INNER CITY RESIDENTIAL ENTERPRISE ZONE(ICREZ) PROGRAM ASSESSMENT

AUGUST 2016

Prepared by:

ehi CONSULTANTS

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2. ACKNOWLEDGEMENTS

A special thanks to all the ICREZ residents and community members who dedicated their time and energy in participating through surveys, interview and attending focus group meetings. A special thanks to the Community Development Staff for providing data and information regarding ICREZ programming and processes.

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3. EXECUTIVE SUMMARY

The City of Hopkinsville in conjunction with the Inner City REZ Advisory Committee has implemented several program initiatives to revitalize five target neighborhoods surrounding downtown Hopkinsville, and the city's historic central business district. The five neighborhoods include Canton, Westside, Attucks/Eastside, Bryan and Durrett/Virginia.

The purpose of the assessment was to evaluate specific program functions to determine their effectiveness and make recommendations for enhancements. The matrix within the report outlines details of the program's strengths, barriers for implementation and opportunities for enhancements.

The methodology included quantitative findings from focus group meetings, neighborhood and downtown surveys, stakeholder interviews, review of program processes and program data, budgetary assessments and analysis of socio-economic data and local characteristics and information.

SUCCESSFUL INITIATIVES

The efforts of the ICREZ Advisory Committee, the Community and Development Services agency and the City of Hopkinsville along with many residents and business owners have experienced positive benefits as a result of the implementation of programs. There have been many successes throughout the longevity of the ICREZ program. The work that has been accomplished because of the dedication and efforts of many people is invaluable and should not be understated. It is EHI's belief that if these programs had not been initiated ten years ago, many of the neighborhood and downtown improvements visible today might not have been realized. Commitment to the work has helped advanced positive relationships, increased quality of life for individuals living in the neighborhoods and a better business climate for downtown merchants. The following identifies significant overarching achievements in the program initiatives:

- **Neighborhood Networks:** The development of the Neighborhood Network has been a successful initiative that has strengthened the relationship between neighborhood residents and the city. The city's commitment to involving neighborhood residents in the decision making process has helped build a stronger sense of community and awareness to issues impacting inner city neighborhoods.

- **Empowerment Plans:** The outcome of the Empowerment Plan process has created both social and economic benefits that can be realized at the individual level and throughout the neighborhood. Many projects identified by Neighborhood Network Association include improving housing stock within the neighborhoods. These improvements to properties have provided repairs that have increased safety and improved quality of life by increasing accessibility for persons with mobility or other physical impairments.

- **Downtown Development:** Some of the greatest strides in physical and economic improvements have taken place in downtown Hopkinsville. Many of the incentives have been used to improve building facades and stabilize historic structures. Through the survey, many downtown business owners indicated an improved business climate within the past 10 years. The built environment has been enhanced through streetscape and pedestrian improvement projects. As the economic and cultural heart of the city, downtown development efforts should be continued and supported.

- **Demolition/Blight Removal:** Many of the earliest accomplishments of the program included the removal of severely deteriorated housing that posed a danger to neighborhood residents. The survey responses indicated that many residents expressed positivity and satisfaction towards the removal of dilapidated buildings.

- **Leveraged Dollars:** Many of the program's successes may never have occurred without the funding from City Council. With that said, the number of dollars available through local the allocation of funding has limitations to the scale and scope of improvements both desired and needed. The city has been successful in leveraging an additional $14 million dollars in state and federal funding to complement the $5 million ICREZ local dollars.

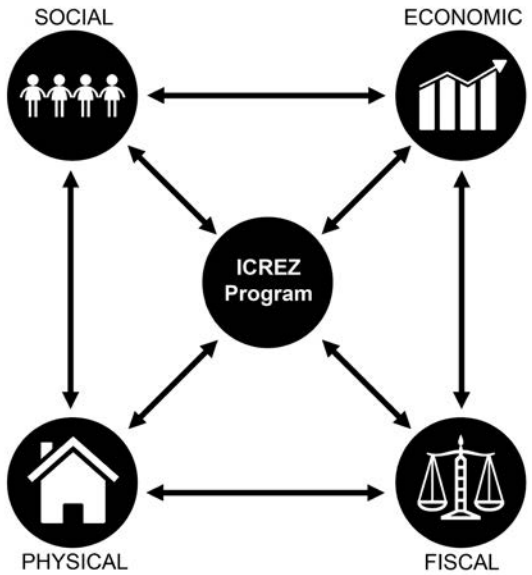


Figure 1. Interrelated Connections

RENEWED FOCUS

Effective community development requires a comprehensive approach to meet the needs of neighborhood residents, property owners and community stakeholders. The four goals of the ICREZ program recognizes the interrelationship of economic, physical and social development. However, limited resources such as staff and financing make it difficult to fulfill all the desired effects of the program. Based on our analysis, there are three key areas to focus on for future ICREZ programming initiatives.

- **Housing Development:** Housing efforts should be continued through the empowerment plan process to improve the housing stock within the target

neighborhoods. Additional strategies should include a focus on redeveloping vacant lots for infill and mid-size housing projects. Strategies should incorporate housing that supports both owner-occupancy and affordable rental units. During the evaluation, local real-estate professionals noted a low-supply of quality housing on the market for home buying and a high supply of rental housing. This creates difficulties in encouraging homeowners back into the neighborhood and may detract from private investment. Through discussion with Community and Development Services staff, it is also difficult for many renters to qualify for first-time homeownership programs due to credit problems and income requirements. These are two challenges that will require continued effort to help bridge the gaps in the housing market.

- **Infrastructure Improvements:** With limited funding it is difficult to improve infrastructure on a neighborhood-wide scale. Infrastructure improvement costs could absorb an entire year's budget. To advance projects, it will be critical to develop a strategic approach in providing needed infrastructure and services. The coordination of financing and timing of those projects should be included in an overall five-year Capital Improvement Plan (CIP) maintained by the city of Hopkinsville and be based on input from each Neighborhood Network Association. As each annual budget is developed, additional projects and priority needs should be identified and added to the program to maintain the ongoing comprehensive Five-Year Plan.

- **Collaborative Community Partnerships:** It is understood and widely accepted that the success of neighborhood revitalization requires improved social conditions and economic opportunities with an emphasis on job training, small business development and entrepreneurship. There are many resources and established organizations in the community that should be tapped into as lead agencies as they have the capacity to develop and implement programs related to economic opportunities. Community partners include agencies and institutions involved in education, workforce and economic development. The ICREZ Advisory Committee and the CDS staff should only play a supportive role and liaise between these agencies and the neighborhood residents and business owners.

IMPLEMENTATION PRIORITIES:

- **Increase Housing Projects:** Concentrate on the development of public and private partnerships to increase affordable housing options and quality of housing. This includes outreach to non-profit, for-profit and financial institutions to leverage funds for project based multi-family developments. This also includes encouraging more private small-scale development projects by enhancing existing incentive packages to lessen the risks and to ensure a project's financial feasibility. The long-term intention is to create a

market-stabilizing effect that would encourage private investment without the need of subsidies.

- **Vacant Lot Strategies:** Develop strategies to repurpose vacant properties to ensure that prolonged vacancy does not create diminishing property values. More consideration should be given to the Landbank Authority to examine its ability to assemble land for reuse. This may require additional resources to allow for administration of and legal research to clear titles.

- **Prioritize Infrastructure Improvements:** There should be a coordinated and strategic approach to constructing and/or rehabilitating infrastructure projects. The improvements to neighborhood infrastructure should be coordinated with the city of Hopkinsville and the Neighborhood Networks. There should be a dedicated funding stream for infrastructure outside of the ICREZ budget.

- **Neighborhood Leadership:** Neighborhood Network Associations play a vital role in determining how projects are planned and developed and should be active in the implementation. The challenge is to move from neighborhood visioning to action. There is a need to provide more support and reinforce neighborhood capacity by providing training and leadership development with a focus on implementation of goals and objectives and effective accountability.

- **Marketing:** Through our assessment it was observed that many stakeholders, residents, property owners and/or community leaders were unaware of available programs/incentives or there were misconceptions about how particular programs work. It is apparent that there is a need for community education and program marketing. There should be increased marketing efforts both in terms of promoting ICREZ and downtown Renaissance programs within the neighborhoods and the community-at-large. These efforts should not solely rest at the feet of the ICREZ coordinators or CDS agency, but should also be carried out by ICREZ Advisory Committee members, city council members, program recipients, Neighborhood Network Associations and other community ambassadors. There should be an understanding of the intent of the programs and why they are important but also how individuals and businesses can access these programs. The existing programs should be marketed as to the availability of resources such as incentives, programs, available downtown space and Landbank Authority properties. There should also be a marketing campaign to promote downtown Hopkinsville to outside target markets for business recruitment, economic and tourism development.

4. INTRODUCTION

This report describes the evaluation process for the city of Hopkinsville's Inner-City Residential Enterprise Zone (ICREZ) and Downtown Hopkinsville Renaissance programs. The primary purpose of the evaluation is to determine the progress of initiatives that have been developed throughout the existence of the program. This report is supplementary to the program assessment matrix that provides an analysis of the program components and recommendations in determining the most effective allocation of resources for future program decision-making.

4.1 BACKGROUND

The city of Hopkinsville in conjunction with the Inner City REZ Advisory Committee has implemented several program initiatives to revitalize five target neighborhoods surrounding downtown Hopkinsville, and the city's historic central business district. The five neighborhoods include: Canton, Westside, Attucks/Eastside, Bryan and Durrett/Virginia (Figure 2).

In 2005 the ICREZ Advisory Committee adopted four goals designed to improve overall neighborhood conditions, increase community participation and promote downtown development. The four categories include the following:

1. Clean and Safe
2. Housing Stock Revitalization
3. Economic Infrastructure (Downtown Development)
4. Economic Opportunity (Job Skills and Training)

Based on a 2006 study conducted by Dennison Associates and a Downtown Renaissance Plan prepared by Camiros, the Advisory Committee and Community and Development Services staff further developed programs and strategies to implement the four goals identified. Many of the programs have been developed over the course of ten years.

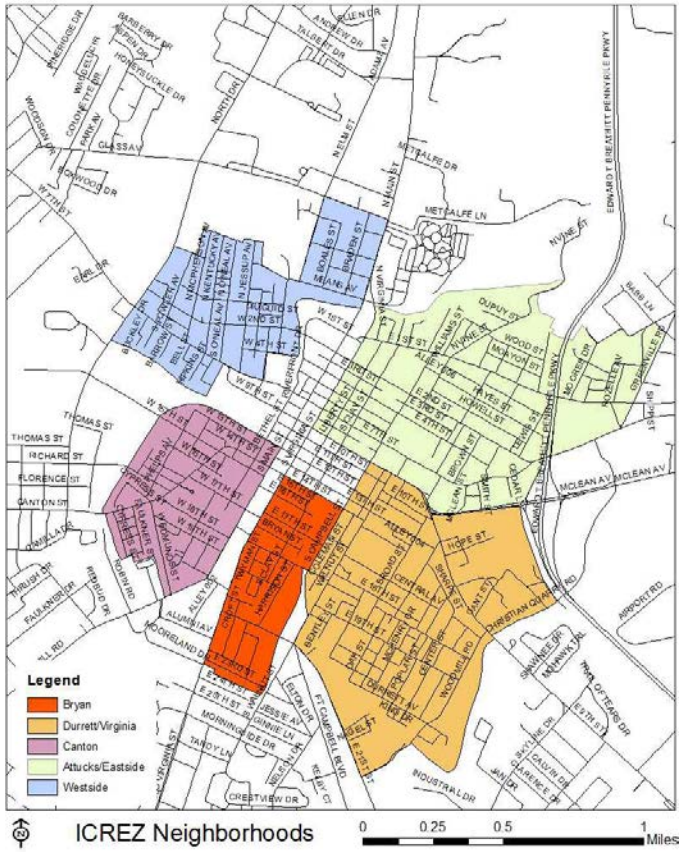


Figure 2. Five neighborhoods in the ICREZ

The administration of the ICREZ programs includes several government entities working together at various capacities with different roles and responsibilities. Program funding is allocated through the city council's annual budget and the daily administration is carried out by the Community and Development Services agency. The ICREZ Advisory Committee is charged with making policy and program recommendations related to ICREZ functions.

The ICREZ organizational structure includes the Local Development Corporation (LDC) which plays a critical role in the implementation in many of the programs. The LDC is a non-profit organization that appropriates contracts and facilitates private/public partnerships, financing and community development. The LDC in conjunction with the CHDO also serves as an affordable housing developer and has the capacity to carry out activities to further the goals of the ICREZ programs. Figure 3 below illustrates the organizational structure of the ICREZ program. There are other elements that impact the efficacy of programs therefore we also considered the following in our evaluation.

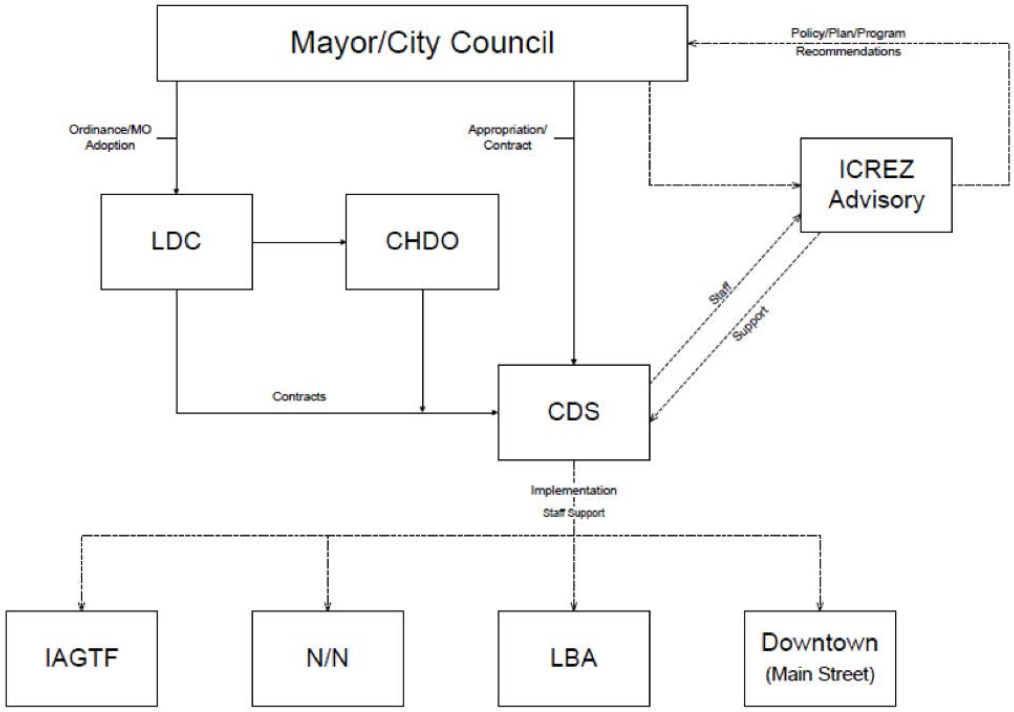


Figure 3. ICREZ Organizational Chart

5. PROGRAM EVALUATION

The fundamental purpose of the ICREZ programs is to improve local community conditions, and increase quality of life. The intent of the evaluation is to judge whether or not the ICREZ programs are effective in achieving their intended goals and are impactful within the neighborhoods the programs serve. Outcomes of the evaluation will 1) demonstrate the ICREZ program progress, 2) identify areas of areas for improvement with recommended strategies and 3) identify new program initiatives.

The framework for evaluating the programs are based on the summative evaluation model using both of quantitative data and qualitative input. Summative evaluations are more geared towards examining the efficacy of the programs; in essence did the programs do what they were designed to do? This requires understanding existing program mechanics, their purpose and how well they have been accomplished. There are other elements that impact the efficacy of programs. Therefore, we also considered the following in our evaluation.

- Understanding of program funding
- Understanding community dynamics/political climate
- Understanding depth of neighborhood and social conditions
- Understanding that not everything can be measured

5.1 ASSESSMENT AND CRITERIA

The existing conditions assessment is a planning level analysis of demographics, community facilities, the economy, infrastructure, market dynamics and quality of life issues. The analysis uses data from various sources to determine conditions currently occurring within the targeted neighborhoods and city of Hopkinsville. The assessment also included input from many residents, community members and stakeholders on issues related to existing ICREZ programs, downtown businesses, neighborhood revitalization efforts, and other services.

5.1.1 Existing Program Initiatives and Budget Funding

Through the evaluation process, EHI worked with Community and Development Services to review the funding allocation for an individual program and its intended purpose. This information will be categorized by type, location and funding amount. It involved working closely with staff to fully understand the program's mechanics and administration. Programs such as the Neighborhood Network and Empowerment Plan process, Property Maintenance codes and downtown and residential incentives were reviewed.

5.1.2 Demographic and Socio-Economic Census Data

The American Community Survey was used to examine socio-economic data such as information about the population and income levels. Housing characteristics, tenure and affordability were examined based on the information available through the ACS. ***See Appendix 1.***

5.1.3 Neighborhood/Community Data

Local property tax records data such as ownership characteristics and property values were used to examine changes that have occurred over time related to private investment. Building permit data was also used to determine where development is occurring within the city and county. ***See Appendix 2***

5.1.4 Community Survey

There were four target groups identified for survey administration with four different surveys tailored to obtain specific information as it related to the group. These included general ICREZ residents, residents who have received assistance, general downtown businesses/property owners and downtown property owners/businesses that have received financial assistance. A summary of individual questions and results are located in ***Appendix 4.***

5.1.5 Focus Group Meetings

In September 2015, discussions with four focus groups were conducted to gain insight to specific topics related to ICREZ programs. EHI met with participants from Downtown Property/Business Owners, Financial and Development Community, Service Organizations and Educational and Economic Development sectors. Located in ***Appendix 4*** is a summary of focus group comments.

5.2 PROGRAM MATRIX

This evaluation matrix provides a structure for assessing various programs administered under multiple ICREZ efforts. The matrix chart is a tool used to summarize the different components of an ICREZ program. The program heading relates to the budget line item and may have several programs within this broader category. For instance, downtown incentives include four specific incentive packages available for property or business owners. The matrix is organized into two categories Program Assessment and Program Enhancements.

1. Intent: This describes the purpose of the program or why the program was originally established.

2. Barrier: This is a factor or attribute that prevents or makes it difficult to implement the program. This may not be a factor of the program but an outside influence such as macro-economic issues, perceptions or cultural factors.

3. Strengths: This describes characteristics of the program that are of an advantage

4. Weakness: This describes characteristics of the program that are at a disadvantage

5. Recommendations: A recommendation to either continue as the program is currently administered or to make modifications.

6. Program Enhancements: This includes proposed recommended modifications to an existing program.

7. Funding: Potential budget item if program is to be implemented, or external funding opportunities.
8. Partners: Identifies community partnerships to help

implement programs.

9. Timing: Activities will occur at different times, while some may occur within the next six months while others may take place in the next few years depending on budget cycles and prioritization. The anticipated time frames for program enhancements are described below:

    - Immediate (less than 6 months)
    - Short-term (6 months-1 year)
    - Long-term (greater than 1 year)

5.3 MATRIX

The following pages provide details to each funding program.

Neighborhood Networks

Program Assessment		Program Enhancements
Intent	**Barrier**	
Builds neighborhood capacity and pride	Difficulty to address rehabilitation of a large portion housing due to high rental housing stock; Market conditions impact amount of investment	Utilize Neighborhood Networks to continue rment plan process to develop neighborhood revitalization plans that outline location, timing and funding of neighborhood scale improvements. Adopted neighborhood plans also helps create funding opportunities through KHC. tunities for Neighborhood Networks to seek funding through grants and foundations through their 501(c) 3 status.
Works to stabilize existing house stock	Creating consensus among passionate personalities and competing interests.	Strengthen neighborhood capacity by providing structured training to focus on 1) leadership development, 2) Implementation of goals and objectives, 3) sustainable funding Scale existing Lifelong Learning program sponsored by Chamber of Commerce and HCC to fit neighborhood leadership.
Strengthen relationship between neighborhood residents as well as neighborhood and government	Comprehension of sustainable neighborhood revitalization efforts; Personal obligations limit abilities and time to implement vision.	Create outreach efforts that emphasize the value of Neighborhood Network Associations
		Address rental housing standards and establish an inclusive relationship with rental community
		Increased interaction between Inner-City Residents and public officials as well as members of the ICREZ Advisory Committee and Local Development Corporation
Strength	Weakness	Create partnerships with specific roles
The empowerment plan process provides an organizational structure to promote neighborhood revitalization.	Limited funding attributes to a piecemeal approach in neighborhood improvements	
Improvements have created a significant impact to individuals, improved quality of life and stabilized housing	Improvements are only limited to exterior work and don't address electric, plumbing, and other structural rehabilitation	
A model for grassroots planning and organization in Kentucky.	Lack of private investment and new construction	
Recommendation		
Continue Neighborhood Networks with enhancements and targeted funding towards leadership development. Empowerment plans to include comprehensive neighborhood revitalization efforts		

Funding	Partners	Program Enhancements
Option 1: No funding recommended: Work with Planning Department to develop neighborhood plans in-house. **Option 2**: $50,000 to hire planning consultant	Neighborhood Networks, Community and Development Services, Parks Department, Public Works, and other City Officials	Long-term
Leadership training and development= $4,500-$5,000 for 10 neighborhood participants (2 from each NN).	Hopkinsville Community College Christian County Chamber of Commerce ICREZ Advisory Committee Neighborhood Networks	Short-term
No increase for budget line item funding but will require staff time and administration costs.	Multiple partnerships such as churches, community and services organizations, banks, Neighborhood Networks	Short-term
No increase for budget line item funding but will require staff time and administration costs.	Landlords and renters	Short-term
	Neighborhood Networks, Committee Members, City Officials and Residents, ICREZ Coordinator, CDS and LDC	Short-term
No increase for budget line item funding but will require staff time and administration costs.	Multiple community partners and organizations	Immediate
No increase for budget line item funding but will require staff time and administration costs.		

Downtown Incentives

(50/50 Matching Grant Program *Lets Paint Downtown Hoptown Program *Collateralized Loan Program *Preservation-in-lieu-of-Taxes (PILOT) Program)

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provides for stabilization and reuse of downtown buildings	Perception of risk for developing downtown; Perception that downtown projects have more stringent requirements	More promotion and marketing of the all the incentive programs (including social media). Enhance partnerships between Downtown Merchants, Chamber of Commerce, Hopkinsville/ Christian County Convention and Bureau, ICREZ Advisory Committee and LDC Board.
Provides financial assistance for acquisition, renovation and improvements of downtown properties for establishment of new businesses, and expansion of existing.	Lack of personal investment from private property owners; Market conditions present challenges for both investment and business development	Reduce the risk further by tying Collateral Loan program to SBA approved lenders that guarantees the loan.
Provides property tax relief for property owners willing to make substantial improvements to their property	Limited resources in comparison to size of downtown area versus required structural and aesthetic improvements	Create revolving loan fund for up to 25 percent of the assessed value towards property acquisition
		County to participate in PILOT program
		Strategic plan for prioritized improvement including architectural/engineering assistance
Strength	Weakness	
Incentives are valuable tools to encourage private investment in Downtown. Several are use utilized more than others such as 50/50 Matching Grant and Let's Paint Downtown Hoptown.	Property owners not taking full advantage of incentives despite the financial benefits	Create partnerships with specific roles
		Create 3rd party agreement between property owner and business using equipment or fixed assets as collateral
Recommendation		
Continue Downtown Incentives with modifications. Target marketing of existing programs to Downtown Business/Property Owners.		

Funding	Partners	Timeline
Printing costs for marketing material	CDS staff, ICREZ Advisory Committee, City Officials and Downtown Merchants	Immediate
No request for budget line item funding but will require staff time and administration costs.	SBA Approved Lenders- Heritage Bank, Planters Bank (Full list in Appendix II of the report)	Long-term
$150,000- Depending on the sale price of properties, amount could help in acquiring 4 to 6 properties	ICREZ Advisory Committee, City Council	Long-term
County tax moratorium for five years	Christian County Fiscal Court/PVA	Immediate
		Long-term
No increase for budget line item funding but will require staff time and administration costs.	Property and Business Owners	Short-term

Economic Infrastructure

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provides resources for downtown improvement projects	Insufficient funds to address large-scale infrastructure projects	Provide funding contributions for specific projects identified through update of Downtown Renaissance Plan
Creates urban spaces for recreational activities and entertainment opportunities	Public perception regarding safety of downtown venues	Marketing plan and campaign, rebranding of Downtown and surrounding neighborhoods= Includes identification of target markets for advertising and recruitment, design of advertising material for business recruitment, economic development and tourism development
		Establishment of a means to address transient population downtown
Strength	Weakness	
Increases aesthetics and function within downtown	Determining specific project designation with limited funding	Consider construction of public restrooms at a downtown locations
Recommendation		
Continue program with target funding for updated plans to identify and prioritize, increase marketing for business development and tourism.		

