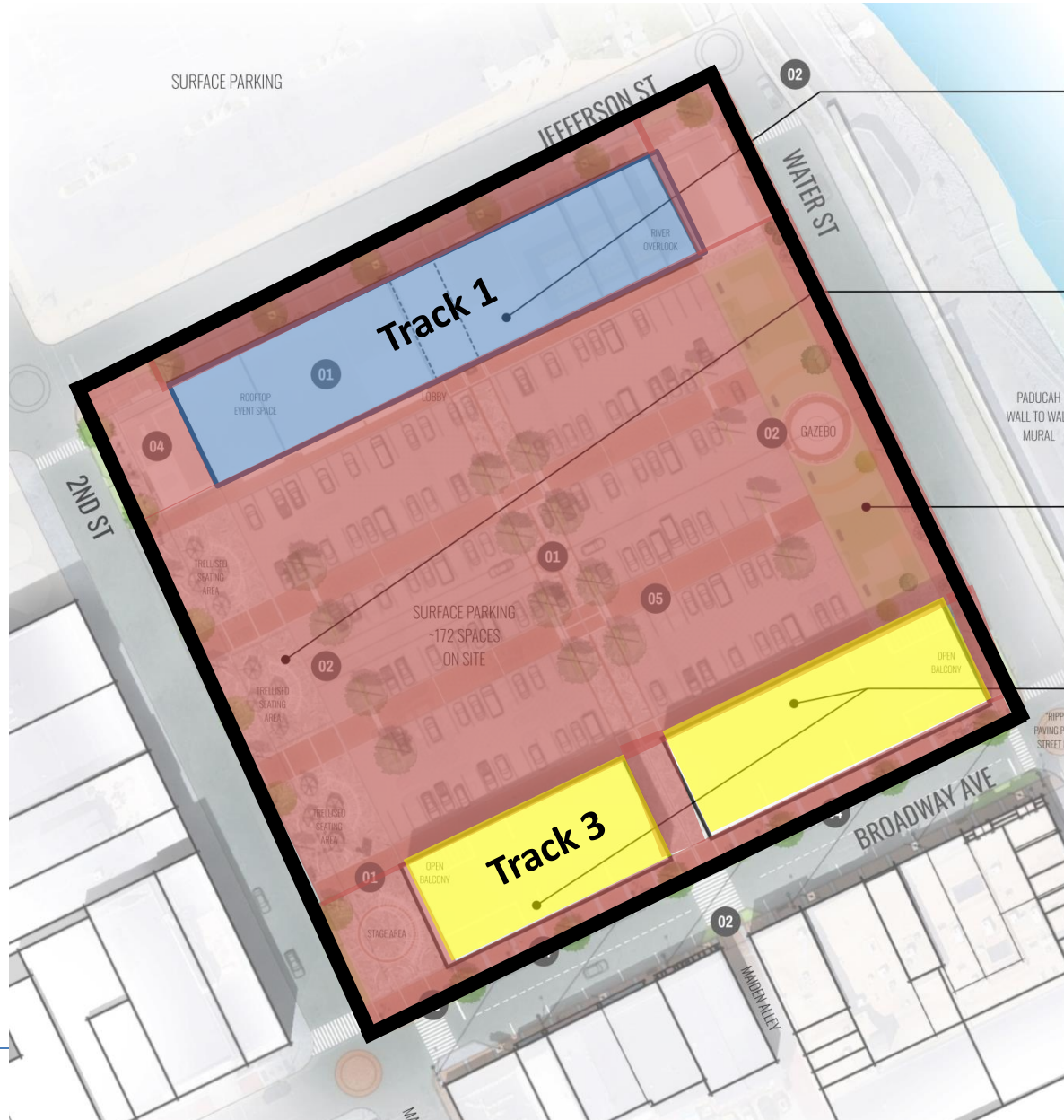
# Development and Construction of Phase 2

## Track 3: Mixed Use Facility: \$9 million

- ❑ 54,000 sf
- ❑ 3 stories
- ❑ 18,000 sf of commercial
- ❑ 36,000 sf residential
- ❑ Up to 48 units
- ❑ Apply Downtown Design Standards
- ❑ City Design Approval



# Appraisal and Proposed Sale Price



Appraised Value: \$810,000

Track 1 sf: 21,840  
Sale Price: \$ 141,000

Track 3 sf: 24,000  
Sale Price: \$ 155,000

**Total Sale Price: \$296,000**

## Payment Terms:

- Begin on 6<sup>th</sup> anniversary of Certificate of Occupancy
- 5 consecutive annual payments in equal installments



# Completion Deliverables and Dates

## From the Effective Date of the Agreement:

90 Days

- Design Charrette for Public Facilities
- Public Facilities Budget

180 Days

### Developer

- Design Drawings for Tract 1 for Approval
- Design and Construction Drawings for Tract 2 for Approval
- Financial Commitments for Tract 1
- Obtain Permits, Licenses and other approvals

### City

- Finalize TIF with State
- Financial Commitments for Public Facilities
- Utility upgrades, if needed

365 Days

- Transfer of Property

455 Days

- Start Construction

# Financial Commitments

## 1. Private Development - Boutique Hotel and Mixed Use Buildings

- Developer to finance Tract 1 and Track 3: \$ 21 million investment
- Developer to pay City \$296,000 for both Tracts

## 2. Public Infrastructure – Subdivision, Utilities, Remediation

- City to undertake subdividing plat and upgrade utilities
- Developer to accept site in present condition. If remediation needed, City to reimburse.

## 3. Public Infrastructure. - Urban Park and Parking Lots

- Developer to finance, construct, and maintain Public Facilities
- City to reimburse Developer total costs for development and construction
- City to approve all design and construction documents, including cost estimates prior to work beginning
- All expenses eligible for TIF reimbursement

# Risk Management During Construction

1. Performance bonds for Public Facilities
2. Insurance and Indemnification
3. Environmental Compliance
4. Assignment Clause
5. Status updates and construction protection measures





# Thank you!

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