Funding	Partners	Timeline
$50,000	City of Hopkinsville, Christian County, LDC, Public Works	Long-term
$15,000	South West Kentucky Economic Development Council, City of Hopkinsville and Christian County, PADD Chamber of Commerce Hopkinsville/Christian County Convention and Bureau	Short-term
No request for budget line item funding but will require staff time and administration costs.	Social Services and Churches	Short-term
$150,000 (this does not take into account property acquistion	City of Hopkinsville, Christian County, LDC, Public Works	Long-term

Rental/Homeownership Incentives

*Single Family New Construction Incentives *Duplex and Multi-Family New Construction Incentuves *Rental Rehabilitation Incentives

<table>
<tr><th colspan="2">Program Assessment</th><th>Program Enhancements</th></tr>
<tr><th>Intent</th><th>Barrier</th><td rowspan="2">Create a new incentive for single-family construction that addresses the gap between appraised value and construction cots. The incentive is a Homeownership Gap Financing Program for first-time home buyers to subsidize the gap between the appraised value and cost of construction
• Gap financing may need $20,000 to $30,000 per unit. Set a goal to implement construction of 10 within 3 to 5 years. The goal to decrease gap finance overtime as market improves.(For example, appraised values for new housing construction in similar neighborhood in Lexington was about 20 percent lower than actual cost of construction).
• Provide financial incentive such as down payment assistance for first time homeowner to purchase property in the ICREZ target. Homebuyers must qualify for loan and not to exceed 120 percent AMI.</td></tr>
<tr><td>Provides financial resources for contractor and/ developers to invest in new construction of single-family lots, duplexes and/or multi-family developme nts</td><td>Housing market /neighborhood conditions contribute to lower housing values in ICREZ. Investment in new housing construction is risky because the value of the unit may be lower than actual cost of construction</td></tr>
<tr><td>Provides financial resources to landlords to improve rental housing through deferred loan.</td><td>Developers claim paperwork is a deterrent for utilizing incentive programs</td><td></td></tr>
<tr><td></td><td>Difficult for developers to track expenses for multiple projects occurring simultaneously.</td><td>Option 1: Modify existing rental rehab incentive by increasing to $20,000 but keep at 25 percent of appraised/assessed value

Option 2: Deferred loan up to 80 percent of cost of required rehabilitation or a maximum of $20,000 per unit for 1- 4 unit dwellings. Continue requirement to meet all BPMC standards and restrict monthly rental prices to meet affordability standards for a period of 5 years.
(Rental rehab incentive should re-evaluated based on recommendations of the review of the Basic Property Maintenance Code).</td></tr>
<tr><th>Strength</th><th>Weakness</th><td>Create a digital incentive package checklist to send to developers that provides guidance related to submittal requirements.</td></tr>
<tr><td>Increases aesthetics and function within downtown</td><td>Determining specific project designation with limited funding</td><td></td></tr>
<tr><td></td><td></td><td>Work with developers to leverage additional housing incentives through other agencies such as Low Income Tax Credits, , Affordable Trust Fund, Community Impact Pool, Tax Exempt Bonds (if applicable) for new housing. Consider using Historic Tax Credits to rehabilitate historic structures.</td></tr>
<tr><th colspan="2">Recommendation</th><td rowspan="2"></td></tr>
<tr><td colspan="2">Continue with Single Family New Construction and Multi-Family Construction Incentives. Modify the rental rehabilitation incentive. Create new incentive tooffset the gap between cost of construction and appraised value of house after construction.</td></tr>
</table>

Funding	Partners	Timeline
Homeownership Incentive for 3 Houses • $20,000 per house • $60,000 Annual commitment • For 10 houses total funding= $200,000 to $300,000 • 20 percent not to exceed $20,000 forgiveable deferred down payment • Fund 3 houses first year with annual commitment of $15,000-$60,000	ICREZ, City Council, Development Community, Banks	Immediate
No net gain in housing cost. This modification increases the amount of incentive available for the applicant but would limit the number of applications per year.	ICREZ, City Council, Development Community, Landlords, Renters	Short-term
No request for budget line item funding but will require staff time and administration costs.	Work with Chamber of Commerce and/or HCC to provide resources and assistance to development community with business planning and project management.	Immediate
Many state and federal incentive programs either require local contributing funds or look favorably on project with local funds. Depending on the scale of the project local funding could range from $50,000 to $250,000.	Utilize Kentucky Housing Corporation and their rental and home ownership programs: • Affordable Housing Trust Fund • HOME Investment Partnerships Program • Housing Credit Program • Risk-Sharing Program • Small Multifamily Affordable Loan Program (SMAL) • Construction/Bridge Loan Program	Short-term

Educational/ Job Training

*ACTS Program *The Second ACT *Job Kiosks*Money Sense for Women *Chess Program

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provide resources for educational and jpn training programs	Inner City has very high unemployment rate	Create business incubator program
Increase access to job opportunities	Creating and implementing new programs and events can be time consuming	Create small business loan program to target potential entreprueners in ICREZ area.
	Creating and sustaining programs that reach multiple sectors of the population can be difficult	Create similar program as ACTS provides job interviewing skills, resume writing, and skills
	Transportation to employment for second shift workers	Continue and expand dialogue of intergovernmental coordination between ICREZ and Western Kentucky Workforce Investment Board
	Affordable child care	As ICREZ Committee appointments become available, appoint a board member or staff from the West Kentucky Workforce Investment Board to the ICREZ Advisory Committee.
Strength	Weakness	
Establishes partnerships with many educational and job training organizations	Reaching Inner-City populations that are not connected through Neighborhood Network Associations can be problematic	
Establishes venue for critical thinking skills in school-aged/student population	Disconnect between ICREZ programs and job training programs offered by West Kentucky Workforce Investment Board	
Establishes mentoring relationships between Inner-City residents and outside resources		
Recommendation		
Continue with Modifications Request to West Kentucky Workforce Investment Board to manage Job Kiosks Program or Discontinue		

Funding	Partners	Program Enhancements
See Small Business Loan Program	Western Kentucky Workforce Investment Board, Kentucky Innovation Network at Murray State, Austin Peay State University, Hopkinsville Community College, Chamber of Commerce, Christian County Board of Education-Gateway Academy	Long-term
See Small Business Loan Program	Western Kentucky Workforce Investment Board, Kentucky Innovation Network at Murray State, Austin Peay State University, Hopkinsville Community College, Chamber of Commerce, Christian County Board of Education-Gateway Academy	Long-term
It is anticipated that Western Kentucky Workforce Investment Board will be the lead agency in funding and program administration and ICREZ will support efforts through communication and coordination with Neighborhood Networks.	Western Kentucky Workforce Investment Board, Kentucky Innovation Network at Murray State, Austin Peay State University, Hopkinsville Community College, Chamber of Commerce, Christian County Board of Education-Gateway Academy	Short-term
It is anticipated that Western Kentucky Workforce Investment Board will be the lead agency in funding and program administration and ICREZ will support efforts through communication and coordination with Neighborhood Networks.	Western Kentucky Workforce Investment Board, ICREZ	Immediate
	Western Kentucky Workforce Investment Board, ICREZ, City Council	Long-term

Landbank Authority

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provides a means of returning tax delinquent properties to productive use	Difficulty in assembling properties with clear titles and enough area to meet current development standards	Create public forum for elected officials and landbank authority to discuss the community development benefits of the program. • Proactive public education • Enhance marketing efforts
Provides lease option for community development projects	Time consuming for staff and attorneys to research potential properties	
Strength	Weakness	
Cost effective approach to property acquisition for private development	Negative public perception of land acquisition	
Recommendation		
Continue program with targeted education and marketing of purpose and public benefit		

Funding	Partners	Timeline
No request for budget line item funding but will require staff time and administration costs.	Landbank Authority Elected public officials (Mayor and City Council)	Short-term

Community Housing Development Organization

Program Assessment		Program Enhancements
Intent	**Barrier**	
Increase affordable housing opportunities and enhances quality of rental housing stock	KHC funds are difficult to access for smaller projects	Establish a development team/crew that utilizes local ICREZ talent
	Cost of development versus return on investment is not extremely profitable	Start a dialogue with KHC to access some of their housing development fund dollars for a defined redevelopment or new construction project of 5-6 housing units.
		Consider development similar to Family Scholar House developments in Louisville: Provides housing, education courses and childcare
Strength	Weakness	
Additional entity for providing low-to-moderate income housing opportunities	Competitive private bidding process can sometimes result in elevated cost of construction	
	Lack of construction crew for development	
Recommendation		
Continue with modifications		

Funding	Partners	Timeline
No request for budget line item funding but will require staff time and administration costs.	Partner with organizations (MEDI, Jobs for Life, etc.)	Short-term
"Estimated cost of such a project $500,000 (Leverage KHC funds with local matching funds)"	LDC, CHDO, KHC	Immediate
May be eligible with KHC funds	KHC, Family Scholar House	Short-term

Inter-Agency Governmental Task Force

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provides financial resources to Neighborhood Networks for infrastructure projects	Inability of public sector to adequately address multitude/scale of desired infrastructure projects	Secure renewed commitment and timely review from all public agencies required to address public infrastructure projects
		Establish regular quarterly meeting schedule to review projects already identified by neighborhood networks to determine feasibility based on funding and project scale.
		Consider having public works staff and utility companies to give reports/updates to ICREZ board.
Strength	Weakness	
Collaboration between multiple agencies to facilitate infrastructure improvements	Inner-City residents still experience a sense of being disenfranchised from public resources	
Recommendation		
Continue with modifications		

Funding	Partners	Timeline
Depends on agency recommendations on which infrastructure projects to pursue ranging from sidewalks to curb, gutters and storm water infrastructure improvements could range from $20,000 to $200,000 depending on the scope of the project	Public Works, Parks and Recreation, Utility Companies	Immediate
No request for budget line item funding but will require staff time and administration costs.	Public Works, Parks and Recreation, Utility Companies	Short-term
No request for budget line item funding but will require staff time and administration costs.	Public Works, Parks and Recreation, Utility Companies	Immediate

Basic Property Maintenance Code (BPMC) Funds

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provides funds for low income homeowners in violation of Basic Property Maintenance Code	Currently only serves homeowners	Waive income qualification in emergency situations/ life safety violations
Provides funds for emergency repairs for homeowners		Proactive approach to collection of fines assessed
		Create a loan program for rental properties when repairs are life safety and require emergency assistance. Consider conditions for completion of work (i.e.3 working days) to limit disruption or relocation of the tenant
Strength	Weakness	
Assures assistance for low-income residents if in violation of codes	Income qualification process is cumbersome	
	Time constraints for income verifications during emergency situations	
Recommendation		
Continue with Modifications		

Funding	Partners	Timeline
No request for budget line item funding but will require staff time and administration costs.	Code Enforcement, Developers/Landlords	Immediate
No request for budget line item funding but will require staff time and administration costs.	Code Enforcement, Developers/Landlords	Long-term
Additional funds would be needed to address a program for life safety rental property repairs. Initial capitalization of this program is estimated at $50,000.	Code Enforcement, Developers/Landlords	Long-term

Small Business Loan Program Funding

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provide low- interest loans to help offset start-up costs for small businesses in downtown and ICREZ areas	Program not yet developed and partners have not been established	Creation of business incubator program
		Research required to identify partners for entrepreneurial endeavors
		Consider creating makerspace or business incubator in downtown building
		Consider collaborating with Community Ventures regarding small-business start-ups
Strength	Weakness	
Provides financial support to entrepreneurs	Risk on part of financial institution in providing loans	
	Risk on part of potential entrepreneur on financial commitment	
Recommendation		
Develop program		

Funding	Partners	Timeline
Utilize the SBA Hopkinsville Small Business Development Center as one agency for small business loan funding with their various loan programs identified. They have business loans ranging from $50,000 to $5 million based on eligibility requirements.	Hopkinsville Small Business Development Center	Long-term
No request for budget line item funding but will require staff time and administration costs.	Multiple partners - Lending and financial institutions, HCC and Murray State	Long-term
Consider EDA grant to request funds for capital investment in creating space in downtown Hopkinsville. Other partners could team with Small Business Development Center providing operational programming and costs.	Possible Economic Development Administration funding to develop small business incubator or makerspace- Link to innovation and technology	Long-term
	Community Ventures Corporation – is a Lexington, KY. based community development. CVC has an office in Owensboro that serves Hopkinsville and Christian County. Programs that could benefit ICREZ includes: small business start-ups and expansion, homebuyer loan program and their community projects program.	Immediate

Economic Infrastructure

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provides financial resources to existing ICREZ parks and recreational facilities	Property acquisition	Consider condemnation if desired properties cannot be acquired
Allows for relocation of existing parks from remote areas	Assembly of sufficient property for desired park capacity	Consider alternate locations if desired properties cannot be acquired
	Perception of public safety	Continue consultation with Neighborhood Networks regarding park development.
Strength	Weakness	
Creates more recreational opportunities for ICREZ residents	Limited funding resources for park implementation	
Better access to parks and recreation		
Recommendation		
Continue with Modifications		

Funding	Partners	Timeline
Cost would be dependent on fair market value of property, attorney and other administration fees	Neighborhood Networks, Parks and Recreation	Long-term
Futures costs dependent on fair market value for property acquisition	Neighborhood Networks, Parks and Recreation	Long-term
No request for budget line item funding but will require staff time and administration costs.	Neighborhood Networks, Parks and Recreation	Short-term

Inner City Park Improvements

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provides financial resources to existing ICREZ parks and recreational facilities	Property acquisition	Consider condemnation if desired properties cannot be acquired
Allows for relocation of existing parks from remote areas	Assembly of sufficient property for desired park capacity	Consider alternate locations if desired properties cannot be acquired
	Perception of public safety	Continue consultation with Neighborhood Networks regarding park development.
Strength	Weakness	
Creates more recreational opportunities for ICREZ residents	Limited funding resources for park implementation	
Better access to parks and recreation		
Recommendation		
Continue with Modifications		

Funding	Partners	Timeline
Cost would be dependent on fair market value of property, attorney and other administration fees	Neighborhood Networks, Parks and Recreation	Long-term
Futures costs dependent on fair market value for property acquisition	Neighborhood Networks, Parks and Recreation	Long-term
No request for budget line item funding but will require staff time and administration costs.	Neighborhood Networks, Parks and Recreation	Short-term

Demolition

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provides funding to demolish dilapidated, deteriorated, or unsafe structures	Cost is exorbitant	Educate residents regarding dilapidated process
Provides opportunities for infill development	Lack of interested, qualified contractors	Create a clear title loan program that provides assistance to Neighborhood Networks or private property owners. The program would help resolve liens and/or other restrictions that hinder the demolition or rehabilition of the property or the scale of the property for new development.
	Perception that properties are being "taken" when liens are filed	
Strength	Weakness	
Enhances overall appearance of neighborhoods	Creates vacant properties that are not properly maintained	
Reduces opportunities for crime	Difficulty in clearing title on properties to return to productive use	
ICREZ residents identified demolition of dilapidated houses as a positive result in providing clean and safe neighborhoods.		
Recommendation		
Continue with Modifications		

Funding	Partners	Timeline
No request for budget line item funding but will require staff time and administration costs.	Landbank Authority, Local Development Corporation, Neighborhood Networks, City Council, Code Enforcement, ICREZ	Short-term
$25,000 to start residential loan **Demolition can range from $8,000 to $15,000	Landbank Authority, Local Development Corporation, Neighborhood Networks, City Council, Code Enforcement, ICREZ, property owners	Long-term

Tea-21 Grant Match

Program Assessment		Program Enhancements
Intent	**Barrier**	
Provides matching funds for downtown streetscape projects	Time lapse between application and implementation	Prioritize streetscape improvements throughout the Downtown Renaissance Area to access grant funds
Creates urban spaces for recreational activities and entertainment opportunities	Competitiveness of accessing state and federal funding	
Strength	**Weakness**	
Enhances streetscape and pedestrian safety	Relies on state and federal funding	
Successful streetscape projects located at 6th Street and Campbell Street have resulted in private investement		
Survey of downtown property/businesses owners noted these as improvements as a result of the ICREZ programs		
Recommendation		
Continue		

Funding	Partners	Timeline
Depends on grant requirements for matching funds- typical matching funds are 20 percent of the project costs	City of Hopkinsville, Christian County, LDC, Public Works	Long-term

Urban Design Assistance

Program Assessment		Program Enhancements
Intent	**Barrier**	
Downtown Renaissance Plan is guide for downtown revitalization efforts	Staff timing constraints	Consider budget funding under this line item to update Downtown Renaissance Plan.
	Lack of funding for large-scale development projects	
Strength	Weakness	
Serves as a roadmap for future endeavors	Does not go towards capital projects	
Provides process for planning and prioritizing	Need for additional private investment	
Recommendation		
Complete		

Funding	Partners	Timeline
$50,000 for plan update	Local Development Corporation, ICREZ, Consutants, property owners	Long-term

5.4 PROGRAM ASSESSMENT SUMMARY

Since 2005 Hopkinsville City Council has contributed over $5 million in funding Inner City Residential Enterprise Zone (ICREZ) programs for the purpose of neighborhood and downtown revitalization. These efforts over ten years have proven that the city is serious and committed to revitalization. While using local dollars is a more sustainable approach to long term funding, receiving $500,000 as an annual contribution, though significant, is not enough to address long-time neglected neighborhood conditions and resolving complex social problems. For example, the amount of capital needed to fund one infrastructure project such as sidewalk installation or sewer improvements can easily consume the entire ICREZ funding budget for one year. In reviewing the 2015 the *Inner-City Residential Enterprise Zone Budget Assessment*, there are several line items with remaining balances at the end of the year. This indicates that some programs are being taken advantage of while others are not. Although remaining funds may not be an indicator of ineffective programs but a result of a larger problem. For instance, developers may not be taking advantage of the residential incentives because of housing market uncertainties and risks. However, it may be pertinent to consider a portion of these funds to be used as set asides for matching local dollars to either state or federal housing dollars.

It is also important to consider that spending within the ICREZ program has been conservative and at times local dollars have been used when other state funding programs were either too restrictive or the financing package didn't work for the local needs. The Community and Development Services agency has been very successful in leveraging additional dollars to supplement annual ICREZ funding contribution. Since 2005 the ICREZ programs have recieved $5 million dollars from the Hopkinsville City Council. CDS staff has leveraged an additional $14 million dollars in state and federal funding that has been used on infrastructure improvements and streetscape enhancements. Other indirect benefits as a result of revitalization efforts include the construction of the Hopkinsville Municipal Center and the Greenway System which equates to $9.7 million additional leveraged dollars. Other impacts include revenues generated from downtown events and private investments made by property owners.

One very important outcome of the ICREZ program is the establishment of the Neighborhood Networks. The Neighborhood Network organizations and empowerment plan process work towards capacity building in individual neighborhoods. Engaging residents in how funds are allocated and spent on neighborhood revitalization projects not only ensures citizen participaton in the decision making process, but it empowers residents to advocate for their own needs. The ICREZ Neighborhood Network program promotes this type of capacity building by allowing residents to organize and decide on projects to occur within their neighborhoods. Building capacity is integral to strategic community investment because it leverages and multiplies the impact of resources by strengthening relationships, promoting neighborhood sustainability and increasing the success of programs. Measuring its impact is difficult because capacity building is seen as a process rather than a means to an end. It requires sustained engagement and

investment in developing both human and social capital.

The ICREZ program recognizes the need to connect housing, jobs and services as these issues are interrelated and should be considered a comprehensive approach. The complexity and scale of issues combined with the limited amount of funding available make it difficult to implement in a total holistic way. Many of the challenges in the neighborhoods are a result of decades of disinvestment compounded by social and political isolation, poor housing and neighborhood conditions and persistent economic disparities. Overcoming these challenges can be an uphill battle as there is no silver bullet or overnight sensation to take the place of years of work needed to improve physical infrastructure and resolve long-time distrust.

Perhaps the greatest challenge in implementing the incentives outlined in various ICREZ programs are the conditions of the market itself. Poor neighborhood conditions affect property values which likewise detract private investment. With little to no private investment in the target neighborhoods, it is difficult to rely on the market to improve these neighborhood conditions. This is a dilemma that directly impacts the effectiveness of the ICREZ programs.

The deterioration of the ICREZ neighborhoods has occurred over several decades. Therefore, the expectation that neighborhood conditions will have substantially improved within a ten-year time frame is unlikely. The combination of a poor population, older public and private infrastructure have resulted in the inability to maintain the quality of the inner city environment. Additional factors include competing markets and large-scale employment opportunities occurring in other areas of Hopkinsville, in the county and other communities such as Clarksville, TN, making it attractive for residential relocation and commercial development to occur outside of the inner core.

While there have been real and impactful outcomes because of ICREZ programs, it will take more large-scale investment to produce the types of results to turn the housing market. Resources should be targeted to address underlying physical conditions such as repurposing vacant properties, improving sidewalks and streets and utility infrastructure. While these improvements will enhance the built environment, individual economic conditions must also be strengthened in order to increase purchasing power and confidence. These efforts work towards substantial change and sustainable neighborhoods which are the goals of the ICREZ programs. Without these improvements in place, deep, significant and ongoing subsidies will be required to impact underperforming neighborhoods.

In evaluating the programs it important to be mindful of the causal relationships between the persistent of poverty and the accessibility to quality education, financial capital, employment and social services. On a neighborhood scale, these problems are difficult to define and even harder to resolve because they stem from much larger economic, political and social institutions. As a result, the effectiveness of particular goals of the program are difficult to achieve and problematic to measure.

6. KEY STRATEGIES

6.1 HOUSING STRATEGIES

A community priority should be to preserve and prevent the loss of attainable housing due to issues of availability, affordability, income and tenure. Key priorities and strategies are recommended to ensure that people of all incomes, races, and ethnicities can afford housing in their planning area neighborhoods, and that all residents will have the freedom to choose when and where they move.

Critical to the success of the ICREZ program is the ability to address a set of housing and infill development strategies that can effectively build upon the efforts currently underway with rental and homeownership incentives within the city.

Even with informed local housing policies, Hopkinsville infill development programs, will likey face obstacles to their implementation. This can be due to reluctance on the part of existing local government departments or agencies to support the restructuring or reallocation of local funds for acquisition, management, and development functions. There is also a concern on the part of private investors that city sponsored infill and development programs will remove investment opportunities, thus private developers may fear competition. Rarely, however, are these obstacles at an insurmountable level and cannot be planned for, which the city is doing through its developer and investor outreach initiatives.

The ICREZ program has designed a set of programs to approach inner city revitalization efforts as an overall planning and development program that consists of all the aspects of land planning and regulatory land controls. Programs have also been designed to incent and to encourage community redevelopment and investment in order to create sustainable inner city neighborhoods. Sustainable principles should be incorporated as future planning activities and policies are developed for the Inner City neighborhoods. Core principles of sustainable urbanism include the following:

1. Increasing sustainability through greater neighborhood density and development patterns;
2. Enhancing transportation and land use in an auto-dependent era;
3. Creating sustainable neighborhoods with walk-to-work neighborhood centers of locally-owned businesses, employment centers, walkable neighborhoods and universal accessibility.

It is our belief, that if planned and marketed effectively, Hopkinsville can build upon its efforts in an innovative, comprehensive planned approach and strategy to address vacant and underutilized parcels of land in its inventory. This approach also recognizes and takes into account the tremendous social, physical and economic obstacles that lie ahead. We must be willing to have the conversation (sometimes uncomfortable) about what has led to the identified neighborhoods reaching this level of decline and disinvestment and how not to repeat the problems of the past.

It can be asserted that available 20th century tools for inner city land uses are not sufficient to plan and manage the growth and redevelopment of Hopkinsville's urban areas. Land use regulations in the form of zoning ordinances and housing and building codes play a vital role in new development and redevelopment and will certainly shape the character of the city which is evidenced by the discussion that took place about the enforcement of the Basic Property Maintenance Code. Data and its analysis, along with the current inventory of tools, can be considered to be an efficient and effective method for advancing housing development of vacant, underutilized and substandard properties. Recommendations for consideration include the need for increased housing incentives, gap financing, down payment modifications and leveraging of other funding sources should be considered as Hopkinsville considers its evaluation and assessment of the ICREZ program, redesign and restructure of the land bank program.

Enhancements are needed of the current available tools to address housing concerns and should include a set of programs that reflect the desire to redevelop the inner city neighborhoods. Data indicates an overall high percentage of vacant land in the ICREZ area. In some cases, vacancies were created by abandonment of dilapidated housing which led to demolition, a necessary process due to unsafe conditions. However, the lack of reuse and infill of the vacant properties may be influenced by the underlying poor conditions within the target neighborhoods and competition from outside forces. When the supply of properties exceeds the demand both economic and market appraisal conditions do not reach efficient results which creates further difficulties in attracting private investment.

A market analysis is recommended to address whether long term economic trends or shorter and more sudden declines in the neighborhoods market areas have a direct correlation to the excessive supply of land. At its current state, the conditions reflect no positive market for unused, deteriorated or underutilized properties.

Specifically:

1. ICREZ needs to assess the volume, location, and condition of vacant, underutilized and substandard properties and the barriers to bringing these properties to market, such as tax foreclosure status, fractured or divided forms of title, or public nuisance abatement liens.
2. ICREZ should assess its ability and resources to assemble and dispose of property. The Landbank Authority has been created to facilitate the reutilization of vacant and abandoned land. Their role is critical to the success of increasing affordable housing units.

6.2 INFRASTRUCTURE IMPROVEMENTS

Through the input process many residents and stakeholders indicated that infrastructure improvements are needed throughout the ICREZ neighborhoods. Having sound infrastructure is critical to the efforts of both downtown and neighborhood revitalization. A public infrastructure project can also be a catalyst to further private investment. A good local example is the improvements along 6th Street in downtown Hopkinsville. Streetscape and sidewalk

improvements have created a desirable environment for new businesses to locate while creating a safe pedestrian access.

In most cases infrastructure requires major capital expenditures. Critical infrastructure includes construction, reconstruction or rehabilitation of streets, sidewalks, storm drainage, water and sanitary sewer lines. Improvements to neighborhood infrastructure should be coordinated with the City of Hopkinsville and should have a dedicated funding stream outside of the ICREZ budget. The City should establish a Five-Year Neighborhood Improvement Program which is long-range, neighborhood-scale program for capital projects within the target areas. The identification and prioritization of projects should be based on input from Neighborhood Networks with financing and timing of projects to be coordinated with an overall five-year Capital Improvement Plan (CIP) maintained by the City of Hopkinsville. As each annual budget is developed, additional projects and priority needs should be identified and added to the program to maintain the ongoing comprehensive Five-Year Plan.

One option to incentivize development and support infrastructure improvement costs is to establish a Tax Increment Financing District. A TIF District is not a new tax, but a funding mechanism to allocate taxes collected from within the authority back into the designated district to support development projects and public development costs. In Kentucky, regulations allow a city or county to create TIFs by designating a development area that promotes projects for public purpose and meets eligibility criteria as outlined in state regulations. Once a TIF district is established the tax baseline is set and any taxes collected above the baseline are reallocated into the district. The incremental revenue is the difference between the amount of occupational and/or property tax generated before the established development area and the amount of tax revenue generated after. Taxing districts continue to receive the base tax amount while tax increments are used to fund the public costs of developing a project. Pledged incremental revenues may be used to support bonds issued by city, county or other public agencies to pay for development needs such as parking, water/sewer infrastructure, etc. See APPENDIX 7 for TIF FACT SHEET SUMMARY.

As public infrastructure projects are planned and designed, considerations for linking economic growth through job creation, training and workforce investment to ICREZ residents should be developed. Providing a pathway for unemployed or underemployed residents to attain construction skills and knowledge increases their opportunities for economic stability and sustainability. Funding for workforce development such as on-the-job training, apprenticeships and other technical skill development should be coordinated with other workforce development programs. The leveraging of workforce training funds with local capital improvement funds has the potential to create an innovative capital enhancement program that could yield significant neighborhood based infrastructure improvements.

6.3 COMMUNITY PARTNERSHIPS

Many of the neighborhood improvements will require ongoing strategies to improve the quality of life of residents

and economic health of the community. Given the limited resources of the ICREZ program, it is imperative to build upon the existing community partnerships to coordinate resources, provide support services and reach common goals that may be unattainable to reach separately.

Strategic partnerships in the areas of economic and workforce development should be undertaken and include agencies such as HCC, Murray State, West KY Workforce Investment Board, Economic Development Council, PACS, Chamber of Commerce and other economic and educational based organizations.

It also important to include private partnerships within the development and financial community. Neighborhood revitalization goals should also promote private investment in housing and neighborhood infrastructure.

6.4 VACANT PROPERTY DEVELOPMENT

Land is one of the most important factors in revitalizing and redeveloping areas that enhance livability of neighborhood and supports local community development. The ICREZ has an abundant amount of vacant properties within its land inventory but in many cases the management and disposition of these properties are difficult due to the lack of free and clear titles. If there are issues with the title to a property, then it is essentially not marketable within the private market. Typically banks or other mortgage lenders will not provide mortgage financing until all liens on the property and title issues have been removed.

In 2007 the Landbank Authority Inc. was established as a non-profit entity to acquire, maintain, manage and dispose of real property for the purpose of converting of vacant, abandoned, and tax-delinquent properties into productive, tax-generating uses. The Landbank Authority plays a critical role making property redevelopment more efficient and affordable by facilitating the purchase and by eliminating their liabilities so properties can be transferred for new uses.

Vacant and/or abandoned property requires due diligence and must be evaluated to determine encumbered liens, tax delinquency, or code violations with appropriate strategies for each category of a title problem. In many cases, residential properties that were previously owned and occupied by low-income families often lack clear title as a result of the property being handed down from generation to generation without probate proceedings or recorded instruments of conveyance by administrators of estates. These are commonly known as “heir property,” which requires notifying and involving all possible heirs. Due diligence to clear titles takes time and resources.

Dennison Associates in conjunction with Camiros developed the “Model Block Concepts” as part of the original study. The model block concept provided a framework to target specific areas for redevelopment for each neighborhood. In the program evaluation, it is recommended to develop strategies for land assemblage rather than replacing the model block concepts. The model block concepts may be used as a guide for redevelopment as greater densities of properties are assembled. It is recommended that strategies be developed by the Landbank Authority to create an inventory of land that has the greatest market potential for redevelopment based

on location and proximities to services. In order to develop a larger inventory of vacant properties, greater emphasis and priority should be given to the Landbank Authority.

The following is a description of vacant lot characteristics and infill development potential and should be used as a guide when considering the types of infill and redevelopment projects.

1. Single lot
   a. Vacant parcel within existing neighborhood that at one time contained a single-family residence.
   b. Infill potential for small-scale development and to reuse for single family purpose.
   c. Development partners could include Habitat for Humanity, local church groups, non-profit organizations, for-profit developers and CHDO.
2. Multiple lots
   a. 2 or more consecutive vacant lots located within the neighborhood.
   b. Infill potential for small-to-medium scale development of single-family, duplexes, townhomes and/or multi-family development.
   c. Multiple housing partners to provide a development for mixed housing options and mixed-income.
3. Block
   a. Assemblage of vacant lots at the neighborhood block level (multiple lots).
   b. Infill potential for large scale multi-family development projects.
   c. CHDO or Landbank Authority to focus on acquiring and assembling multiple lots for large scale redevelopment. The CHDO, and/or Local Development Corporation with assistance from Community and Development Services to develop affordable housing for low and very low income residents.
   d. Utilize HOME funds that can be used for property acquisition and new construction.
4. Corridor
   a. Vacant lots along neighborhood corridors.
   b. Infill potential for medium density developments including a mix of multi-family units, duplexes and townhomes.
   c. Multiple housing partners to provide a development for mixed housing options and mixed-income.

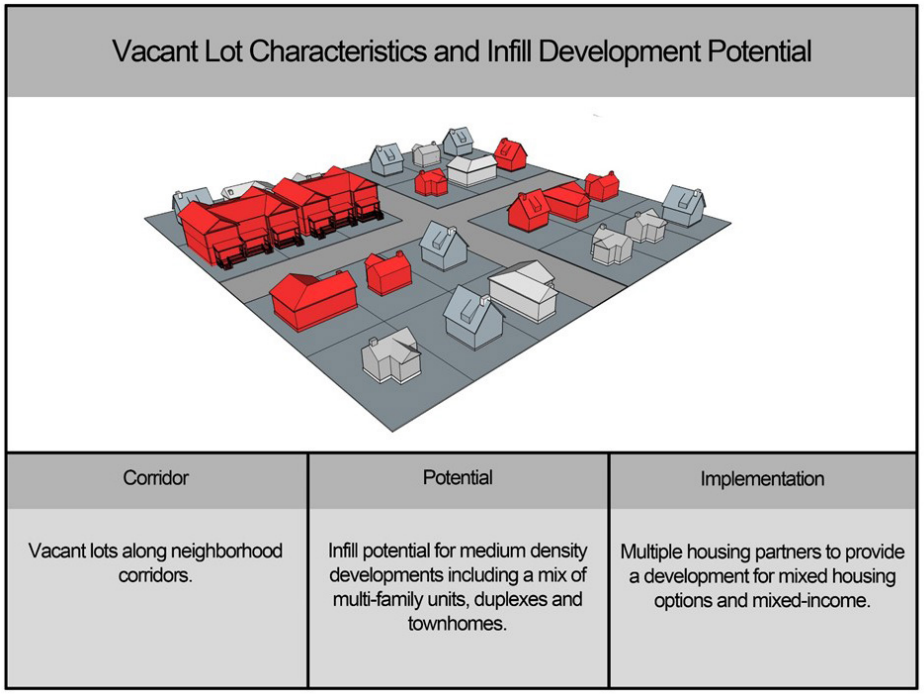


Figure 4. Vacant Lot Strategy

7. CONCLUSIONS:

The Hopkinsville Inner City Residential Enterprise Zone (ICREZ) Program is a highly innovative program that involves local government and citizens in planning and delegating substantial powers. This type of programing is more substantial than any other comparable city urban initiative. ICREZ's designers hoped that increased community participation the promotion of downtown and inner-city development would enable a new approach in which city departments cooperate with residents and stakeholders in the implementation of the adopted goals. By involving residents in planning, this would also renovate social fabric and create a sense of greater ownership of the neighborhoods and, more broadly, of the city. More than ten years have elapsed since the program initiation and ICREZ has achieved some of these objectives, while others have been less successful. The plan has revitalized many parts and aspects of the five neighborhoods, improving its housing stock as well as the downtown area. It has facilitated the construction and improvement of, parks, streetscapes and other public facilities.

Property values however have remained stagnant, and this may be in part due to the magnitude of the substandard housing stock. Furthermore, bottom-up design has improved services and occasionally facilitated inter-agency collaboration. Many aspects of this collaborative vision, however, remain unrealized.
First, while innovative ways of planning and implementing action plans were created in the neighborhoods, city departments have not undergone complementary reforms. Relying heavily on ICREZ funding allocations to address far too many issues such as infrastructure improvements is unrealistic. Since ICREZ's success depends in large measure upon cooperation with the city, incentives could have been designed for city departments, such as pools of funding dedicated to ICREZ projects.

Second, by devolving substantial power and resources down to the neighborhoods, ICREZ has increased the quantity and quality of participation and civic engagement among the neighborhoods residents. Residents can be divided into two categories. The first consists of a small group of highly dedicated and invested activists, who have been involved in ICREZ activities since the program's inception. Outside of this group, there is a much wider group of stakeholders and residents who are only occasionally involved in neighborhood activities, but are nevertheless essential to neighborhood life as they provide input to planning, volunteer work for specific projects and neighborhood solidarity. Typical of neighborhood dynamics and patterns of participation including demands on volunteer time, background distribution of resources and cultural factors along with eligibility for applying for programs are naturally more appealing to home and property owners.

For the same set of reasons, renters are less likely to take part in very demanding volunteer work, but are nonetheless willing to engage in less labor-intensive activities, such as ad hoc events and annual neighborhood meetings. Given these general patterns, the neighborhoods take specific measures

to ensure that all priorities are considered during planning and that all neighbors are, at some level, engaged and connected. Issues such as crime and school quality generate broad concern, and might engage the entire community in dialogue and deliberation.

Third, the activities of neighborhood organizations importantly affect patterns of participation and inclusion. Unfortunately, not all neighborhoods have placed the same emphasis and resources on activities to engage those who do not participate. Although ICREZ has strengthened its participation requirements over time, a more formalized structure of guidelines and accountability mechanisms could ensure deeper and more uniform citizen engagement. Financial incentives to encourage residents to become active participants or to volunteer at neighborhood events should be considered. Other incentives may include the development of small grants for neighborhood enhancement projects/ programs that provide a community benefit. Eligibility criteria should include a required percentage of homeowners and renters to be involved in the grant procurement process.

Accountability measures for recipients of financial assistance through the Empowerment Plan process may include mandatory training hours towards maintenance issues and/or increased Neighborhood Network participation requirements.

Fourth, ICREZ's detractors often criticize the program for its inability to advance citywide objectives such as affordable housing, provision of social services and the effectiveness of the funds being allocated, to name a few. It should be noted that ICREZ was created and designed for very defined purposes with a clear set of goals — for neighborhood and downtown revitalization, economic opportunity and infrastructure to reverse the decline and neglect of the neighborhoods. The appropriate question, therefore, is whether the governing principles of ICREZ — neighborhood planning and resident participation — are compatible with concerns for affordable housing and equity more generally. The extent to which neighborhood governance and social justice can be reconciled remains to be explored as a matter of policy and political practice. Several considerations, however, suggest that neighborhood participation can be made to achieve goals such as affordable housing to a much greater extent than commonly thought.

Community projects that advance social justice sometimes are difficult to measure or quantify and oftentimes take years to measure their effectiveness. ICREZ could also adopt accountability mechanisms to ensure that discussions of their actions may inform participants and reshape preferences creating a more favorable environment for all neighborhoods to address social justice issues in consistent ways.

Overall the approach and model employed by the ICREZ program uses a deliberative model of planning and design within a framework of guidelines and accountability to effectively deliver services that otherwise would go unmet. The program's success can be identified and measured in several ways with a variety of outputs and metrics and a key metric is ICREZ's ability to create and maintain the community's viable residential neighborhoods by alleviating physical deterioration and retaining its physical and social fabric.

It is our assessment that the ICREZ programs have been successful in improving overall neighborhood conditions and building capacity for neighborhood residents. Despite the challenge of limited resources, the program administrators have leveraged additional state and federal dollars to support local contributions towards downtown development and neighborhood revitalization. Beyond the physical capital improvements, the ICREZ programs have made possible wide range of other neighborhood benefits such as increasing social capital and creating opportunities for participation and decision-making. It is also our assessment that there is a continual need to target development projects and strategies that have the most catalytic effects to attract both public and private housing investment opportunities and infrastructure improvements. In order to achieve the holistic of the goals of the ICREZ program, it will take support from existing community partners as well as new partnerships to further advance economic opportunities, workforce development, small business and entrepreneurship specifically for ICREZ residents.

Since its inception in 2005 many of the program goals have been achieved. On the next four pages are summaries of the original implementation initiative outlined in the Dennison Associates report, *Guide to Implementation of a Neighborhood Revitalization Initiative*. The summary includes the original recommendations, the implementation efforts that have been accomplished since its initiation and additional enhancements as a result of this evaluation. Details of the recommended enhancements are described in **Section 5.3- Program Matrix.**

Summary of the 9 Recommendations from the Implementation of Neighborhood Revitalization Initiative and recommended Program Enhancements

	Recommendation	Accomplished Implementation Efforts	Recommended Program Enhancements
1	The ICREZ Advisory Committee should continue its efforts to achieve its four primary objectives. Of major importance is Advisory Committee support of efforts to establish Neighborhood Networks. Residents feelings of isolation and a lack of influence over neighborhood-level issues can be overcome in part by regular meetings between the Advisory Committee and the Neighborhood Networks, civic associations, other institutions and residents in the target areas.	✓ Neighborhood Network Associations have been established and meet monthly; ✓ Neighborhood Networks work on Empowerment Plans; ✓ Leaders from all the ICREZ neighborhoods meet quarterly.	❖ Enhance Neighborhood Networks by further developing leadership and accountability measures for residents that receive assistance.
2	Implement the "Clean/Safe" component of the ICREZ strategy as a precondition for successful redevelopment:	✓ Many dilapidated and unsafe structures have been removed from the target areas; ✓ The Basic Property Maintenance Code standards are in place and continues to be reviewed and modified for improvements; ✓ Beautification efforts have been undertaken through public/private partnerships; ✓ Neighborhood pride has been enhanced through community events, neighborhood fun days and outreach/recruitment efforts; ✓ Relationships between the Neighborhood Networks and the Hopkinsville Police Department have been enhanced; ✓ The Hopkinsville and Christian County Landbank Authority has been established.	❖ Additional resources should be allocated for the Landbank Authority to work towards acquisition and disposition of property.
3	Seek opportunities to positively impact the image and reputation of the four target neighborhoods.	✓ Neighborhoods have installed gateway signs; ✓ Challenge Houses are located in the neighborhoods; ✓ Neighborhoods are working jointly with community partners to undertake improvements and programs	❖ More marketing of programs including their community benefit and importance to Hopkinsville as a whole.
4	Develop a final schedule for focused development and revitalization treatment of 16 priority blocks over each of the next four years from the list of priority blocks identified during August 17, 2006 Neighborhood Planning Charrette, using the priority block selection criteria.	✓ Model blocks concepts were developed but a final schedule was not prepared. ✓ Empowerment Plan process identifies neighborhood revitalization treatment.	❖ Develop strategies for infill and redevelopment of vacant lots and/or abandoned lots.
5	Organize a Hopkinsville-Christian County interagency governmental task force to coordinate municipal and county services to the four target area:	✓ The Inter-Agency Governmental Task Force has been organized; ✓ A funding stream is available within the ICREZ budget.	❖ Establish regular quarterly meetings; ❖ Updates from public works staff and utility companies to ICREZ Advisory Committee.

	Recommendation	Accomplished Implementation Efforts	Recommended Program Enhancements
6	Establish a program of modest assistance to low-income owners of rental property who are experiencing difficultly complying with new property maintenance standards.	✓ Established the Basic Property Maintenance Code (BPMC) Funds. ✓ Established Rental Rehabilitation Incentive	❖ Ensure future funding is available.
7	Develop a capital improvement plan to schedule and finance the following public improvements on the 16 priority blocks over the next four years (See table on next page - all numbers in linear feet).	✓ Capital improvements have been made through Economic Infrastructure line item. Most of the improvements have occurred in Downtown; ✓ Utilized TEA-21 Grants to leverage more dollars for infrastructure improvements; ✓ Attucks/Eastsude neighborhood drainage improvements have been made; ✓ Westside Park was renovated and connected with the Hopkinsville Greenway System and the bridge over Little River. ✓ Canton Pike Neighborhood Association developed a community garden (no longer established; ✓ Development of the Hopkinsville Greenway System through the Canton Pike Neighborhood and the Westside Neighborhood; ✓ A community orchard was established in the West Side Neighborhood; ✓ A community garden and orchard were established in the Durrett Avenue Neighborhood; ✓ Fred Atkins Park was established in the Downtown Renaissance District; ✓ The 6th Street streetscape improvement project was completed; ✓ The Campbell Street streetscape improvement project was completed; ✓ Walnut Street Center Park, Westside Park, Peace Park, Virginia Park and Little River Park were renovated; ✓ Signature gateway signage was constructed at the Sudden Service Station property.	❖ Establish a Capital Improvement Plan and schedule for neighborhood improvements. Projects should be considered on a larger neighborhood/community scale rather than a piecemeal approach. This should be outside of ICREZ funding sources and include input from Neighborhood Networks for projects within the ICREZ target area; ❖ *Significant funding for capital projects will be needed. It is estimated that the improvements noted in the above table would cost approximately $3.6 million dollars. This does not take into account the need for overall drainage improvements, street improvements/paving and/or ADA compliance for pedestrian intersections that might be needed. Additionally, the costs do not reflect site development costs and property acquisition also identified in the table.*

Dennis Associates Report	Sidewalks	Street Lighting	Curb and Gutter	Other
Westside 3 Priority Blocks	5700	3850	7700	1 Non-residential Development Site
Canton 3 Priority Blocks	7000	3500	7000	2 Retention/Recreation Sites 2 Community Gardens
Durrett 7 Priority Blocks	18800	16050	17700	3 Retention/Recreation Sites 1 Non-residential development site
Attucks 3 Priority Blocks	7600	3800	7600	1 Rentention /Recreation Area

	Recommendation	Accomplished Implementation Efforts	Recommended Program Enhancements
8	Fund and implement the following housing elements of a revitalization strategy. · Establish a four-year schedule for the implementation of focused housing and community development activities on up to 16 priority blocks; · Survey all the priority blocks to identify potential sites for new construction and owner-occupied units in need of rehabilitation/reconstruction; · Survey all the priority blocks to identify potential sites for new construction and owner-occupied units in need of · Expand and strengthen existing homebuyer counseling programs to carry out a strategy to recruit, train, set up down payment savings accounts, and clean credit histories of potential first time home buyers; · Establish a post-purchase counseling program for first time home buyers; · Acquire and redevelop approximately 50 sites for the construction of single-family housing of between 800 and 1200 square feet, to sell at prices from $75,000-$112,000; · Assist approximately 75 low- and moderate-income households to become homebuyers by purchasing the newly constructed single-family homes with subsidies of up to $40,000 depending on family income and the · Acquire up to 25 vacant single-family rental properties at a cost of less than $25,000 for an acquisition-rehabilitation-reconstruction-resale program, and assist eligible households to purchase these units for homeowners; · Subsidize the rehabilitation/reconstruction of up to 25 substandard single family homes owned and occupied by low or very low- income households; · Establish a revolving loan fund for rental housing rehabilitation and finance the rehabilitation of approximately 20 rented houses on priority blocks; · Facilitate the development of low-income tax credit project that is linked to the revitalization initiative. Based on housing demand estimates in the market study, this project should include from 24 to 40 units. This scattered-site project should be located outside the target areas, but target area residents should have priority to lease the units; · Partner with the Housing Authority of Hopkinsville to coordinate the use of Section 8 Housing Choice vouches together with HOME first-time homebuyer assistance, to assist a limited number of very low-income households to assistance, to assist a limited number of very low-income households to purchase modestly priced housing in the target area. · Amend the Hopkinsville Consolidated Plan to formally identify the four target neighborhoods as Neighborhood Revitalization Strategy Areas (NRSAs) in accordance with HUD Notice CPD 96-01.	✓ Established the Empowerment Plan Process-Neighborhood Networks identify and prioritize ✓ Created an incentive program for construction of single-family, duplex and multi- ✓ Created incentives for rental rehabilitation; ✓ Established BPMC funds to assist low-income residents with code violations; ✓ Supported the development of Clarktown Landing that created 32 units; ✓ Established the Hopkinsville Inner-City Community Housing Development Organization (HICCHDO) to apply for additional low-income housing grants and constructed a duplex in the Canton Pike Neighborhood; ✓ Established the Hopkinsville and Christian County Landbank Authority for receiving non-revenue producing properties and disposing of them for revenue-generating purposes. Approximately thirty properties have been put back into a tax revenue-producing status; ✓ Partnered with the Housing Authority of Hopkinsville for assisting first-time homebuyers with the purchase of their home utilizing Section 8 Housing Choice vouchers and HOME funds under the Hopkinsville Affordable Homeownership Program; ✓ Amended Consolidated Plan to include target areas as NSRAs.	❖ Create new incentive for single-family construction that addresses the gap between appraised value and construction costs and provide down payment for first-time home-owners; ❖ Modify existing rental rehabilitation incentive to improve rental housing stock; ❖ Leverage more State and Federal housing dollars, and tax credits for smaller scale projects; ❖ Collaborate with Kentucky Housing Corporation, affordable housing non-profits, for-profit developers and financial institutions to create additional housing opportunities; ❖ Work with HUD approved housing counseling agencies such as Kentucky Legal Aid, or Community Ventures Corporation; ❖ Elevate the Landbank Authority's role in ability to acquire and dispose of vacant and/or abandoned property.

	Recommendation	Accomplished Implementation Efforts	Recommended Program Enhancements
9	Increase the staff of the HCC Planning Commission as necessary to support full implementation of existing ICREZ initiatives including enforcement of City ordinances on trash and weeds, abandoned houses, and the property maintenance code. These new positions should include a City planner to be assigned duties as the "ICREZ Area Manger." The ICREZ Area Manager would coordinate all development activities in the target area and would work closely with the two community organizers currently funded via the HCC Local Development Corporation.	✓ Full-time ICREZ Coordinator ✓ Part-time ICREZ/Neighborhood Network Coordinator ✓ Full-time ICREZ Manager (Assistant Director and Downtown Renaissance Director) ✓ Full-time ICREZ Code Enforcement Officer	❖ No new positions are recommended. ❖ NOTE: Based upon a prioritization of new programs/projects by the ICREZ Advisory Committee and/or the Hopkinsville City Council, additional staff may be required.

8. APPENDIX 1: DATA ANALYSIS

8.1 CENSUS BLOCK GROUPS

The U.S. Census Bureau releases statistical information through the American Community Survey on an annual basis. 2013 ACS data tables were used to analyze demographics, socio-economic conditions and housing characteristics. The 2000 Census data sets were also used for comparison. The following census block groups were used: 2001001, 2001002, 2001003, 2002001, 2003001, 2004001 and 2004002.

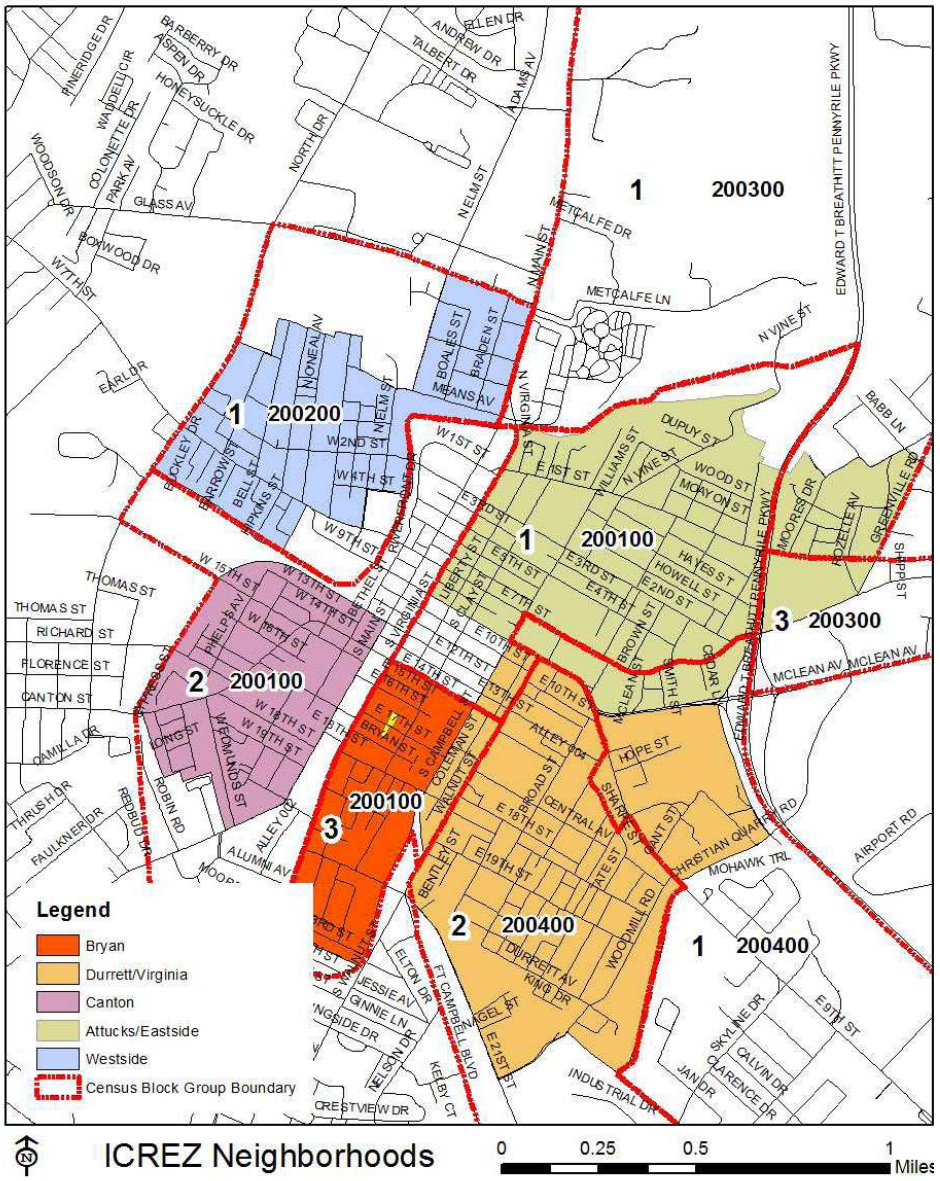


Figure 5 Census Block Groups: Source: City of Hopkinsville GIS Data and ESRI Census Block Groups

8.2 DEMOGRAPHICS

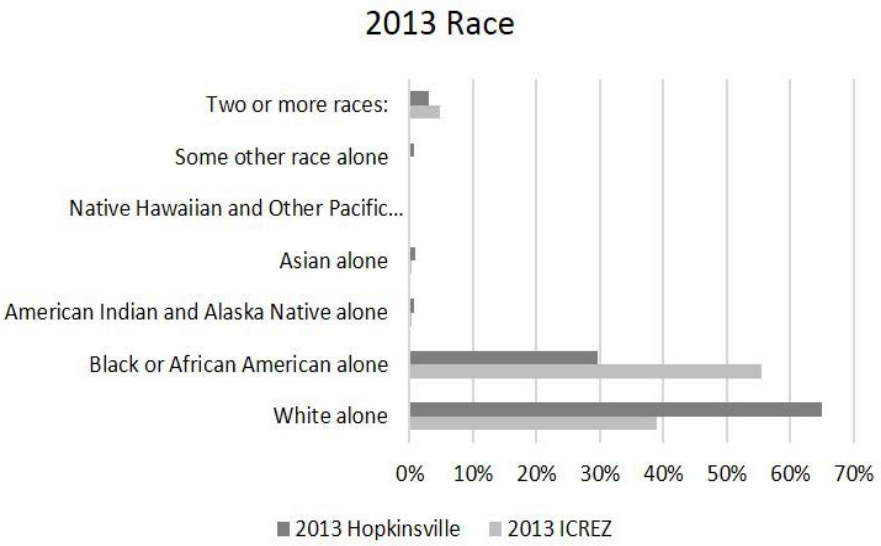


Figure 6 - Source: American Community Survey (2013).

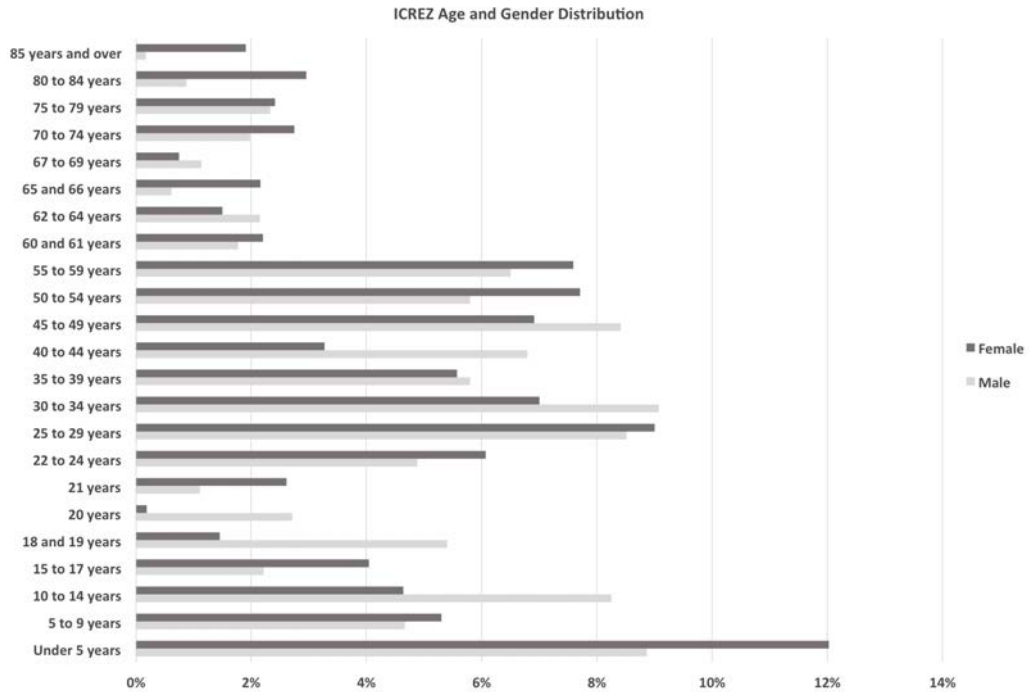


Figure 7 - Source: American Community Survey (2013).

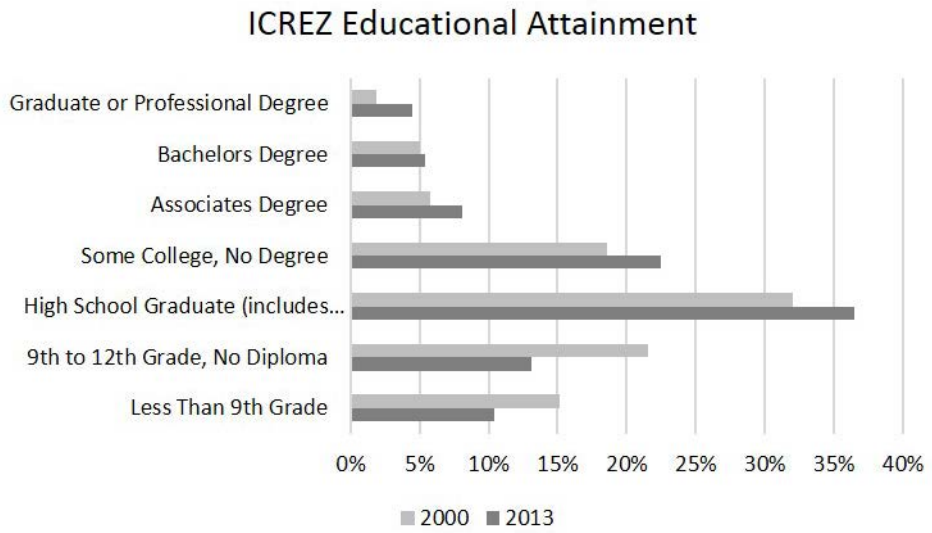


Figure 8 - Source: U.S. Census Bureau (2000- Summary File 1) and American Community Survey (2013).

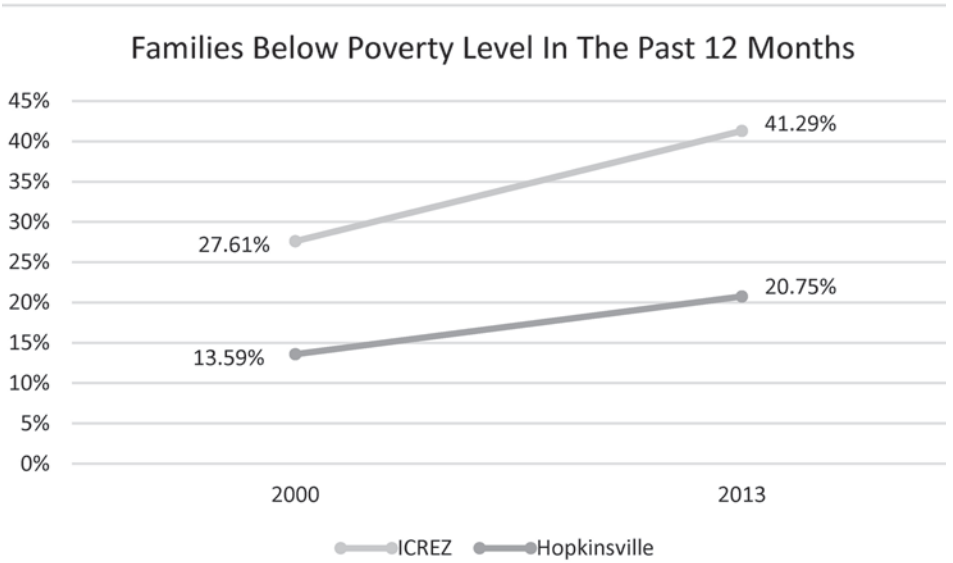
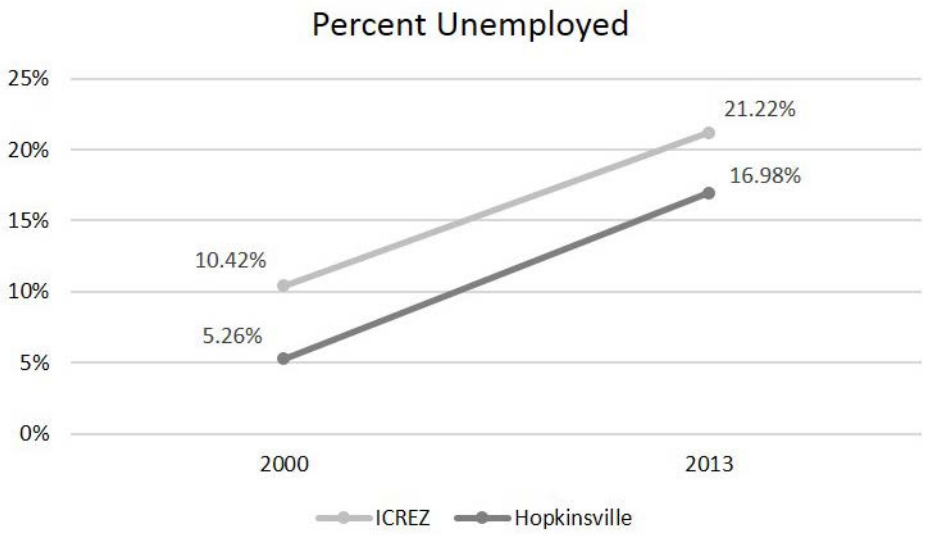


Figure 9 - Source: U.S. Census Bureau (2000- Summary File 1) and American Community Survey (2013).
*The Census Bureau determines poverty status by calculating the total number of people below the poverty level is the sum of people in families and the number of unrelated individuals with incomes in the last 12 months below the poverty threshold. (The 2000 data set measured families in 1999 and the ACS 2013 estimated for 2012).



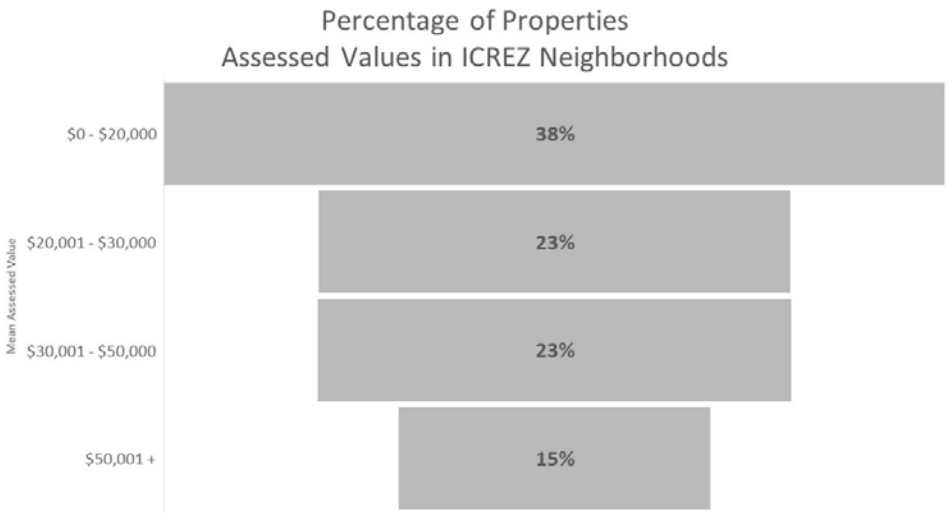


Figure 10 - Source: U.S. Census Bureau (2000- Summary File 1) and American Community Survey (2013).
*Unemployment data was retrieved from U.S. Census data which differs from the U.S. Department of Labor Statistics. The BLS does not track unemployment at the census tract or neighborhood level. The smallest geographic unit for BLS data is at the Metropolitan and the County level.
**Christian County Unemployment Rate (June 2016)- 6.7 percent
*** Clarksville TN Metro Area (includes Hopkinsville and Christian County) for June 2016- 5.7 percent

Figure 11 - Source: Christian County Property Valuation Assessment (PVA) 2015
*The mean assessed value for the ICREZ area is $34, 691.60
**The mean assessed value for Hopkinsville is $98,340.22

SUMMARY OF FINDINGS: The largest demographic group includes African Americans at 55.4 percent as compared to Hopkinsville at 29.7 percent. The majority of the adult population falls between the ages of 25 to 44. There have been positive strides as more residents in the ICREZ area are achieving higher educational attainment versus the achievements in 2000. This includes higher levels of high school graduates and post-secondary educational attainment.

As shown in figure 7 there are more families living below the poverty level in the ICREZ as compared to Hopkinsville. The percentage of families living in poverty has increased by nearly 14 percent since 2000. This is a trend experienced across the country as significant increases in poverty rates are occurring in distressed neighborhoods. The U.S. Census reports that nationally between the years 2000-2012 the percentage of families living poverty increased from 12.2 percent to 15.9 percent. The Brookings Institute indicates that poverty has become more concentrated in high-poverty and disadvantaged neighborhoods.

Unemployment rates have increased since 2000. The ICREZ area has a greater unemployment rate than Hopkinsville. It should be noted that unemployment data shown is from estimates from the American Community Survey administered by the U.S. Census Bureau. The Department of Labor, Bureau of Labor Statistics publishes unemployment data by county and metropolitan area.

The most current unemployment rate (June 2016) reports an unemployment rate for Christian County at 6.7 percent.

House values were obtained from local 2015 PVA property assessment data. Thirty-eight percent of the property is assessed between $0-$20,000. The mean house value in the ICREZ is $34,691.60.

House values were obtained from the local 2015 PVA property assessment data. As shown in Figure 9, thirty-eight percent of the property is assessed between $0-$20,000. The mean property value in the ICREZ is $34,691.60.

For comparison, there are 10,329 residential properties with residential structures within the corporate limits of Hopkinsville and of those properties, there are 98 that do not contain an assessed value in the current year PVA data. Calculating the mean assessed value including those properties equates to $97,407.18 while excluding these properties equates to $98,340.22.

This also includes all the all of the properties within the Inner-City REZ. The mean property value is thirty-five percent lower than Hopkinsville as a whole.

9. APPENDIX 2: NEIGHBORHOOD METRICS

9.1.1 Vacant Lots:

The residential vacancy rate is a good indicator of the balance between housing supply and demand in a community. When the demand for housing exceeds the available supply, the vacancy rate will be low. When there is an excess supply, the rate will be high. A vacancy rate of 3 to 5 percent is generally indicative of a healthy market. When vacancy rates fall below 3 percent, there is upward pressure on home prices and rents. If vacancies are above 5 percent there may be an oversupply of housing or indication of a stagnant market based on other neighborhood conditions.

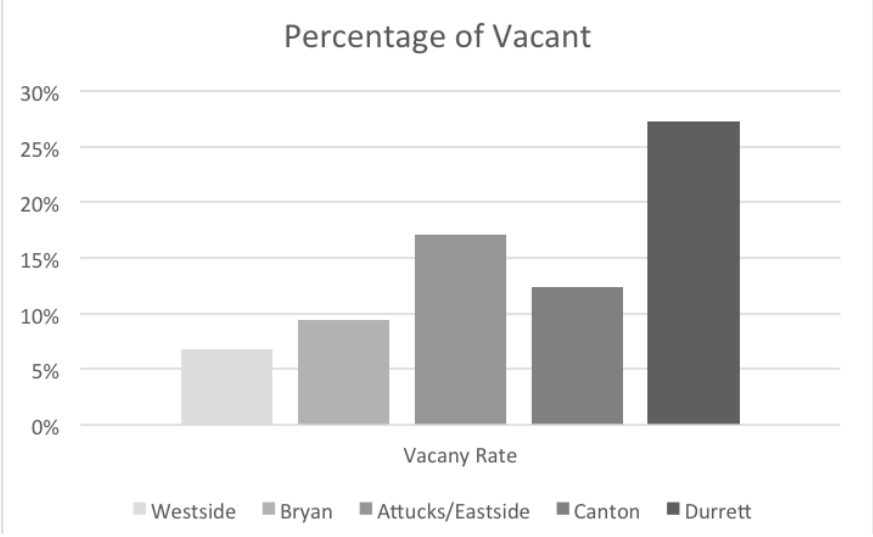


Figure11 - Source: City of Hopkinsville GIS data

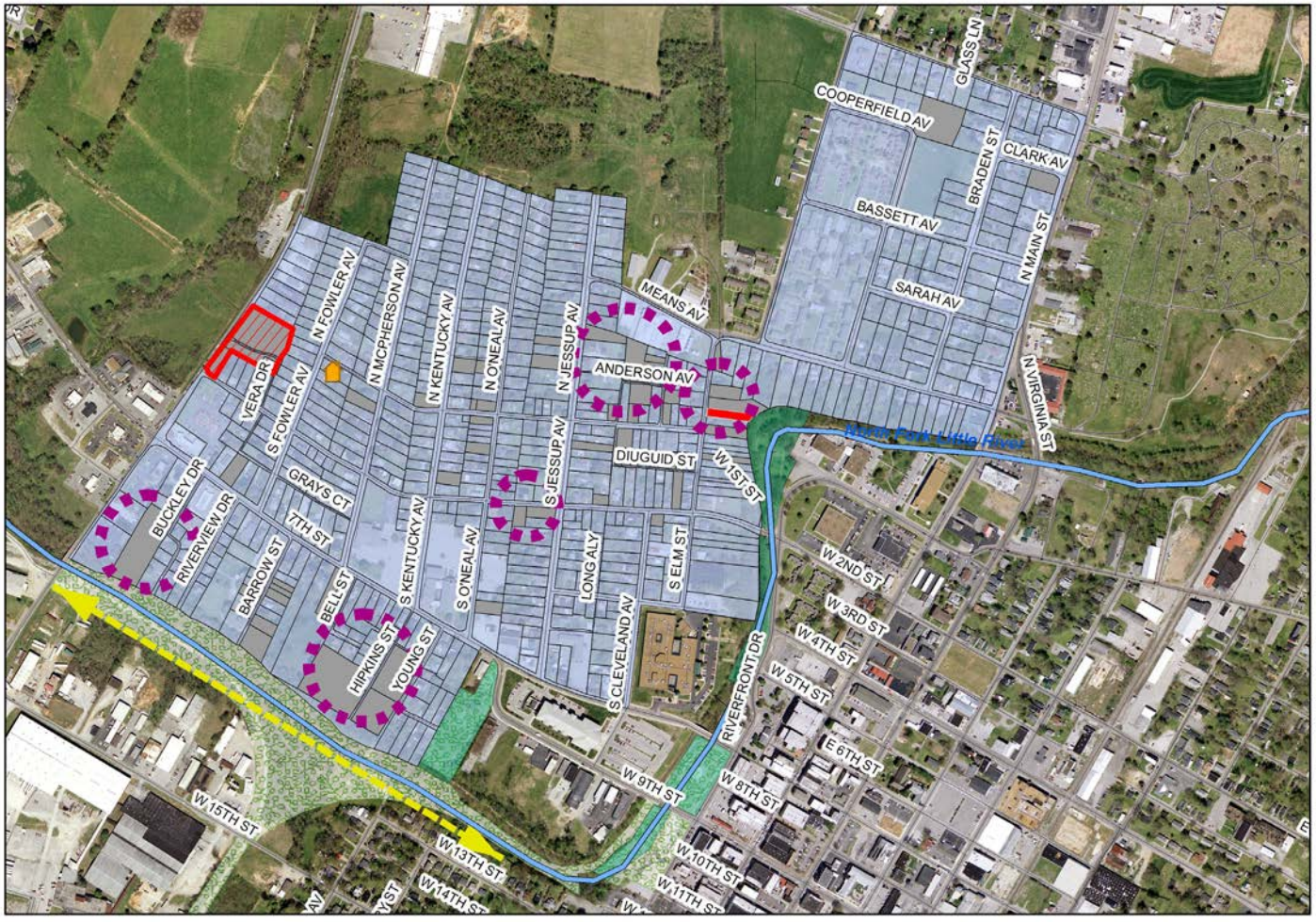
PVA DATA AND EMPOWERMENT PLAN DATA:

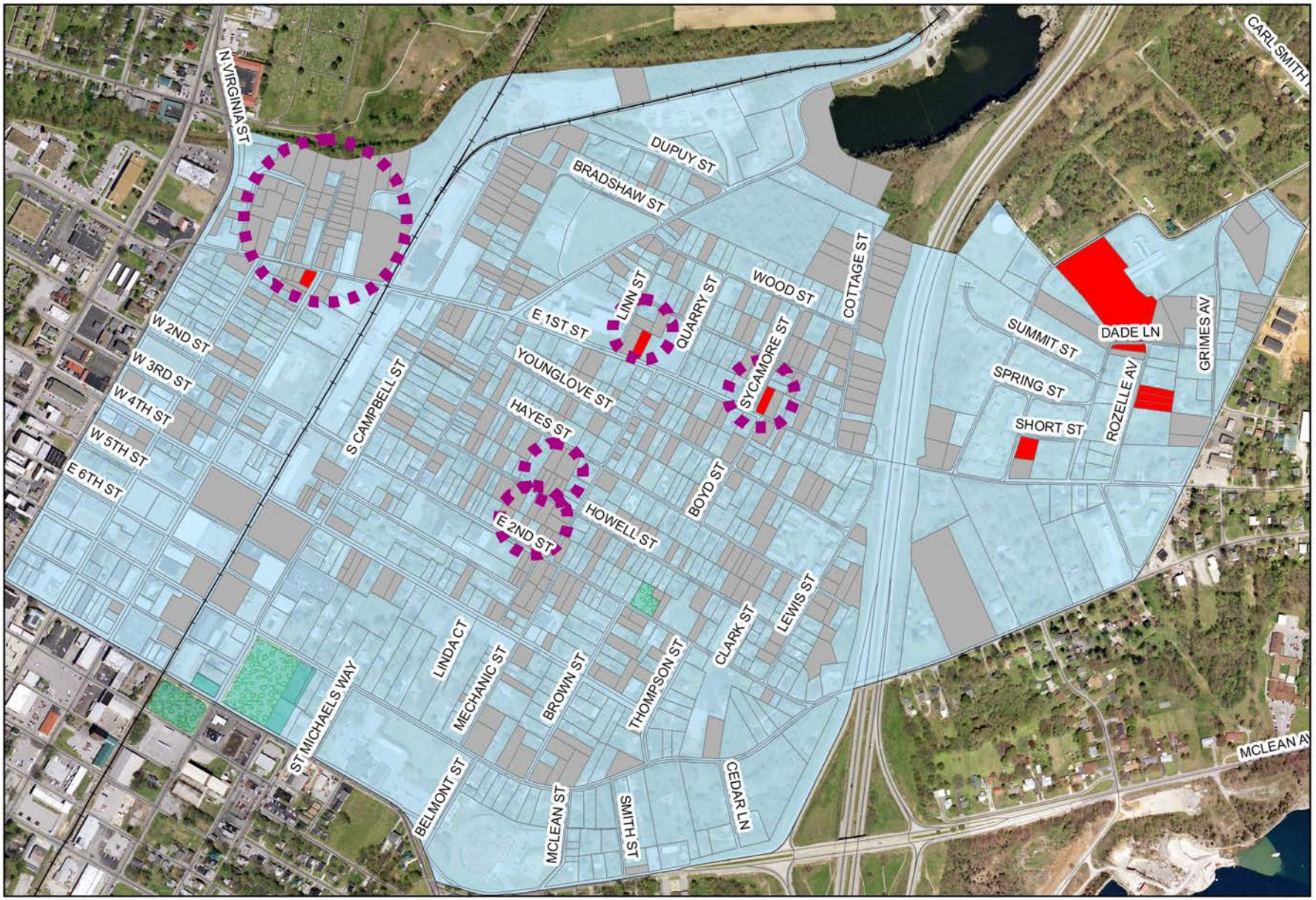
The property tax records data were examined 111 properties that received funding through the empowerment plan to determine if property values increased as a result of the improvements. Methodology included measuring percent change using PVA assessed values at the time of the empowerment plan against 2015 PVA data. Overall these properties resulted in a 4 percent gain in property values, however, 75 percent of the properties evaluated did not result in net gain or loss.

Number of Properties	Percent Change	Range
10	Decrease in Value	-1 to -79%
15	Increase in value	4 to 164%
77	No Change	0%
7	No assessed values	No assessed values

Table 1- Source: Community and Development Services Empowerment Plan Database (2010-2014) and Christian County PVA Data, 2015).
*The assessed value may or may not reflect changes based on Empowerment Plan process.
** Assessed value is not market value of property. The assessed value is used for tax purposes and is a multiplier of market value.

10. APPENDIX 3: DEVELOPMENT CONCEPTS





Eastside/Attucks Neighborhood Site Analysis

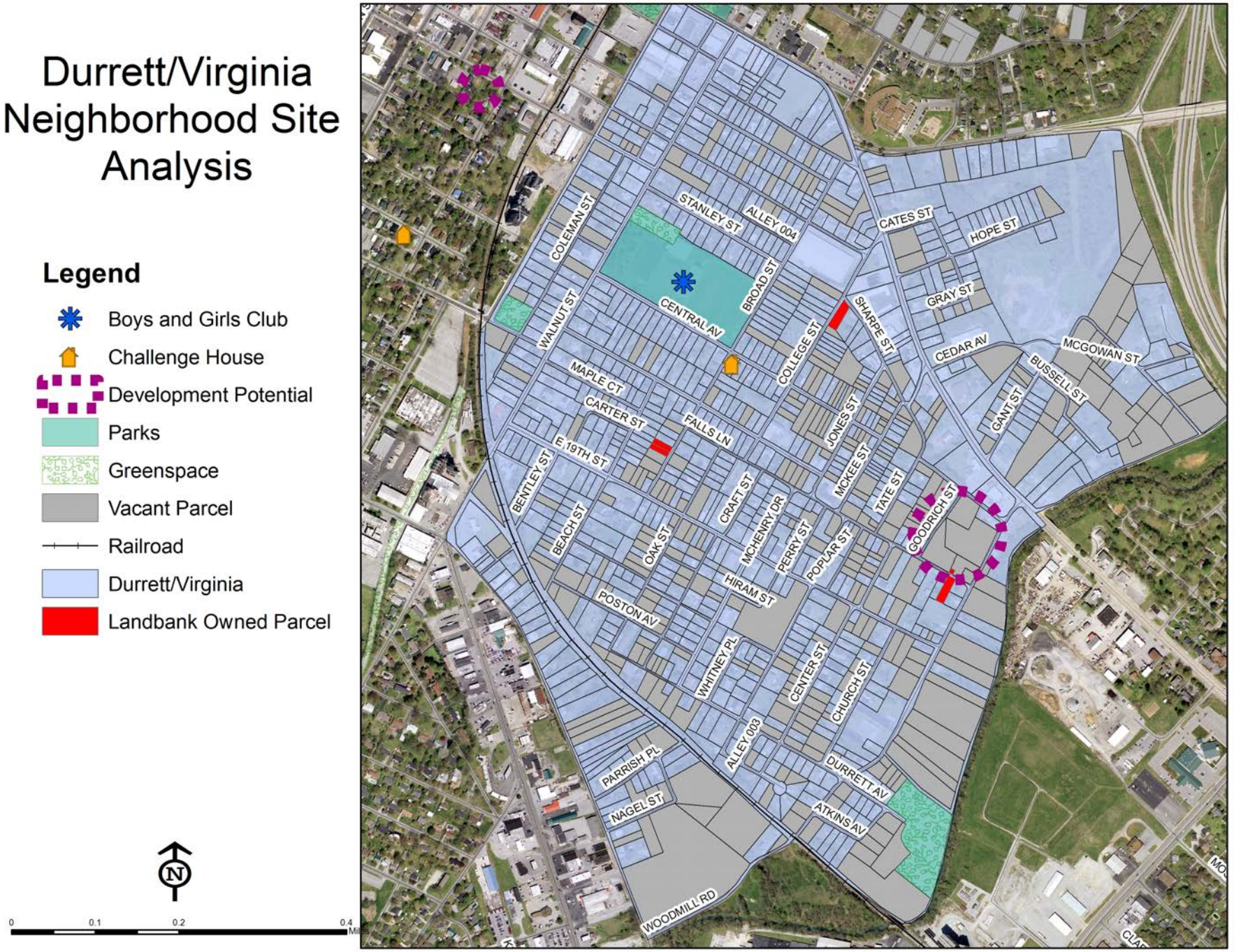
0 0.1 0.2 0.4 Miles

Legend

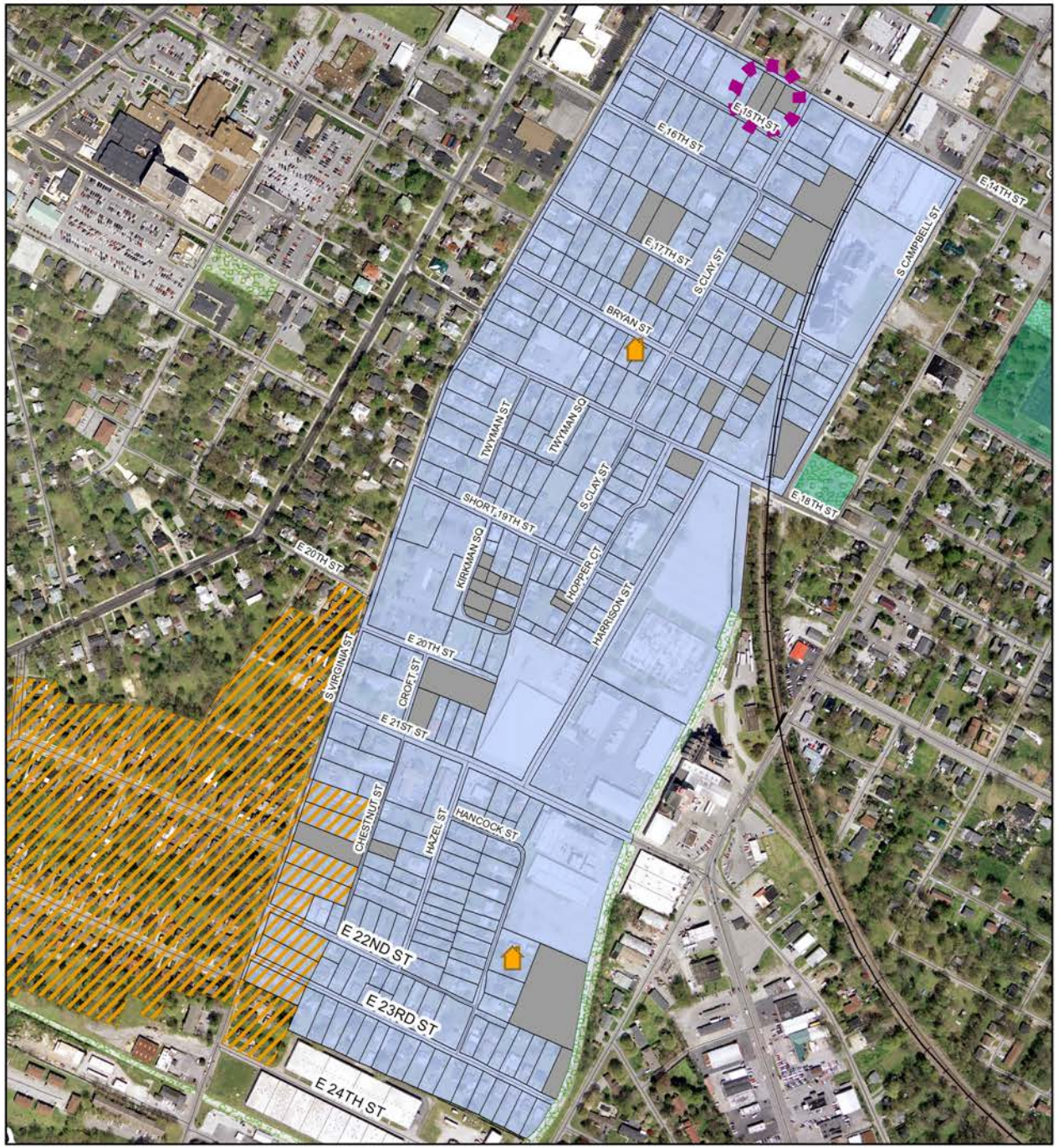
- Development Potential
- Parks
- Greenspace
- Vacant Parcel
- Attucks/Eastside
- Railroad
- Landbank Owned Parcel

N

Durrett/Virginia Neighborhood Site Analysis



Bryan Neighborhood Site Analysis



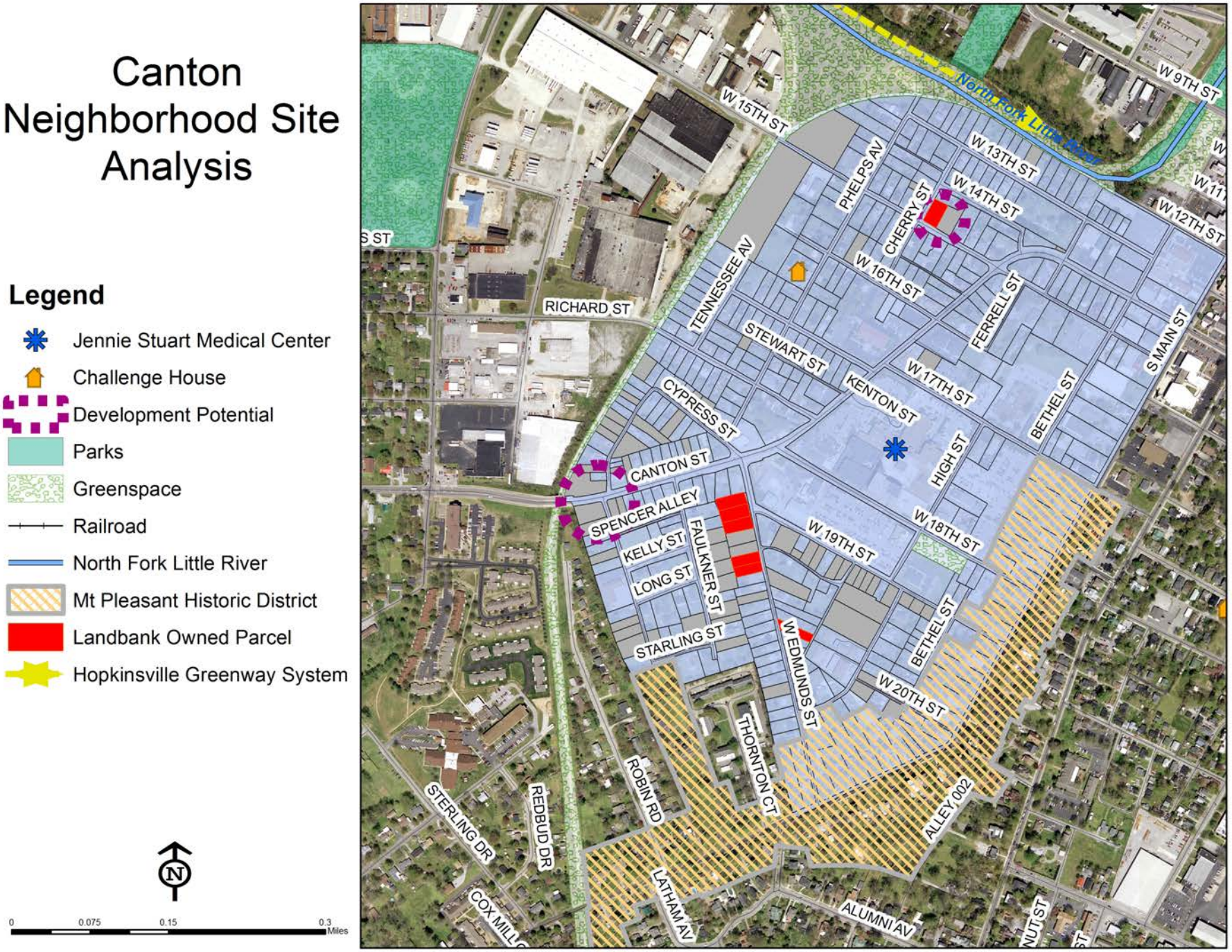
Legend

- Challenge House
- Development Potential
- Parks
- Greenspace
- Vacant Parcel
- Railroad
- Bryan
- Anvirdale Historic District

* No Landbank Owned properties located in the Bryan Neighborhood

0 0.05 0.1 0.2 Miles

Canton Neighborhood Site Analysis

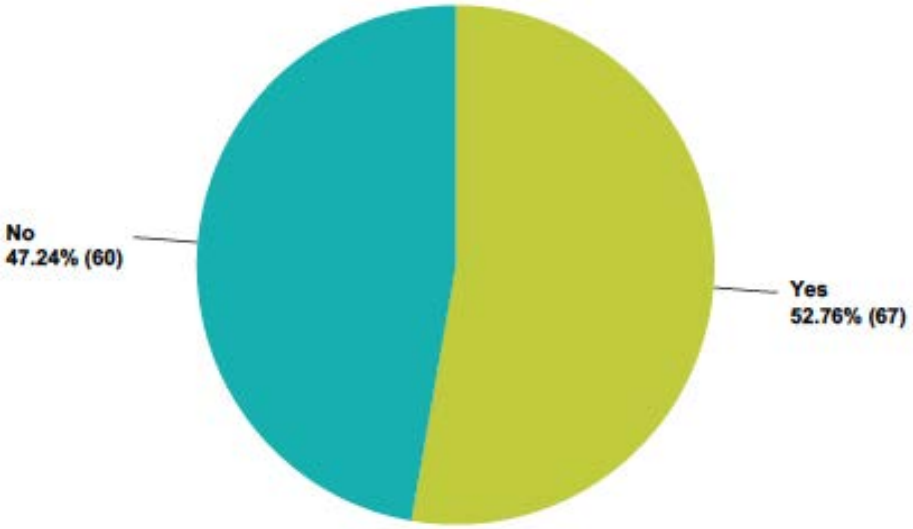


11. APPENDIX 4: QUALITATIVE RESULTS

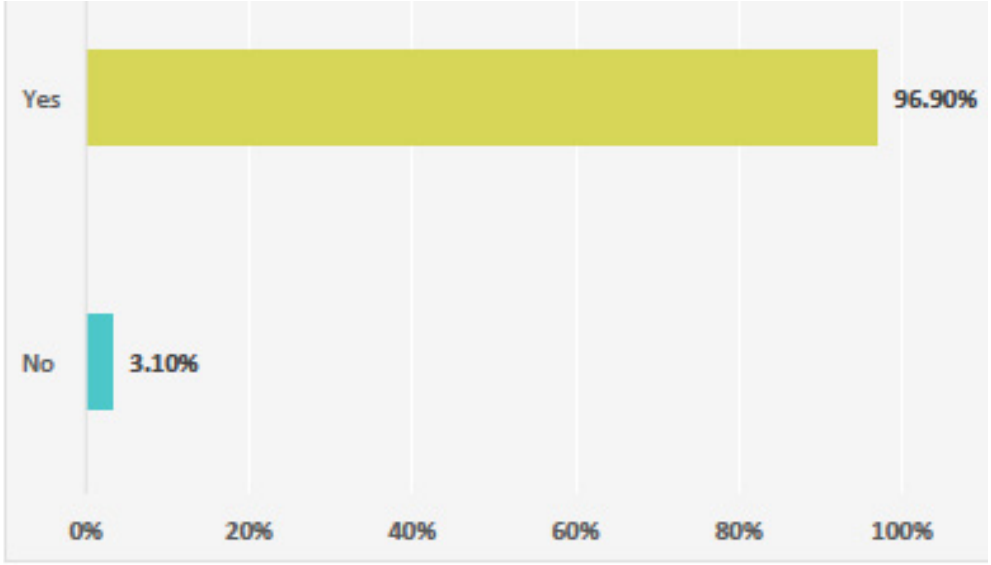
The following includes results from surveys that were administered to four different groups related to Downtown and Inner City Residential Development. The General Inner City Survey was sent to residents that live in the ICREZ neighborhoods while the survey titled Recipients of Financial Assistance Through the ICREZ Program was targeted to individuals that received funding through the Empowerment Plan process. The survey titled General Survey of Downtown Property Owners was given to owners of property within the Downtown Renaissance boundary and the survey titled Recipients of Financial Assistance Downtown was administered to property/business owners who received assistance through incentive programs.

General Inner City Survey – 132 Total Responses

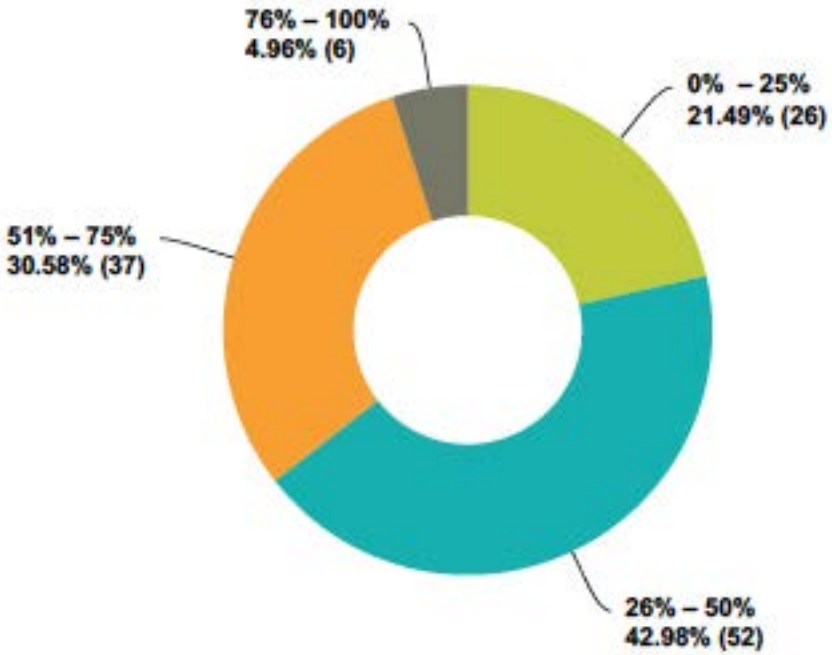
Have you heard of the Inner City REZ Program initiative?



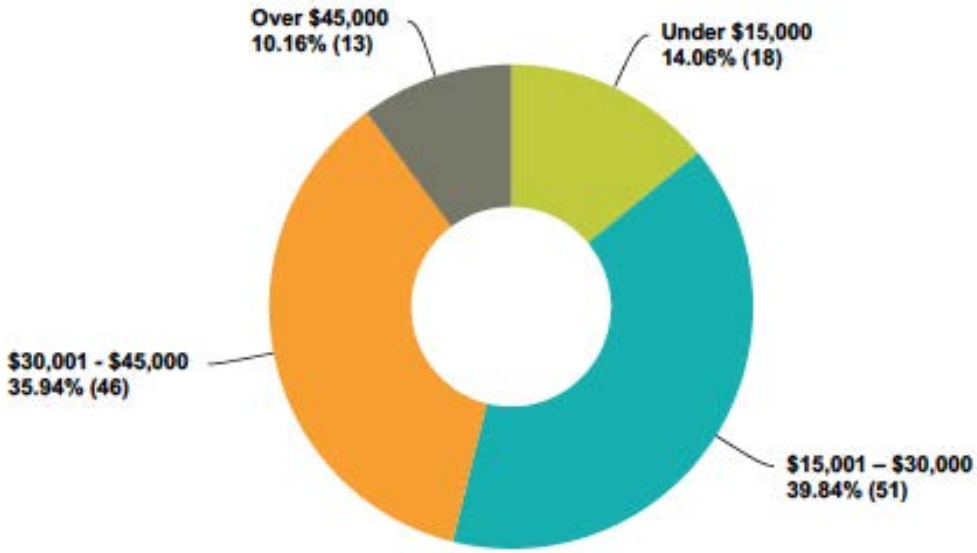
Is it important to you that the downtown and neighborhoods directly adjacent to downtown be restored and thriving once again?



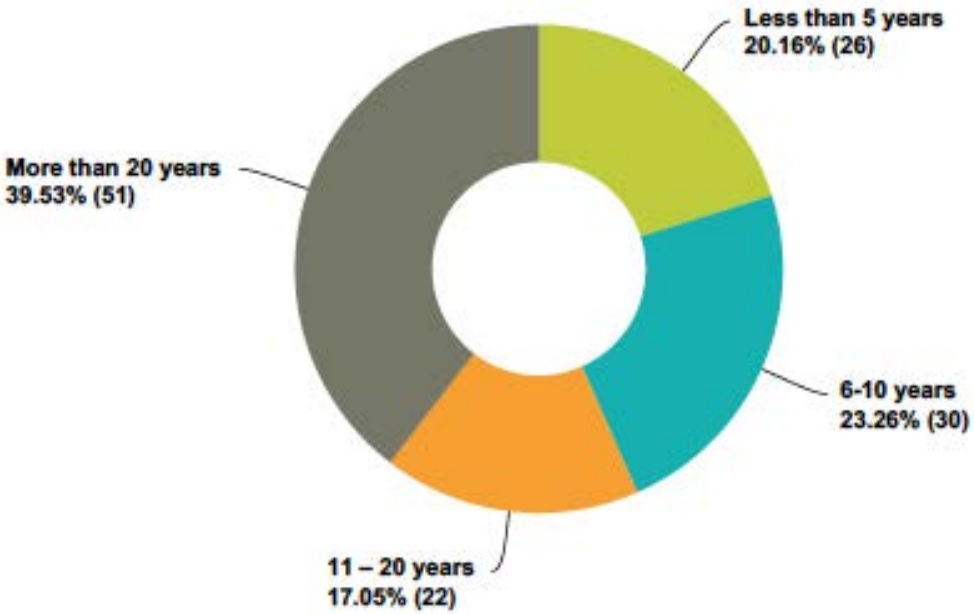
What percent of Hopkinsville's inner city housing stock do you believe is safe, sanitary, and affordable?



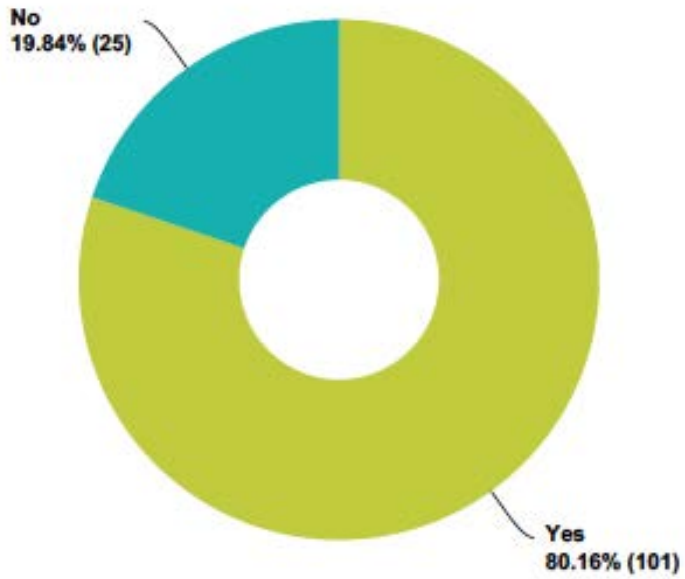
Please select the range that you believe reflects the average value of existing inner city residential properties:



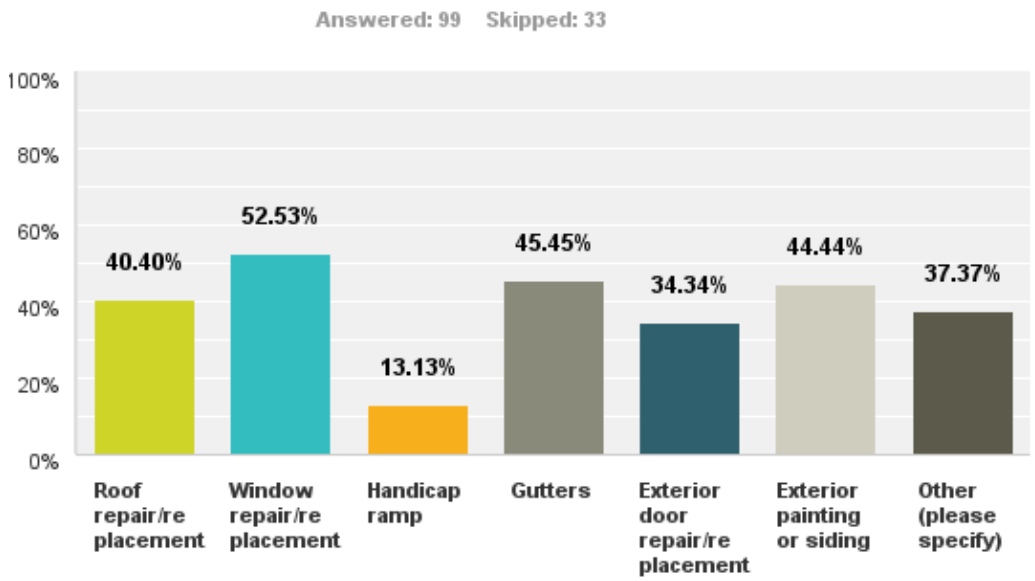
How long have you lived at your current address?



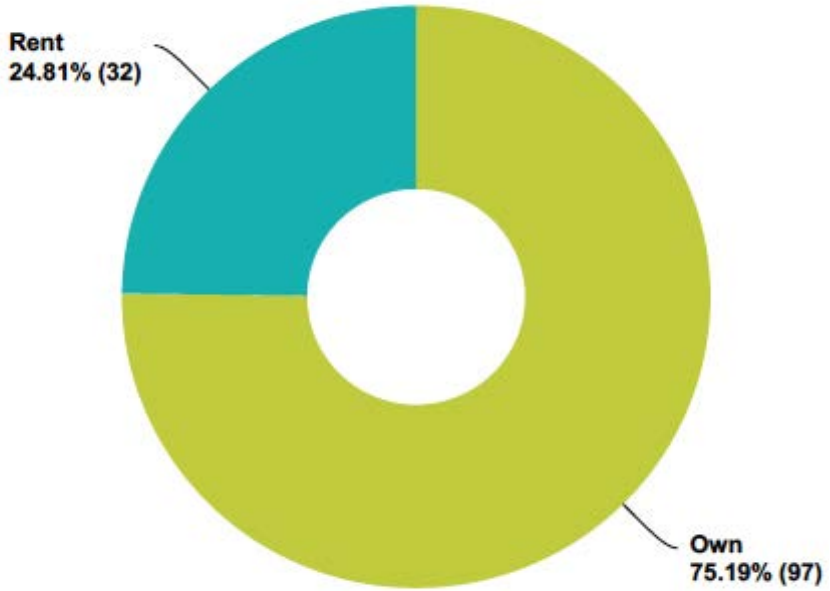
Do you believe your home is in need of repairs?



If yes, what type of work – check all that apply:

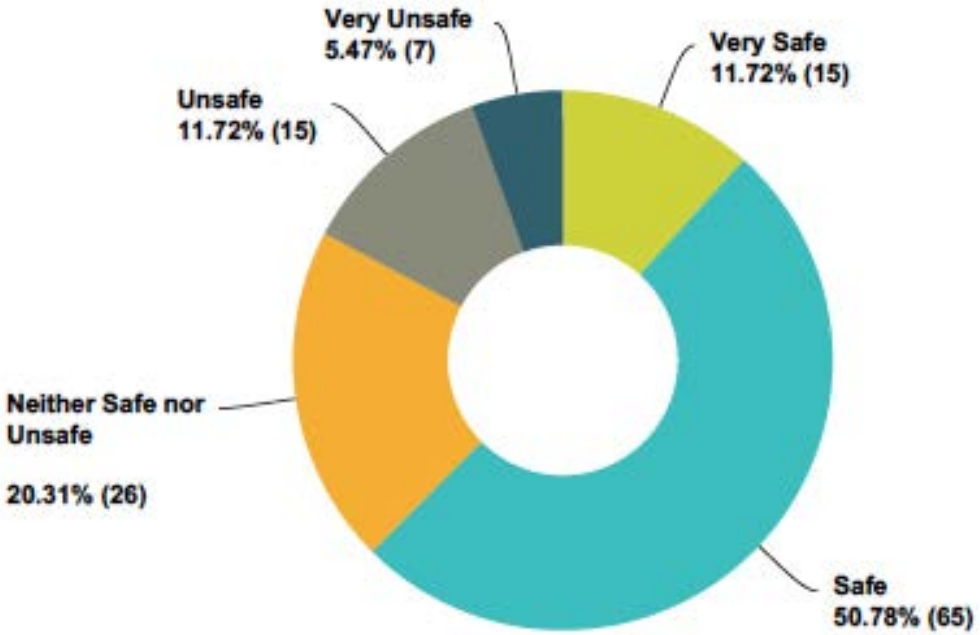


Do you rent or own your residence?

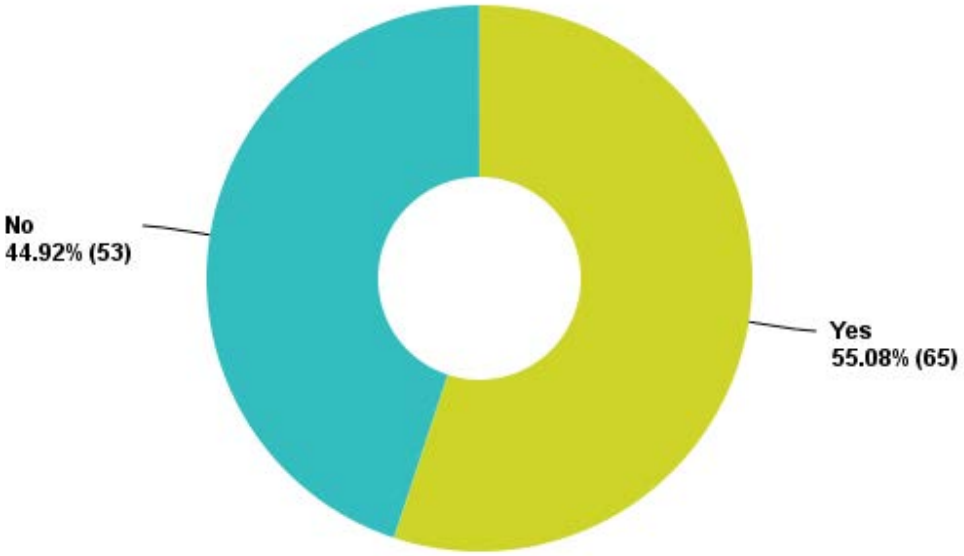


If renting, have you reported the repairs identified in Question 9 to your landlord?

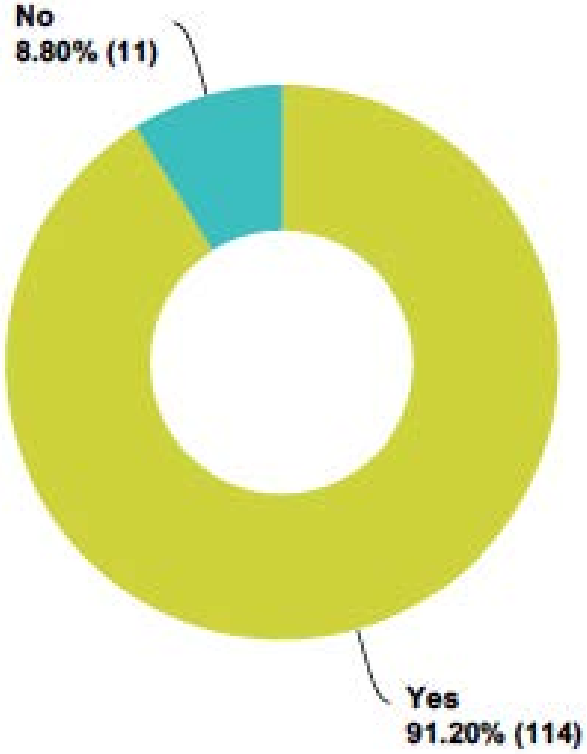
Do you feel safe in your neighborhood?



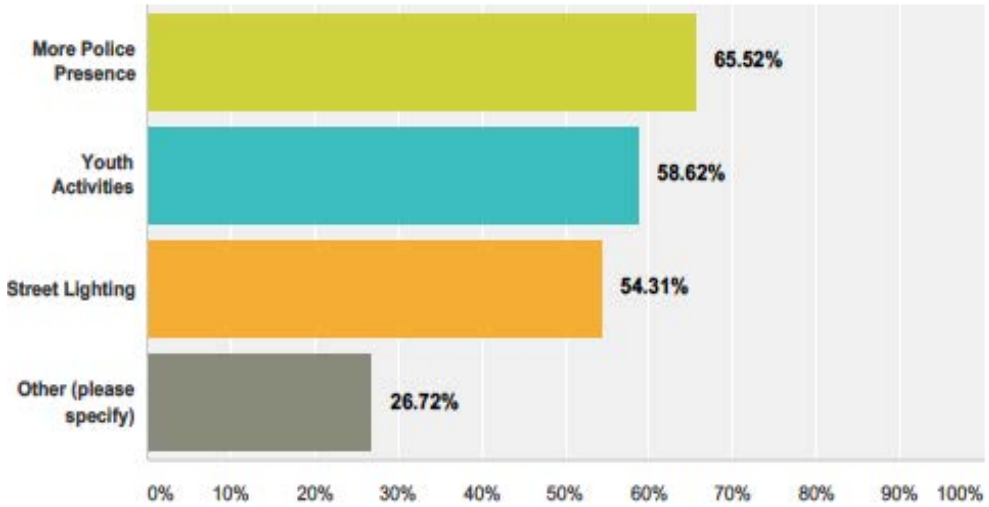
Do you believe there is less crime in your neighborhood than there was 10 years ago?



Do you believe there are areas in your neighborhood where crime is still occurring?



If YES, do you believe any of the following would reduce crime in that area? Check all that apply:



OTHER:

The category other specified having more activities such as parks, convenient stores and local neighborhood businesses. Other also included the need for activities for youth, teens and young adults. Residents suggested mentor and summer work programs and other employment opportunities.

Residents expressed the need for more community policing and community involvement. This includes neighborhood watches, cameras/surveillance and policing by foot patrol. Residents would like to see more investigation of crimes and enforcement of ordinances and laws. Specific recommendation included closing of buildings used for gambling and to install speed bumps.

SURVEY SUMMARY:

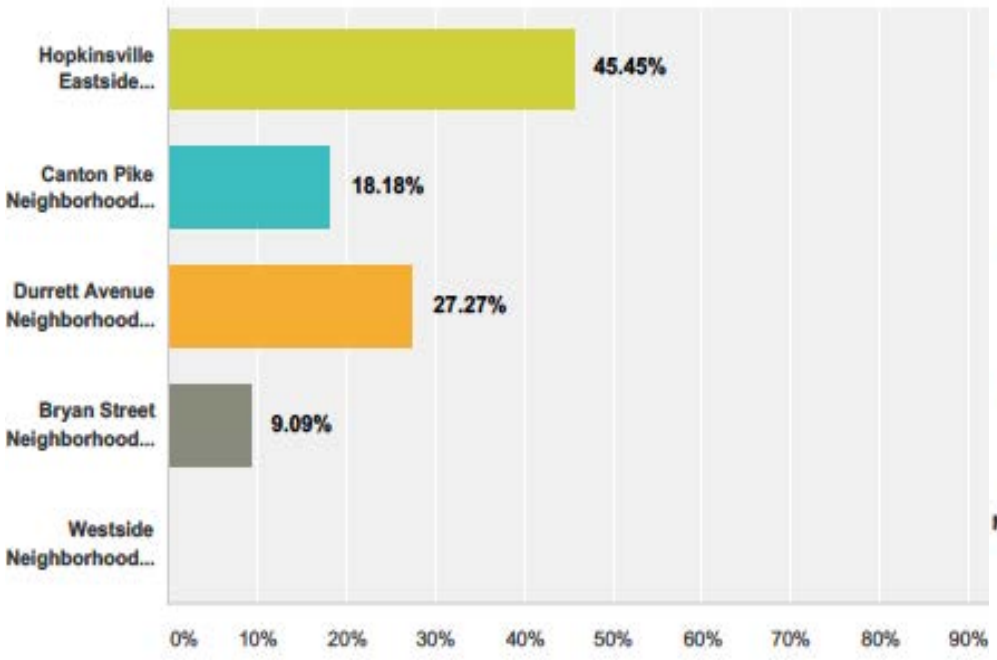
The survey was sent to residents that live in inner city neighborhoods.

- Only a little over half of the residents who responded have heard of the ICREZ programs.
- 96 percent of the respondents think it is important to restore Downtown.
- 43 percent of the respondents think that a quarter to half of the housing in the neighborhoods is safe, sanitary and affordable.
- 75 percent believe that ICREZ property values fall within $15,001-$45,000.
- Over half of the respondents are long-time residents, with 40 percent living in the area over 20 years.
- 80 percent indicated that their house in need of repair.
- 75 percent of the respondents own their house.
- 60 percent of the respondents who rent that they have reported repairs to the landlord.
- 63 percent believe that their neighborhood is safe or very safe.
- 55 percent believe that there is less crime than 10 years ago.
- 91 percent believe there is crime occurring in their neighborhood.
- 65 percent believe more police presence is needed, followed by 59 percent expressing need for youth activities and 54 percent say street lighting is needed.

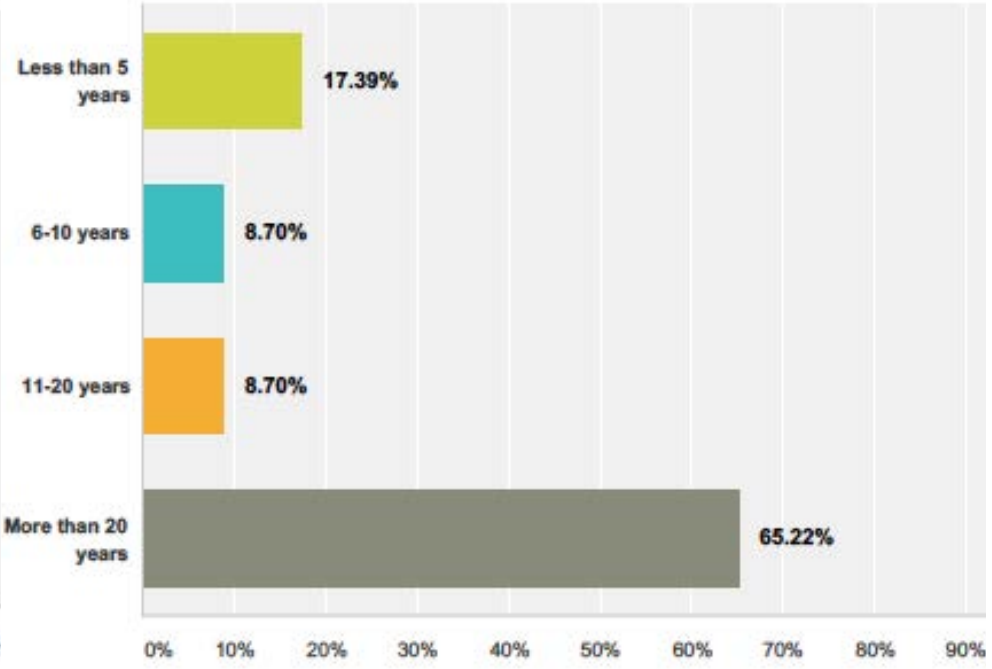
Recipients of Financial Assistance Through the ICREZ Program

23 Responses

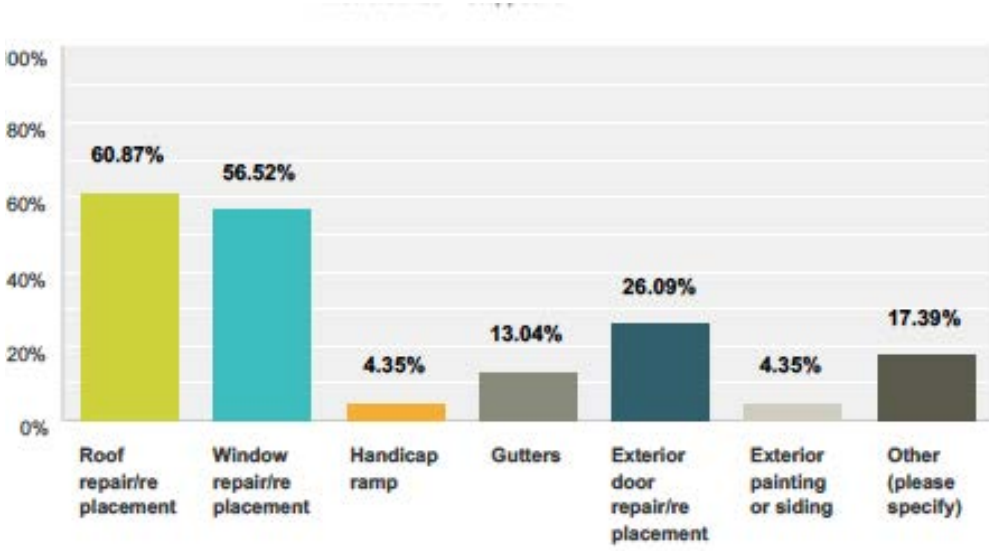
Identify the Neighborhood Association you're affiliated with:



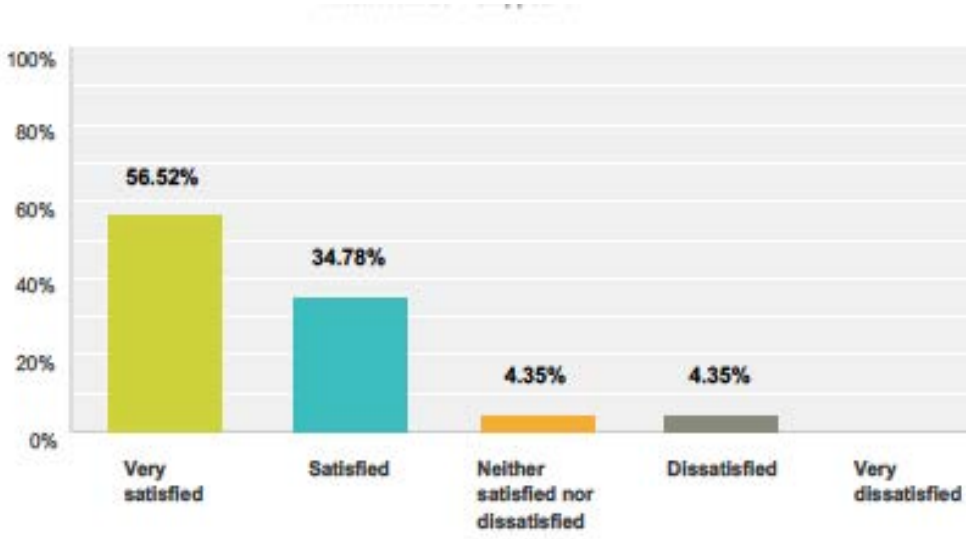
How long have you lived at your current address?



Identify the type of improvements made to your home – check all that apply:

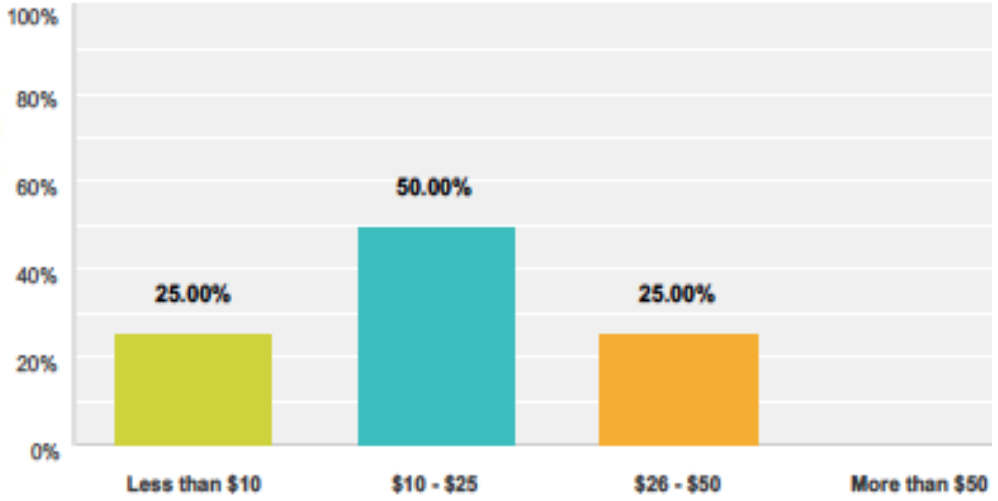


How satisfied were you with the quality of the work that was performed by the contractor?

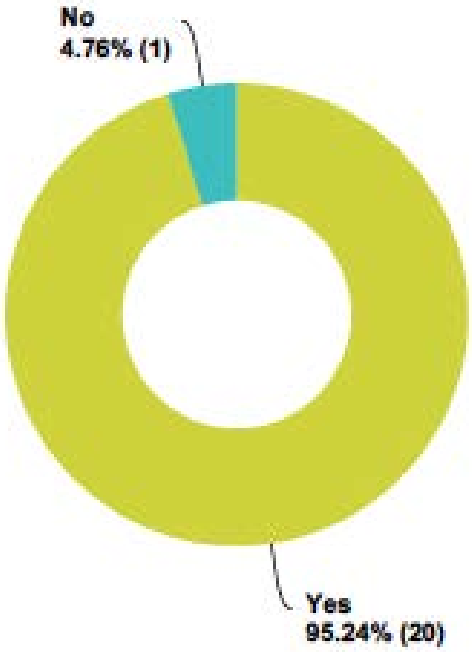


Did you see a decrease in your utility expenses as a result of the work that was performed?

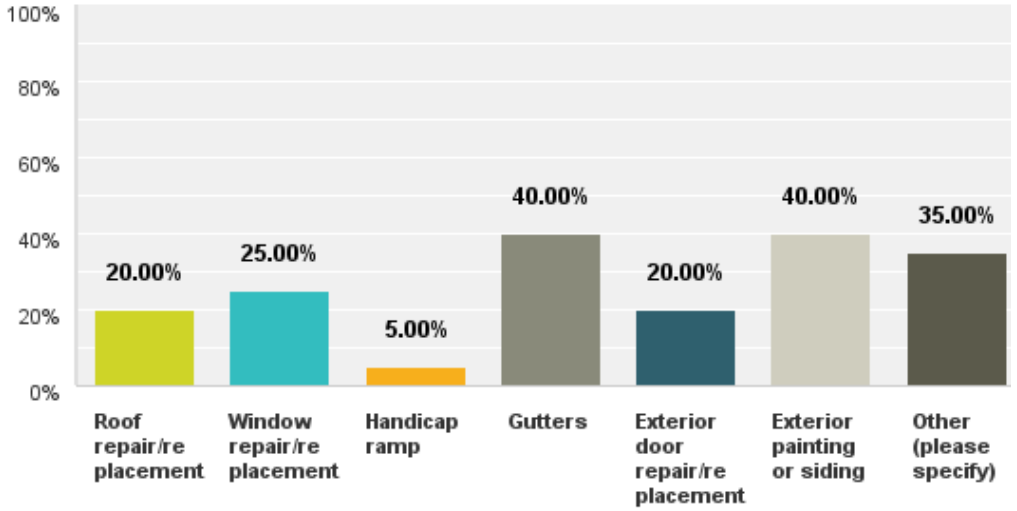
If yes to Question 5, identify the average monthly savings amount below:



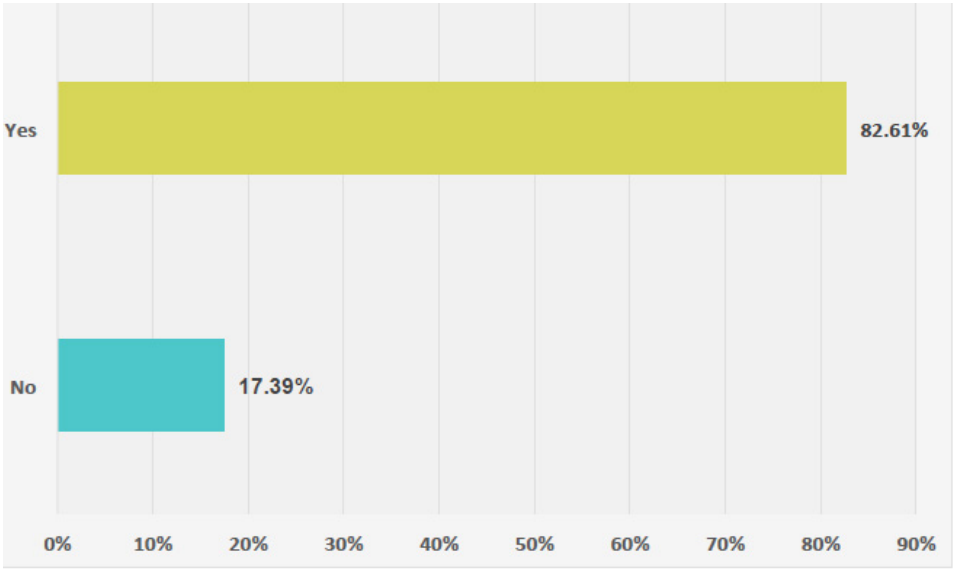
Do you believe your home still needs repair work?



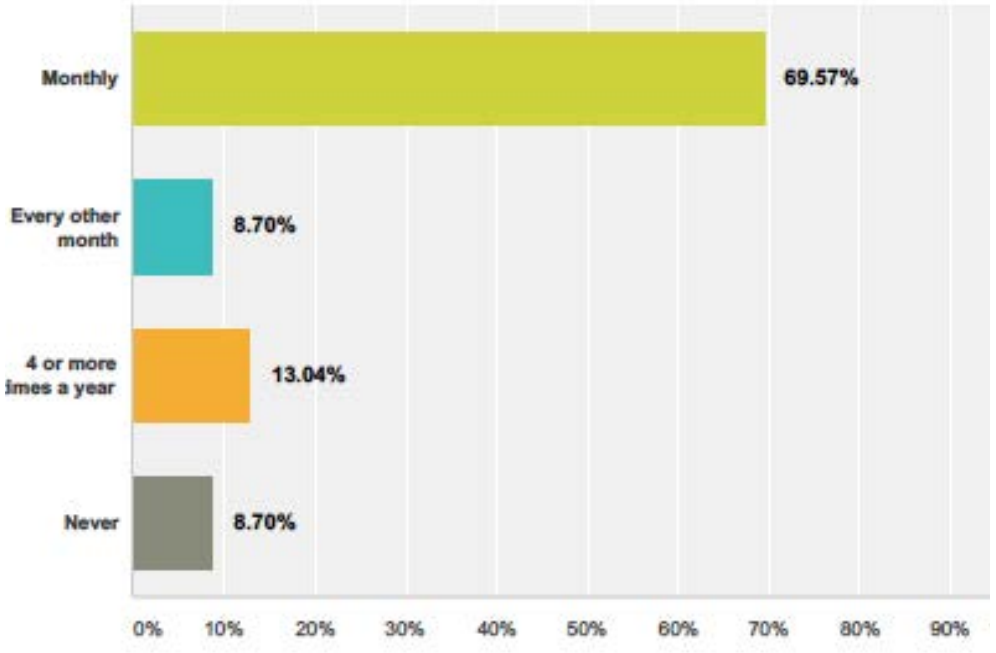
If yes to Question 7, please identify what type of work – check all that apply:



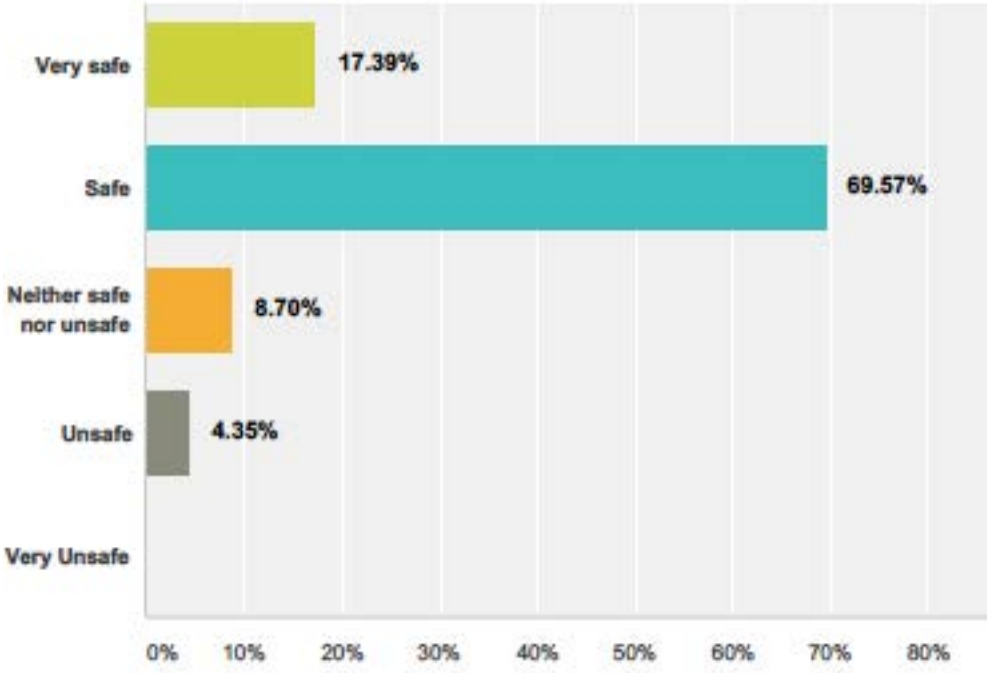
Do you attend your Neighborhood Network Association Meetings?



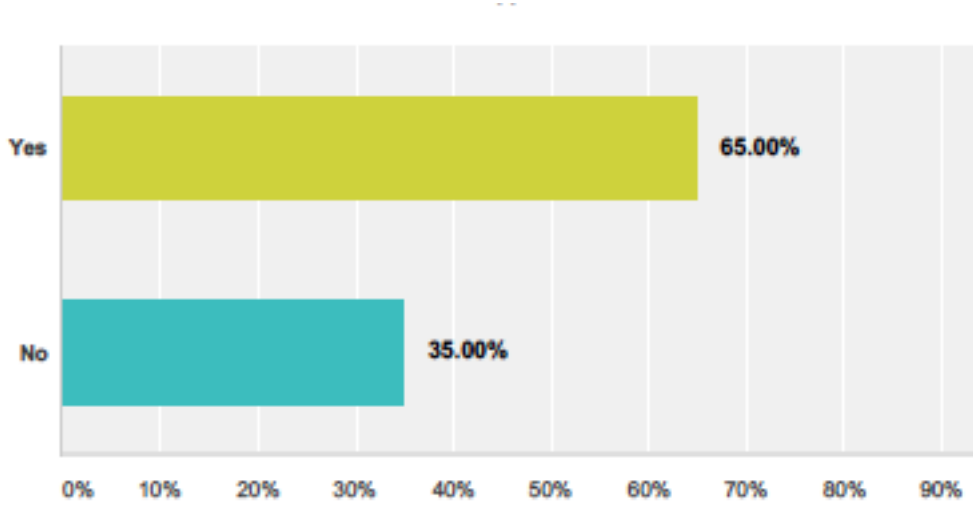
How often do you attend your Neighborhood Network Association meetings?



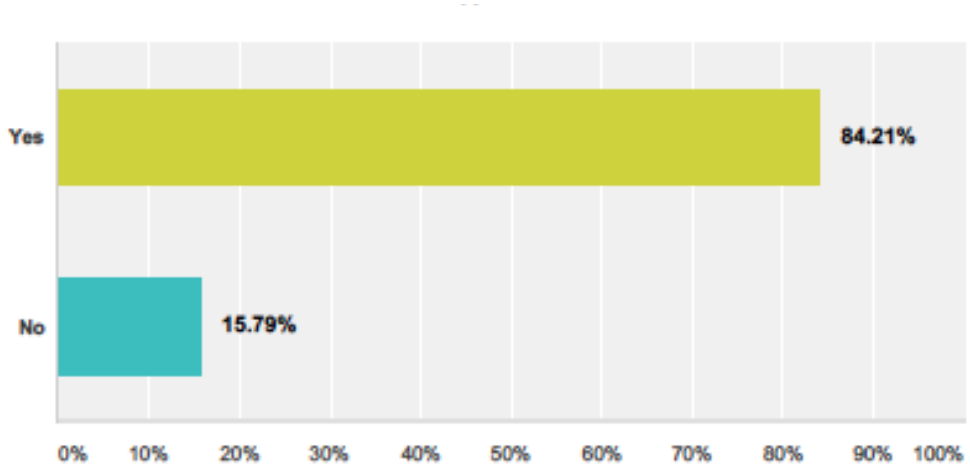
Do you feel safe in your neighborhood?



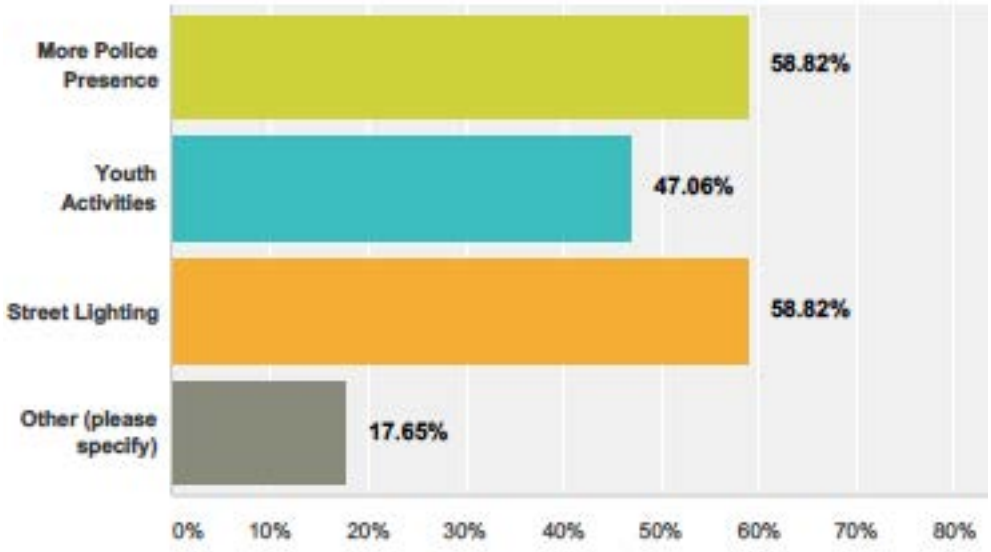
Do you believe there is less crime in your neighborhood than there was 10 years ago?



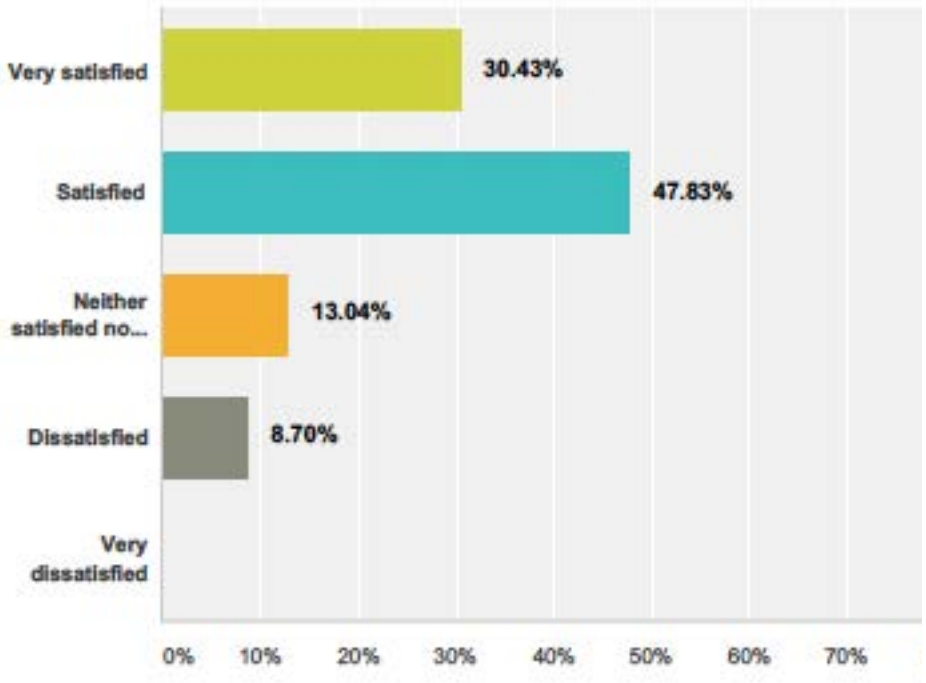
Do you believe there are areas in your neighborhood where crime is still occurring?



Do you believe any of the following would reduce crime in that area? Check all that apply:



Rate your experience with the Inner-City REZ Program.



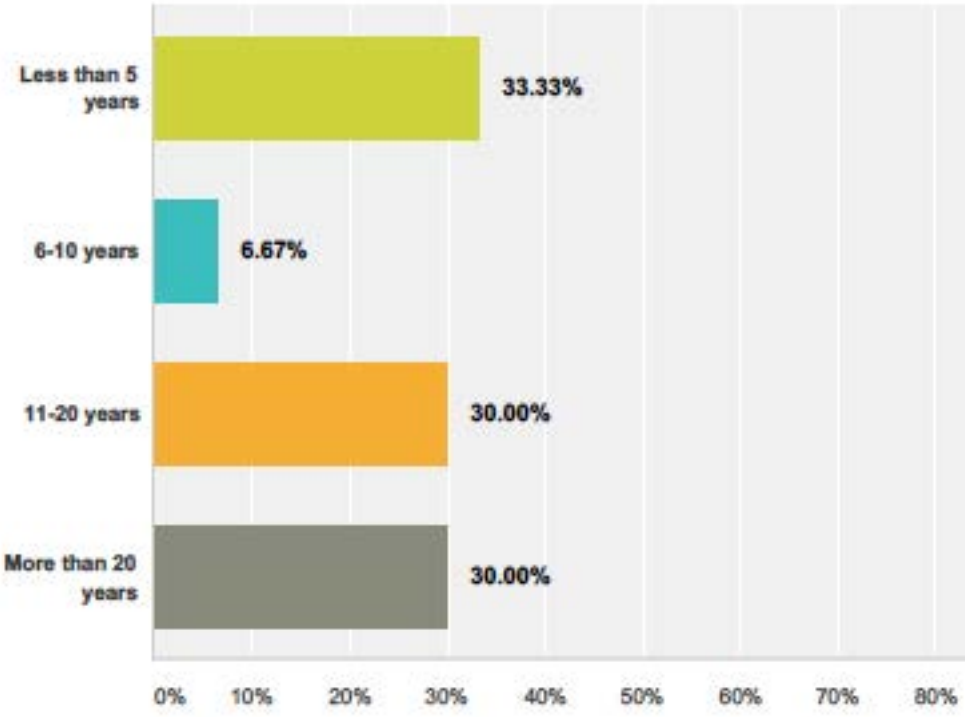
SUMMARY OF FINDINGS

- Most of the recipients that responded were from Eastside neighborhood.
- 65 percent have lived in the neighborhood for 20 or more years.
- Most of the type of work completed included roof and window repair/replacement.
- 80 percent were satisfied or very satisfied with the work completed.
- 61 percent did not see savings on their utility bills.
- Those who did experience savings did at rate of $10-25 per month.
- 95 percent still believe their home is in need of repairs with the majority of work including gutter work or other exterior repairs.
- 82 percent attend Neighborhood Network meetings with 70 percent attending on a monthly basis.
- 87 percent feel that their neighborhood is safe.
- 65 percent believe that their neighborhood is safer than 10 years ago.
- 84 percent believe crime is still occurring while 58 percent indicated that more police presence and street lighting, respectively would improve safety.
- 78 percent were very satisfied or satisfied with their experience with ICREZ programs.

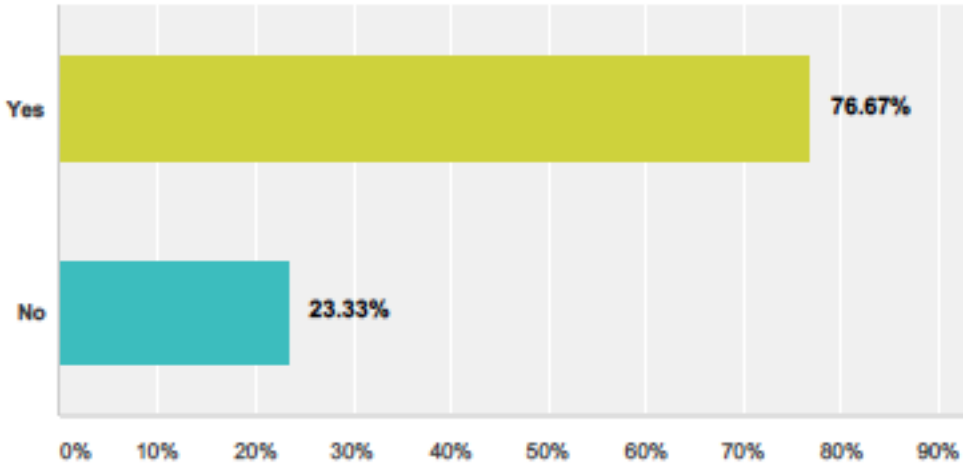
General Survey of Downtown Property Owners

30 Total Responses

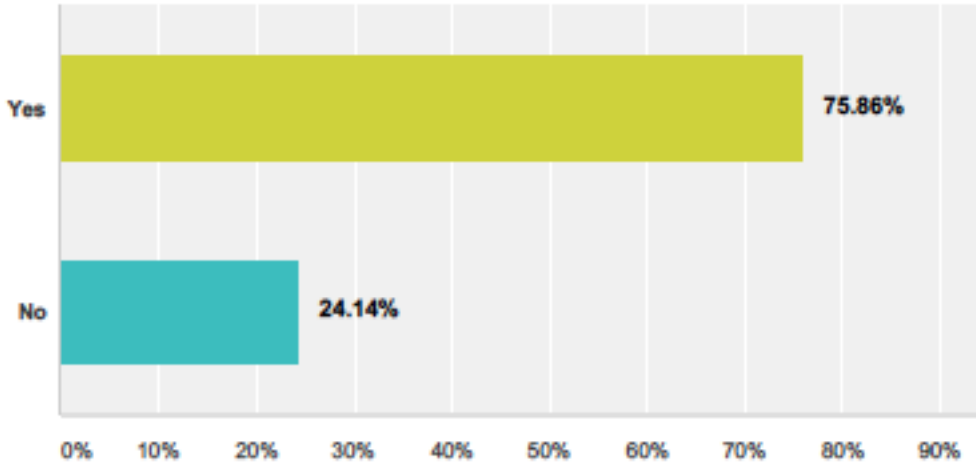
How long have you owned the property or business?



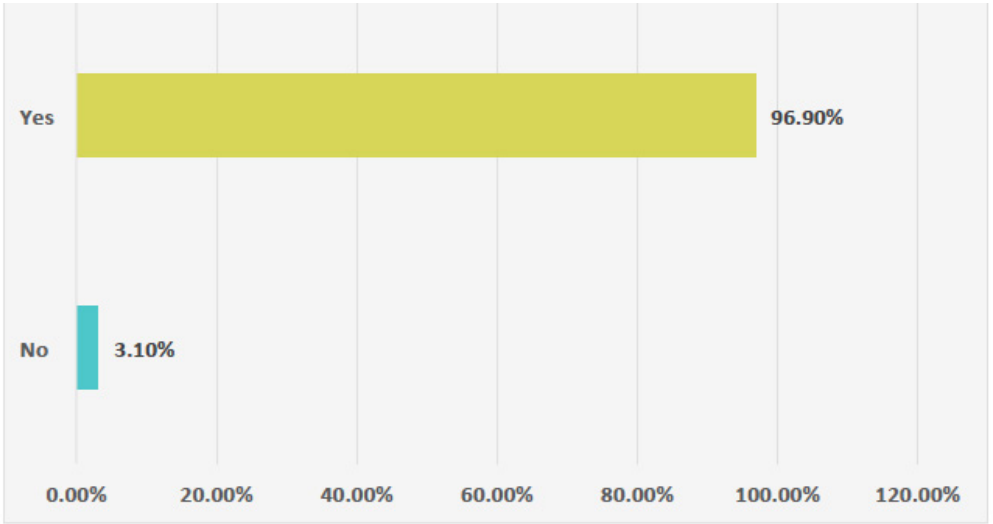
Have you heard of the Inner-City Residential Enterprise Zone Program?



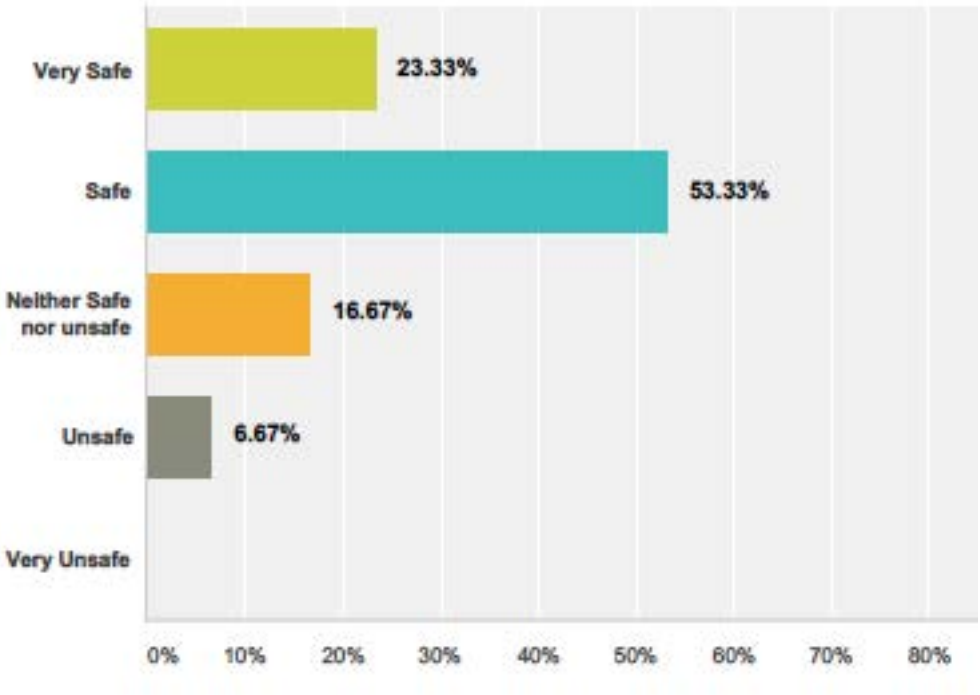
Are you familiar with the Downtown Renaissance Program?



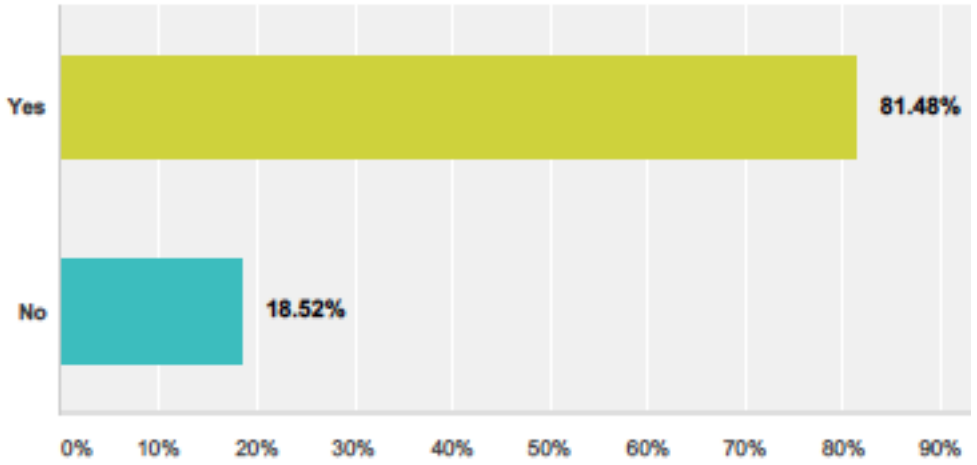
Is it important to you that the downtown and neighborhoods directly adjacent to downtown be restored and thriving once again?



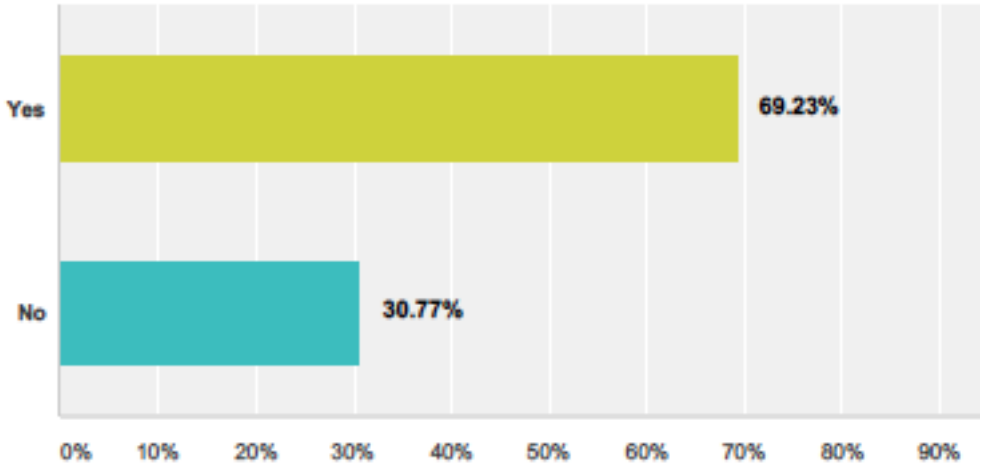
Do you feel safe having your building or business in Downtown Hopkinsville?



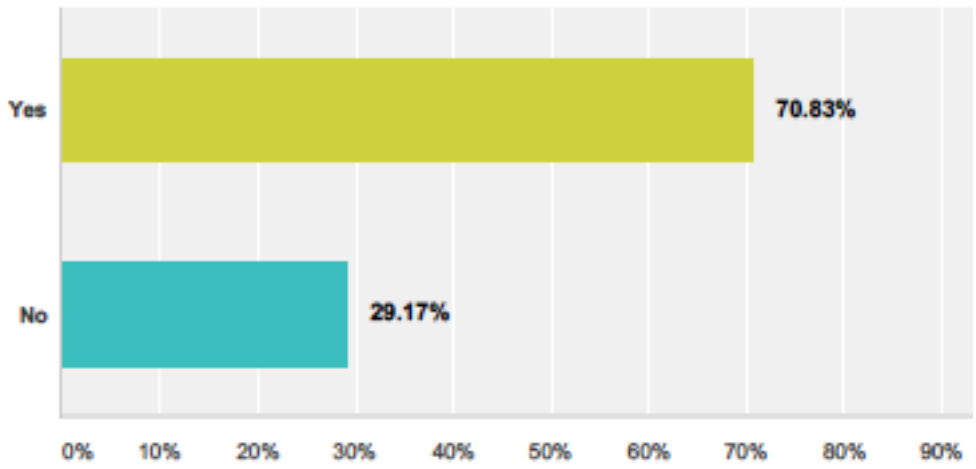
Do you believe there is a better business environment in Downtown Hopkinsville than there was 10 years ago?



Have you experienced more customer traffic in your business in the last 10 years?



Have you experienced more sales volume in your business in the last 10 years?

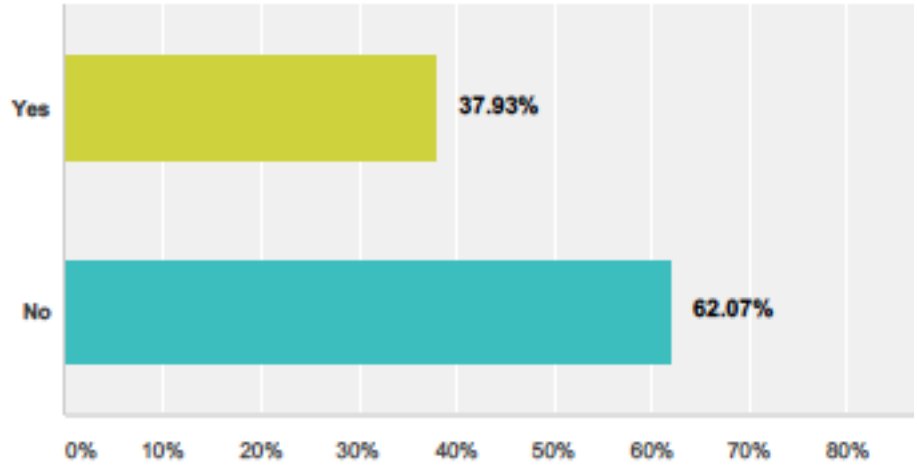


SURVEY SUMMARY:

The survey was sent to downtown business and/or property owners.

- Downtown property owners are split 60/40 between owning for Under 10 years and over 10 years.
- Most survey respondents have been made aware of the Inner city REZ program (77%).
- Most Survey respondents have been made aware of the Downtown Renaissance program (76%).
- Nearly all respondents found it important for Downtown and adjacent neighborhood thrive (97%).
- 76 percent of respondents felt it was safe to have property or a business in Downtown.
- Most respondents felt that the business environment in downtown has improved in the last 10 years (81%).
- 69 Percent of respondents feel customer traffic has improved in the last 10 years (69%)
- 70 percent of respondent have experienced improved sales over the last 10 years.
- Most respondents are not pleased with the appearance of Downtown Hopkinsville (62%).

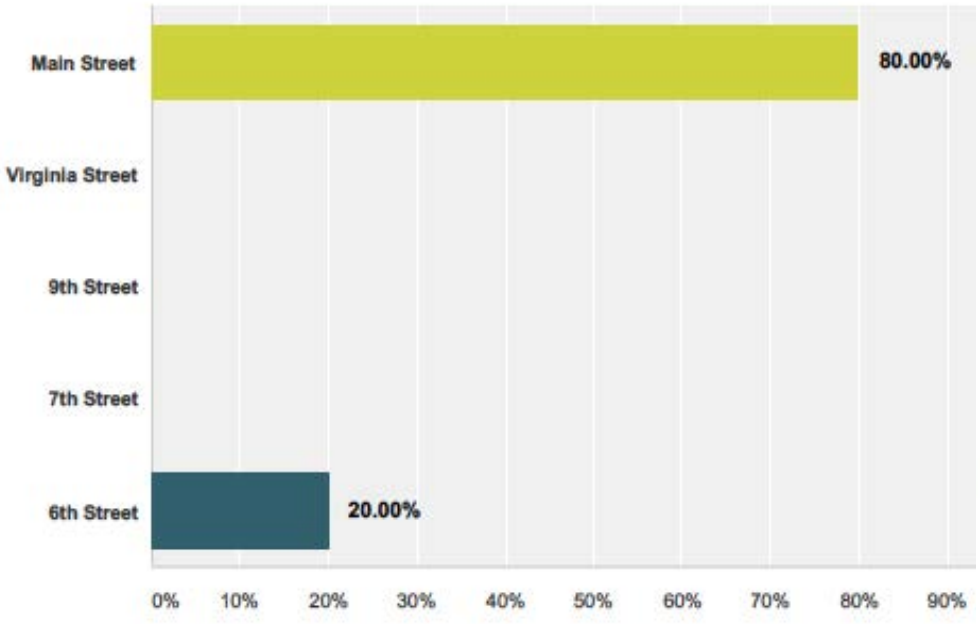
Are you pleased with the overall appearance of Downtown Hopkinsville?



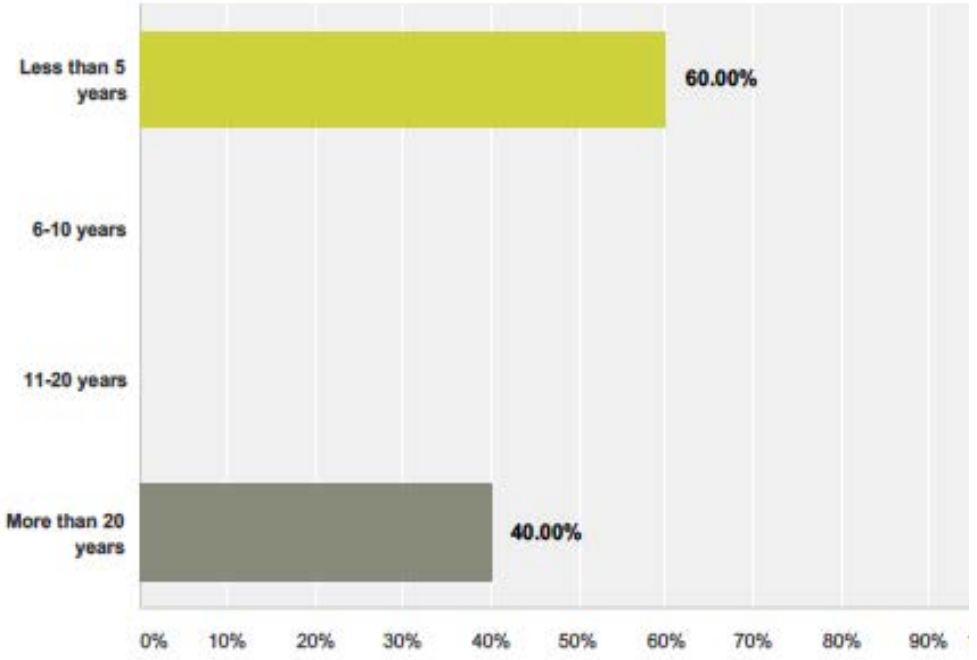
Recipients of Financial Assistance Downtown

5 Total Responses

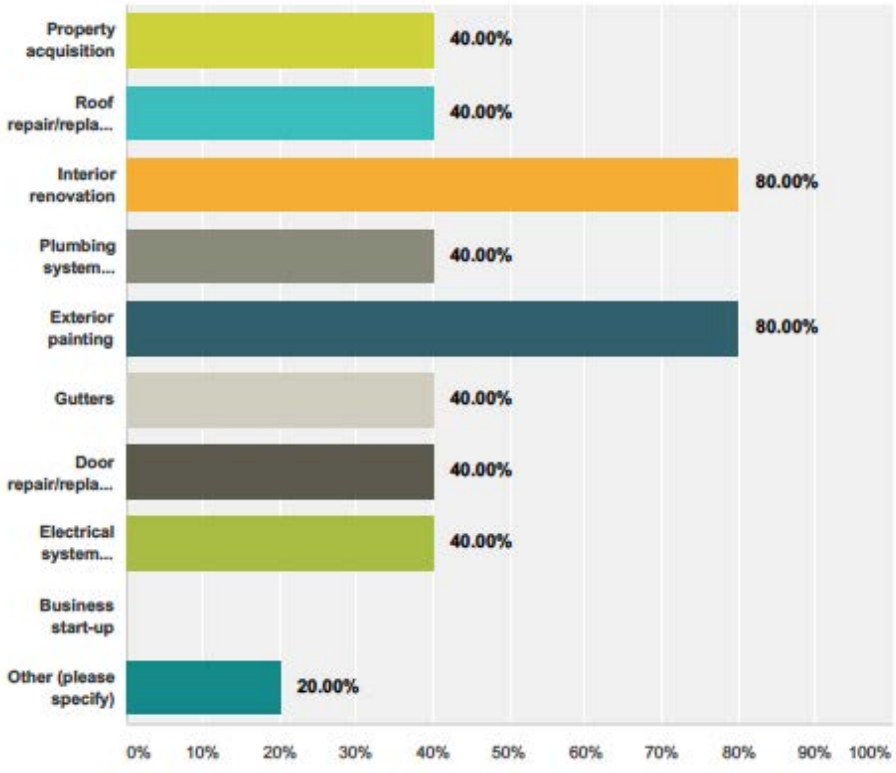
Identify the street your business or property is located on:



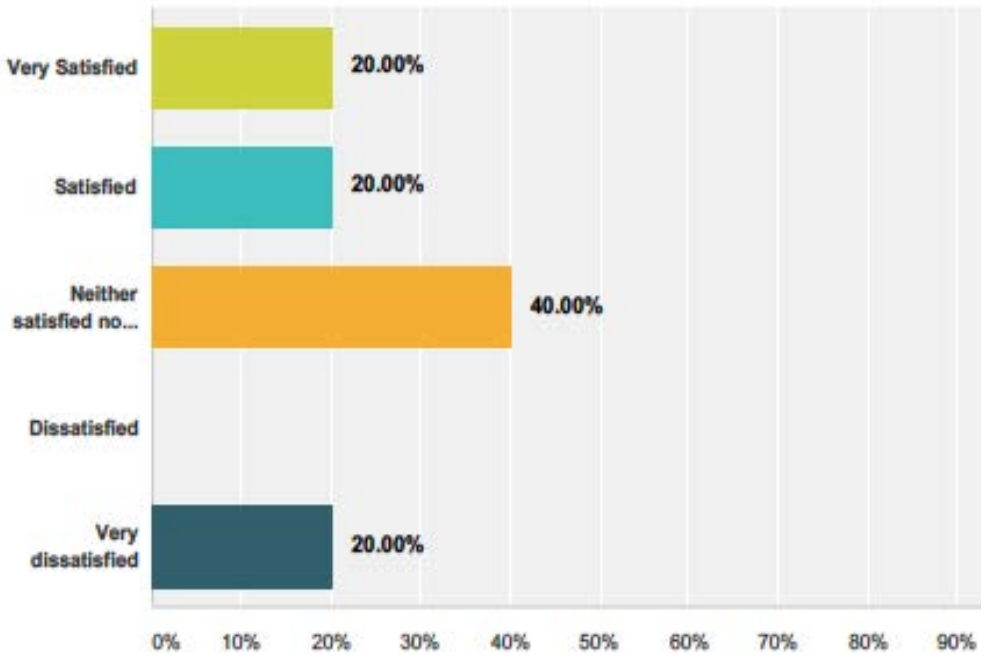
How long have you owned the property or business that received financial assistance?



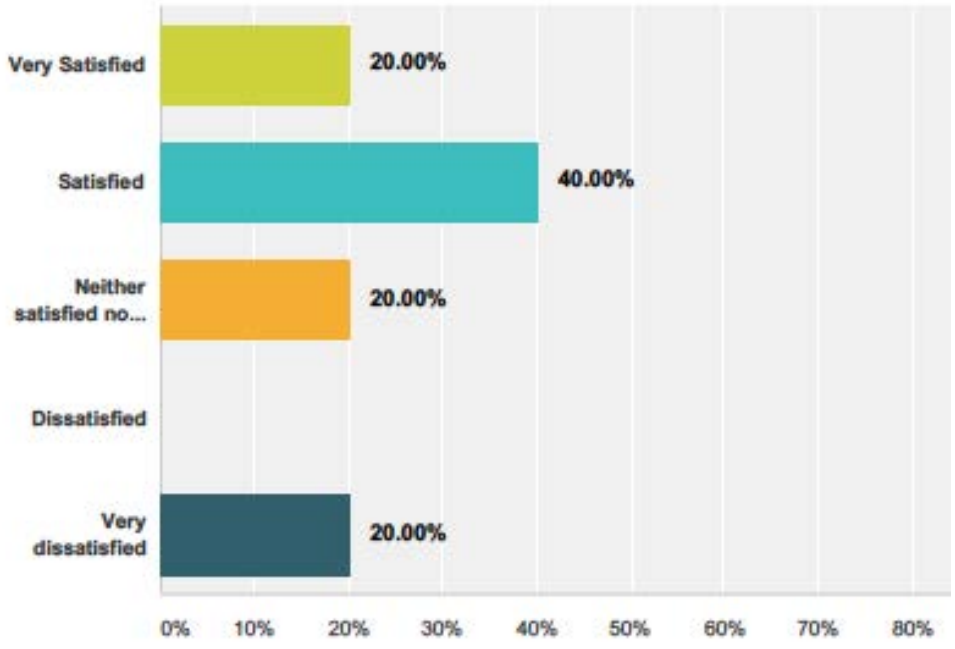
Identify the type of improvements made to your building or business – check all that apply:



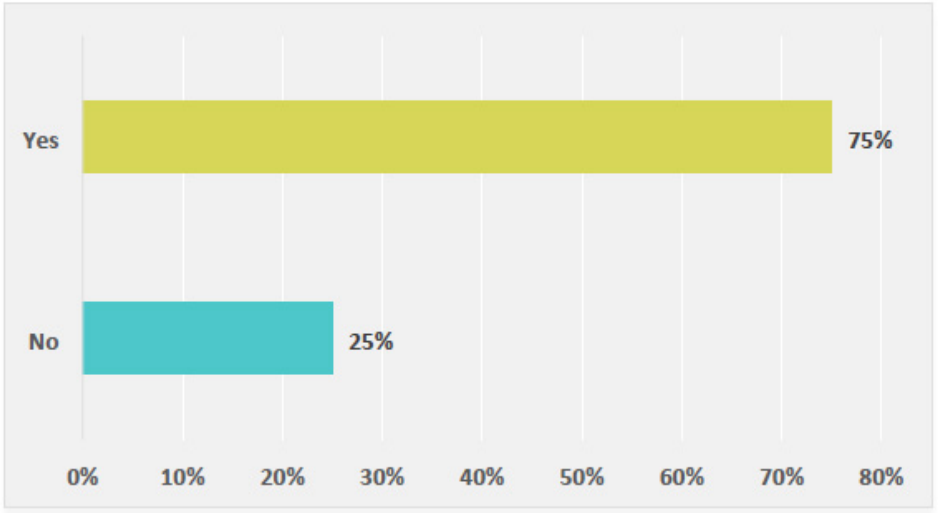
How satisfied were you with the application process for the financial assistance program to which you applied?



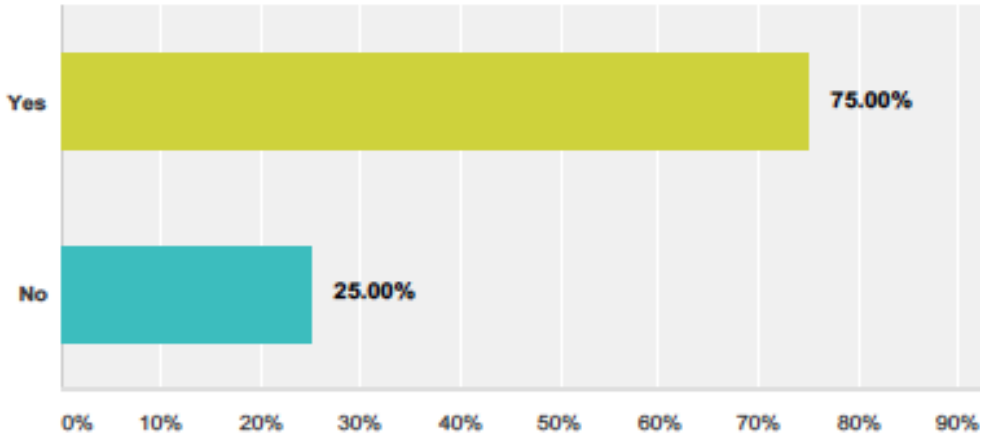
How satisfied were you with the timeline under which you received the financial assistance?



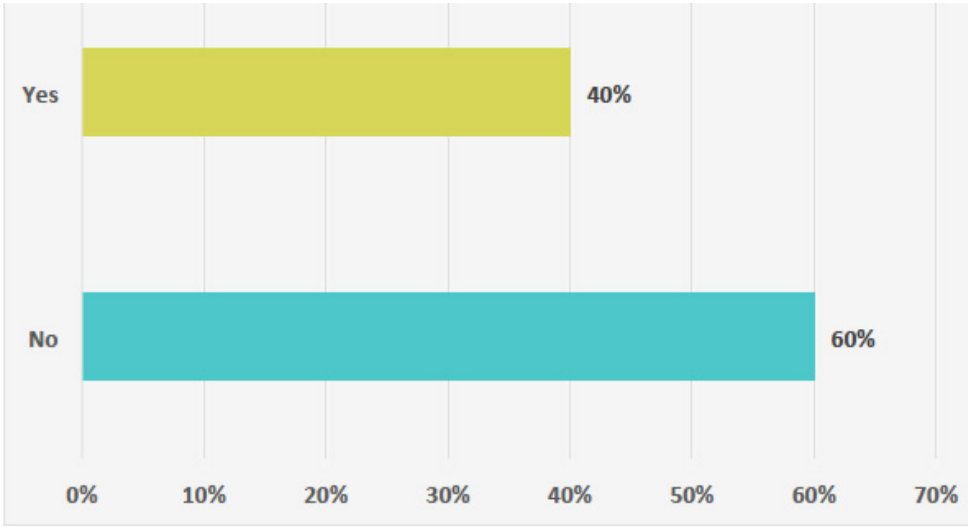
After having gone through the process, would you have opted to participate in the Downtown Incentive Programs now knowing how they work?



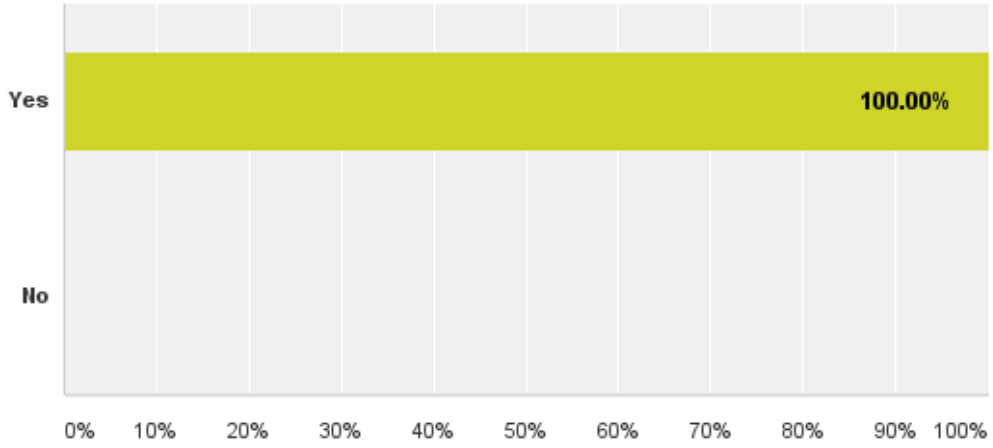
Do you believe you experienced a reasonable return on your investment?



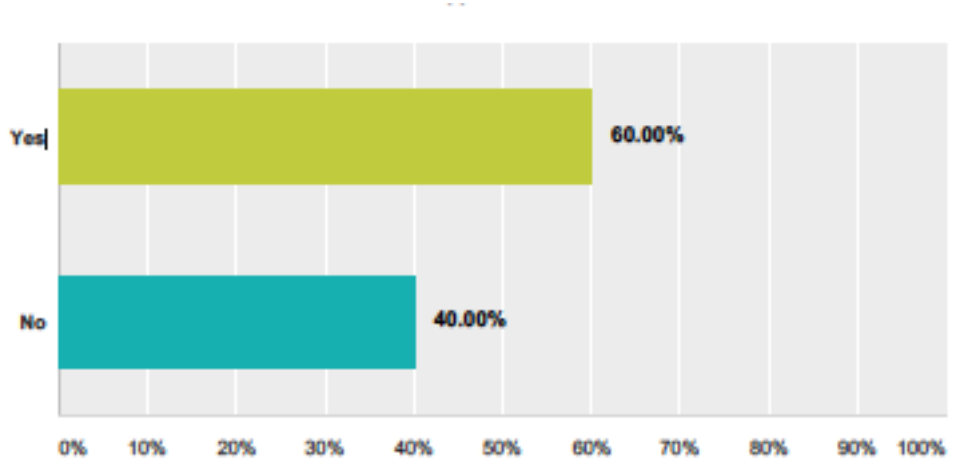
Do you believe the amount of financial assistance you received was sufficient for the type of work you were undertaking?



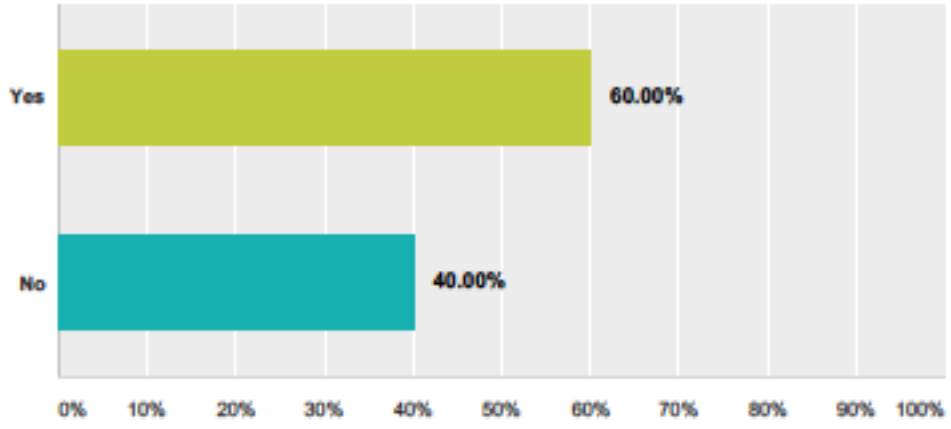
Do you believe your building or business still needs repair work?



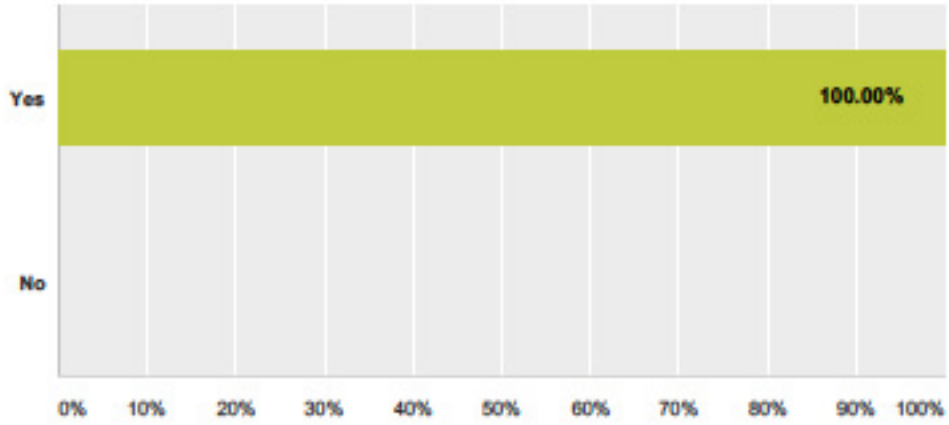
Have you experienced more customer traffic in your business in the last 10 years?



Have you experienced more sales volume in your business in the last 10 years?



Are you pleased with the overall appearance of Downtown Hopkinsville?



SUMMARY OF FINDINGS

- The majority of respondents have property or a business on Main Street (80%).
- There is a 60/40 split between owners who have owned their business for less than 5 years to more than 20 years.
- Businesses have made various improvements including the following:
  - Roof repairs
  - Interior renovation
  - Pluming
  - Exterior paint
  - Gutters
  - Electrical

- Respondents participating in the incentive programs would still participate after going through the process (75%).
- Although it rates as 25%, there was only one response indicating that they would not participate in the Downtown Incentive Program. The reason was due to the PVA's increase in property taxes after the improvements are completed. Note: ***The City offers a tax moratorium, known as PILOT, for property owners that make improvements to their property.***
- Respondents participating in the incentive programs thought they got a reasonable return on their investment (75%).
- Most respondents do not believe that the amount of assistance was sufficient for the work been done.
- All respondents believe their building still needs repair work.
- Most respondents feel safe in Downtown Hopkinsville (60%).
- All respondents feel like downtown is a better environment than 10 years ago.
- 60/ 40 split between businesses having higher sales volume than 10 years ago.
- All respondents are pleased with appearance of downtown Hopkinsville.

11.1 FOCUS GROUP RESPONSE

Below are the responses from four different focus group meetings that took place over two days in September 2015.

Downtown Property Owners and/or Businesses		
Challenges	Needs	Opportunities
• Business owners (not property owners) aren't able to do capital investment to properties • Assessed value higher after investments=higher taxes • Old buildings not been maintained=expensive to make improvements • Incentives are not enough- paperwork is too much • Not enough money allocated for downtown development and rehabilitation • Codes are complicated, fire inspectors are not knowledgeable of codes • Banks don't want to lend in downtown- too risky • Growth outside of downtown-hard to compete with businesses (big boxes) • Everyone goes to Clarksville • Economic Development not promoting downtown development/businesses • Chamber of Commerce not promoting downtown businesses • Police presence at night	• Technical advice/Point of contact • More foot traffic and nightlife • Population that wants an urban lifestyle • Downtown Brand • Cab service/transportation • Marketing	• Convention Bureau-Tourism • Trail of Tears • More festivals • Architecture of building • Good value for buildings • PILOT program is available for tax moratorium • Expand/market historic significance of Hopkinsville

Service Organizations/Churches/Challenge Houses		
Challenges	Needs	Opportunities
• Mental Illness within homeless population- Western State • Making connections with parents in neighborhoods • High transient population • Need for neighborhood stabilization • Substandard housing • Drug dependency • Empty lots • Dark at night-safety concern	• The need for supportive/transitional housing • Resources/ Volunteers • Street lighting/sidewalks • Better transportation for second shift workers • Need to hold landlords accountable • Affordable decent housing • Job skills/training	• Service Organization Network- Social media-Listserv • Invest in children: playgrounds • 2nd story housing above downtown buildings

Developers/Financial Institutions/Realtors		
Challenges	Needs	Opportunities
• Incentive program is cumbersome: paperwork is difficult to fill out • Not receiving full incentive package • Code enforcement is too restrictive • Disconnect between Advisory Committee and development community • Planning Commission process is difficult to navigate • Inner City is rental market • Housing substandard for owner-occupied (not enough quality housing stock for realtors to show to perspective buyers) • Concern of rental inspection program. High fees-Will be passed onto tenant • Can't get a decent return on investment.	• More money for incentives. • Streamline process for development: make it easier to develop in the Inner City. • City to help with demolition of houses • Assessments are higher when infrastructure is installed or in process of being developed.	• Banks are willing to invest in Inner City projects-need good business model • Provide assistance to renter's for utility deposit • Technical assistance is available for developers to use in applying for incentives • Streamline process for ICREZ projects • Landbank properties

Education/Economic and Workforce Development		
Challenges	Needs	Opportunities
• Hiring from outside because workers do not have technical skills • Temp agencies won't hire full time • Kids that are in alternative schools have difficulties in transportation • Public transportation is limited	• Soft skill training • Technical training • Mapping of resources/workers and management reports • Close the achievement gap among low-income, minority students • Better marketing for job fairs/training • Adequate transportation to schools	• Bachelor degrees have increased • Gateway Academy at schools is successful but not enough space • ICREZ coordinators can get information out to residents regarding job training/ fairs and provide space for speakers at neighborhood meetings • Many organizations reflect the same goal related to workforce development and neighborhood revitalization • Small business and entrepreneurship development available at HCC

12. APPENDIX 5: ICREZ RESOURCES

12.1 SMALL BUSINESS RESOURCES

The Small Business Administration (SBA) defines a small business as one that is independently owned and operated, is organized for profit, and is not dominant in its field. The size standard depends on the industry and is based on the average number of employees or the average sales volume, though a common size characterization is often described as a business with less than 500 employees. For practical purposes, we will use the SBA definition of a small business for our reporting standard.

12.2 SMALL BUSINESS & ENTREPRENEURSHIP DEVELOPMENT MODELS

The following includes examples of small business development center models found within the region and other incentives available in Kentucky. These models include resources and incubators that provide administrative and advisory support services to enable small businesses and entrepreneurs to thrive, become financially successful, and self-sufficient.

Small business development centers provide resources that may include customized assessment and technical services, training and workshops, cost sharing, management guidance, and knowledge-sharing with similar companies. These centers give entrepreneurs the opportunity to start a business both early and late in their professional life.

Ashland Entrepreneur Center

The Entrepreneur Center is a small business "incubator" that provides assistance for approximately two to three years and then assists in helping tenants find an office in the local community. The main focus is for tenants to have a successful start-up business and have them locate in the community and hire additional employees as their business grows. Services provided include discounted office space with basic office furniture, computer with Microsoft Office software, high-speed T1 internet access, copier and fax service, office supplies, small conference room for up to 20 people, and access to managerial and technical assistance, such as business planning and computer support.

Murray Regional Business and Innovation Center

The Regional Business and Innovation Center (RBIC) in Murray, Kentucky, assists entrepreneurs and scientists in perfecting and maturing their ideas and business concepts. RBIC provides a set of detailed steps and guidelines that help entrepreneurs refine their business strategy, financials, investor presentation, concept, and valuation. This creates a professional business package that potential investors can use to quickly and easily assess their level of interest. The process is built around well-defined steps that result in a solid business concept, valuation of the company, and investor presentation.

Owensboro Centre for Business and Research

The Centre is a 37,000 sq. ft. business accelerator in downtown Owensboro built to meet the growing demand for

laboratory and complementary office space with high-speed internet services. The Centre provides customized, build-to-order private wet labs, as well as a community wet lab facility where tenants can rent by the bench. Other features include a conference room and break room, as well as a shared copier/business area.

Innovation and Small Business Center
The Innovation and Small Business Center, located in the Paducah Commerce Center, provides the region with a one-stop resource for all small business development and offers targeted business tools for technology and knowledge-based businesses. Business Development Services provided include but are not limited to funding assistance, financial analysis and review, business plan coaching and assessment, business valuation review, business start-up assistance, certification and permitting assistance, marketing assistance, seminars and workshops.

Small Business Incentives
The Kentucky Economic Development Finance Authority within the Cabinet of Economic Development offers several financial incentive programs for small business development.

Small Business Development
Kentucky Small Business Credit Initiative (KSBCI) is designed to generate jobs and increase the availability of credit by reducing the risks participating lenders assume when making loans to small businesses.

The Kentucky Small Business Tax Credit (KSBTC)
The KSBTC program is designed to encourage small business growth and job creation by providing a nonrefundable tax credit to eligible businesses hiring one or more eligible individuals and investing at least $5,000 in qualifying equipment or technology. With certain exceptions, most for-profit businesses with 50 or fewer full-time employees are considered eligible for this program. The KSBTC program is limited to allocating a total of $3 million in tax credits per state fiscal year.

Angel Investment Tax Credit
The Kentucky Angel Investment Tax Credit offers tax credits of up to 50 percent of an investment in Kentucky small businesses. Prior to investment, both the investor and small business must submit applications for certification. Each investment must be certified in advance as well. Refer to the Kentucky Angel Investment Tax Credit Fact Sheet for program details and qualifying criteria.

NEIGHBORHOOD NETWORKS GRANT OPPORTUNITIES

Community Policing Development (CPD)
This grant program is designed to contribute to developing the capacity of law enforcement to implement community policing strategies, build knowledge about effective practices and outcomes, and support creative approaches to preventing crime and promoting safe communities.

Target and Blue
Sponsors a National Night Out events by donating money and supplies. Events can range from neighborhood block parties to picnics and street dances. The organization works with local law enforcement agencies to implement programs such as “Heroes & Helpers” events, which pair public safety officials with community youth for holiday shopping.

MetLife Foundation Community-Police Partnership Awards
MetLife Foundation and the Local Initiatives Support Corporation (LISC) are partnering for the 11th year to recognize, sustain, and share the work of innovative partnerships between community groups and police to promote neighborhood safety and revitalization. Through this awards program, MetLife Foundation and LISC will identify and honor partnerships that exhibit tangible accomplishments in their efforts to advance the process, outcome, and/or evaluation of potent police-community collaborations. Eligible applicants must be member organizations of partnerships that include, but need not be limited to, community organizations and police.

Walmart Local Community Contribution Program
The Walmart Local Community Contribution Program provides support to local nonprofit organizations, government agencies, K-12 schools and higher education institutions located in communities with Walmart Stores, Logistics Facilities, or Sam’s Clubs. Churches and other faith-based organizations with projects that address the needs of the community at large are also eligible for support. Applying organizations must address one of the following focus areas: education, workforce development/economic opportunity, health and wellness, environmental sustainability, or hunger relief. Grants generally range from $250 to $5,000. Applications are accepted from February 1 through December 1, annually. Online application guidelines are available through the Walmart website.

Bank of America Foundation: Neighborhood Excellence Initiative
The Neighborhood Excellence Initiative, Bank of America's signature philanthropic program, recognizes nonprofit organizations and individuals working to improve their communities. The Initiative's Neighborhood Builders category provides grants of $200,000 each to two nonprofit organizations that are focused on local neighborhood priorities in each of the Bank's 45 markets. The Local Heroes category provides grants of $5,000 each to nonprofit organizations selected by five recognized individuals in the targeted markets. Applications and nominations must be submitted online by June 1. Guidelines for both categories are available on the Bank of America website.

Chesapeake Energy Coporate Giving Program
The Chesapeake Energy Corporate Giving Program supports nonprofit organizations that improve the quality of life and stimulate the economy in the company's operating areas in Colorado, Kentucky, Louisiana, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Texas, West Virginia, and Wyoming. Grants are provided in the following areas: arts and culture, community development, education, environment, health, and social services. Grant and sponsorship requests may be submitted throughout the

year and are reviewed on a rolling basis. Visit the company's website to submit an online application.

Home Depot Foundation Grant Program
Grants, up to $5,000, are available to registered 501(c)(3) nonprofit organizations, public schools or tax-exempt public service agencies in the U.S. that are using the power of volunteers to improve the physical health of their community. Grants are given in the form of The Home Depot gift cards for the purchase of tools, materials, or services. Grant proposals ideally would specifically identify projects for veterans, seniors, and/or the disabled and will include housing repairs, modifications, and weatherization work. Please do not contact your local store or The Home Depot Customer Care helpline to inquire about the status of your application. Only proposals submitted through the online application process will be considered for funding. Donation requests submitted by mail, phone or e-mail will not receive funding and will be directed to the online application process.

The Center for a New American Dream
This is a non-profit organization that works with individuals, institutions, businesses, and communities to conserve natural resources, counter the commercialization of our culture, support community engagement, and promote positive changes in the way goods are produced and consumed. The organization sponsors the "Get2gether Neighborhood Challenge" and matches dollar-for dollar up to $2,000 for neighborhood project.

Jamba Juice and Kids Gardening - Youth Garden Grant
Jamba Juice offers grants to schools and youth garden programs. Programs receive gardening equipment, curriculum, soil amendments, seeds, and plants to help create engaging nutrition and gardening experiences. Recipients are selected based on plans to promote nutrition education, ideas for incorporating fruit and vegetable activities into the curriculum, and the ability to sustain the program over multiple years.

Scotts Miracle-Gro RO1000 Grassroots Grants
Healthy food grants are available as part of the larger GRO1000 Gardens and Green Spaces Program, which is ScottsMiracle-Gro's commitment to create more than 1,000 community gardens and green spaces by 2018. Grants of up to $1,500 are awarded to civic organizations nationwide.

13. APPENDIX 6: SBA LENDERS

American Founders Bank
1200 Forest Bridge Rd.
Louisville, KY 40223
502-638-4744
Lucy O. Weaver

Branch Banking & Trust Co.
2255 Peachtree Rd. N.E., #1
Atlanta, GA 30309
404-350-2567
Tamika Stafford

JP Morgan Chase Bank, N.A.
416 W. Jefferson St.
Louisville, KY 40202
502-566-3671
Becky McClennen (Statewide)

Citizens Bank & Trust Company
201 E. Main St.
Campbellsville, KY 42718
270-465-8193
Roberta Cox

Clinton Bank
220 E. Clay St.
Clinton, KY 42031
270-653-4001
Glenn Reid

Commonwealth Bank & Trust Co.
4912 U.S. Hwy. 42
Louisville, KY 40222
502-259-2661
Nate Evans
502-259-2467
Thomas Bannon

Community Trust Bank, Inc.
346 N. Mayo Tr.
Pikeville, KY 41501
800-422-1090
Terry Spears

Cumberland Valley National Bank
100 South Main St.
London, KY 40743
606-878-7010
Hasken Hayes
Edmonton State Bank
213 N. Main St.
Tompkinsville, KY 42167
270-487-6123
Tony High

Farmers Bank & Capital Trust
125 W. Main St.
Frankfort, KY 40602
502-227-1632
Mike Feldman

Fifth Third Bank
401 S. 4th St., 6th Fl.
Louisville, KY 40202
502-562-8242
Diana Quesada

Fifth Third Bank of Northern Kentucky
8100 Burlington Pike
Florence, KY 41042-1212
859-283-8796
Ryan Bihl

First Community Bank of the Heartland
114 E. Jackson St.
Clinton, KY 42031
270-653-4301
Josh Bailey

First Financial Bank
255 E. Fifth St., Ste. 800
Cincinnati, OH 45202
513-551-5770
Kendra Vincenty

First Kentucky Bank, Inc.
223 S. Sixth St.
Mayfield, KY 42066
270-251-4960
Stacy Overby

First Southern National Bank
102 W. Main St.
Stanford, KY
606-365-2137
Doug Daniel

FNB Bank, Inc.
101 E. Broadway
Mayfield, KY 42066
270-251-6058
Pat Bynum

Forcht Bank, N.A.
10505 Taylorsville Rd.
Louisville, KY 40299
502-261-2520
Amanda Grubb

Heritage Bank
4155 Lafayette Rd.
Hopkinsville, KY 42240
270-887-8405
Mike Foley

Hometown Bank of Corbin
1030 Cumberland Falls Hwy.
Corbin, KY 40702
606-526-2718
Malissa Shelton

KeyBank, National Association
53 W. 4th St.
Cincinnati, OH 45202
513-345-8580
Cory McDole

Kentucky Bank
103 W. Showalter Dr.
Georgetown, KY 40324
502-570-2118
AJ Gullett

Kentucky Neighborhood Bank
1000 N. Dixie Ave.
Elizabethtown, KY 42701
270-982-7711
Cheryl Canada

Magnolia Bank, Inc.
794 Old Elizabeth Rd.
Hodgenville, KY 42748
270-308-5535
Kelcey Rock

MainSource Bank
1901 Blankenbaker Pkwy.
Louisville, KY 40299
502-822-4318
Kathy Pleasant

Old National Bank
249 E. Main St., Ste. 101
Lexington, KY 40507
859-825-6097
John Douglas
205 W. Grand River, Ste. 102
Brighton, MI 48116
810-522-1409
Je Billig

Paducah Bank & Trust Company
555 Jefferson St.
Paducah, KY 42001
270-575-5700
Mark Link

Peoples Exchange Bank
48 Center St.
Beattyville, KY 41311
859-744-9400
Louise Howerton

Planters Bank, Inc.
1312 Main St.
Hopkinsville, KY 42240
270-886-9030
Barry Meade

PNC Bank, Inc.
6070 Montgomery Rd.
Cincinnati, OH 45213
513-841-0024
Chris Goecke

Regions Bank, N.A.
100 S. 4th St.
Paducah, KY 42001
270-441-1345
Will Hayden

Republic Bank & Trust Company
661 S. Hurstbourne Pkwy.
Louisville, KY 40222
502-394-4432
Kathy Clark

South Central Bank of Bowling Green, Inc. 1757 Campbell Ln.
Bowling Green, KY 42104
270-529-1253
Julie Richardson

Stock Yards Bank & Trust Company
1040 E. Main St.
Louisville, KY 40206
502-625-3971
John Ryan

The Commercial Bank of Grayson County 208 E. Main St.
Grayson, KY 41143
606-474-7811
Mark Strother

The Huntington National Bank
2333 Alexandria Dr.
Lexington, KY 40504
859-514-6022
Perry L. Dunn

The Peoples Bank
201 N. Bardstown Rd.
Mt. Washington, KY 40047
502-538-7301
Denise Laferty

Town & Country Bank and Trust Co.
201 N. Third St.
Bardstown, KY 40004
502-348-3911
Rao Wimsett

Traditional Bank, Inc.
49 W. Main St.
Mount Sterling, KY 40353
859-498-0414
Ann Beckham

United Citizens Bank & Trust Co.
503 Highland Dr.
Carrollton, KY 41008
502-732-6669
Matthew Brent

United Cumberland Bank
47 S. Main St.
Whitley City, KY 42653
606-376-5031
Michael Bush

U.S. Bank, N.A.
6010 Brownsboro Park Blvd., Ste. C
Louisville, KY 40207
502-893-4223
Brandon Prather

Whitaker Bank Inc.
2001 Pleasant Ridge
Lexington, KY 40509
859-543-4000 (Lexington)
Bo Henry
859-734-3316 (Harrodsburg)
Wayne Westerfield

Wilson & Muir Bank & Trust Co.
130 St. Matthews Ave.
Louisville, KY 40207
502-479-7203
Andy Parker

PREFERRED AND CERTIFIED LENDERS

In Kentucky

Branch Banking & Trust Co.
2255 Peachtree Rd. N.E., #1
Atlanta, GA 30309
404-350-2567
Tamika Stafford

JP Morgan Chase Bank, N.A.
416 W. Jefferson St.
Louisville, KY 40202
502-566-3671
Becky McClennen (Statewide)

Community South Bank
3016 Atlanta Rd.
Smyrna, GA 30080
770-436-4567
Nancy Eaton

Fidelity Bank
1122 Pace St., 1st Fl.
Covington, GA 30014
404-553-2350
Cheryl Dalton

Fifth Third Bank
401 S. 4th St., 6th Fl.
Louisville, KY 40202
502-562-8242
Diana Quesada

Fifth Third Bank of Northern Kentucky
8100 Burlington Pike
Florence, KY 41042-1212
859-283-8796
Ryan Bihl

First Financial Bank
255 E. Fifth St., Ste. 800
Cincinnati, OH 45202
513-551-5770
Kendra Vincenty

KeyBank, National Association
53 W. 4th St.
Cincinnati, OH 45202
513-345-8580
Cory McDole

Live Oak Banking Company
1741 Tiburon Dr.
Wilmington, NC 28403
877-890-5867
Steve Smits

Magnolia Bank
794 Old Elizabeth Rd.
Hodgenville, KY 42748
270-308-5535
Kelcey Rock

MainSource Bank
1901 Blankenbaker Pkwy.
Louisville, KY 40299
502-822-4318
Kathy Pleasant

Old National Bank
249 E. Main St., Ste. 101
Lexington, KY 40507
859-825-6097
John Douglas
205 W. Grand River, Ste. 102
Brighton, MI 48116
810-522-1409
Jeff Billig

PNC Bank, Inc.
6070 Montgomery Rd.
Cincinnati, OH 45213
513-841-0024
Chris Goecke

Regions Bank, N.A.
100 S. 4th St.
Paducah, KY 42001
270-441-1345
Will Hayden

Stock Yards Bank & Trust Company
1040 E. Main St.
Louisville, KY 40206
502-625-3971
John Ryan

The Huntington National Bank
22333 Alexandria Dr.
Lexington, KY 40504
859-514-6022
Perry L. Dunn

Traditional Bank, Inc.
49 W. Main St.
Mount Sterling, KY 40353
859-498-0414
Ann Beckham

U.S. Bank, N.A.
6010 Brownsboro Park Blvd., Ste. C
Louisville, KY 40207
502-893-4223
Brandon Prather

Wells Fargo Bank, N.A.
2329 Central Ave. N.E.
Minneapolis, MN 55418
612-667-1503
James Kallestad

14. Appendix 7: TIF FACT SHEET

Just the Facts:

Tax Increment Financing (TIF)

July 2015

This fact sheet provides an overview of the TIF program. For the statutory program requirements, please see KRS Chapters 65 and 154.30.

Overview

Tax Increment Financing (TIF) is an economic development tool used by public agencies to finance needed infrastructure improvements for a project (e.g., streets, sewers, parking lots, etc.) by earmarking future tax gains resulting from the development for the improvements. This public investment will increase the value of the property as well as in the surrounding area and may spur further development. This increased tax revenue is the increment which TIF dedicates toward public infrastructure improvements in distressed or underdeveloped areas where private development would not otherwise occur. In summary, TIF captures the future value of an improved property to pay for the current costs of those improvements.

The first step for all TIF programs in Kentucky is the establishment of a TIF development area by a city, county or one of the agencies identified in statute as eligible. The statutes authorize two types of TIF development areas:

- Areas for local incentives only
- Areas for State and local incentives

Local Development Areas

Support at the local level can be provided through the entire development area or on a project by project basis. Detailed requirements for the establishment of a development area, including public hearing requirements, ordinance requirements and parameters for agreements establishing the development area and pledging financial support, can be found in Kentucky Revised Statutes (KRS) sections 424.130, 65.7041 to 7083 and 154.30. There are two types of local development areas profiled in the following table.

Local Development Areas

Established by local government or eligible agency

Type of Development Area	Taxes Available for Increment	Maximum Term	Required Conditions
Local Only Development Areas (KRS 65.7047)	Up to 100% of incremental property taxes & occupational license taxes or fees	20 years	• Land must be previously undeveloped tract of land • Maximum size cannot exceed 1,000 acres in any 12-month period in any county • Total amount of property within a city or county that may be in a TIF development area cannot exceed 20% of the total assessed value of taxable real property within the jurisdiction(s)
Blighted Urban Redevelopment Areas * (KRS 65.7049)	Up to 100% of incremental property taxes & occupational license taxes or fees	30 years	• The area shall be contiguous and the maximum size cannot exceed 3 square miles • Total amount of property within a city or county that may be in a TIF development area cannot exceed 20% of the total assessed value of taxable real property within the jurisdiction(s) • Governing body of the city or county shall determine the development area must meet one of the following conditions: » Must meet two of the seven blight/deterioration conditions outlined below » Must be a Mixed-Use Development (see State TIF program) with one of the following conditions: » Located in a university research park » Located within 3 miles of a military base that houses, deploys or employs at least 25,000 military personnel, their families, military retirees or civilian employees » Includes either or both significant public storm water and sanitary sewer facilities designed to comply with a community-wide court decree mandating corrective action by the local government or agency thereof » Must include a 5,000 seat arena as part of the proposed development if the development is on previously undeveloped land

* May be eligible for state participation if certain requirements are met.

The following is a list of blight/deterioration conditions:

- Substantial loss of residential, commercial or industrial activity or use;
- Forty percent (40%) or more of the households are low-income households;
- More than fifty percent (50%) of residential, commercial or industrial structures are deteriorating or deteriorated;
- Substantial abandonment of residential, commercial or industrial structures;
- Substantial presence of environmentally contaminated land;
- Inadequate public improvements or substantial deterioration in public infrastructure; or
- Any combination of factors that substantially impairs or arrests the growth and economic development of the city or county; impedes the provision of adequate housing; impedes the development of commercial or industrial property; or adversely affects public health, safety or general welfare due to the development area's present condition and use.

A local development area with condition of blight may be eligible for both state and local participation.
If wage assessments are identified to be used as part of the TIF, the city or county must report the pledge of those assessments to the Kentucky Economic Development Finance Authority along with a report that identifies the boundary description, commencement date, activation date and termination date.

State Participation Programs

Local revenues pledged to support the project must be of a sufficient amount to warrant state participation. There are three state participation programs available, each of which has its own distinct requirements for eligibility:

- Real Property Ad Valorem Tax Revenues
- Signature Projects
- Mixed-Use Redevelopment in Blighted Urban Areas

State Participation Programs

Program Name	Impact	Minimum Capital Investment	Use of Space	Taxes Available for Increment	Recovery Limits	Maximum Term
Real Property Ad Valorem Tax Revenues (KRS 154.30-040)	Project must represent new economic activity in the Commonwealth	$10 million	Not more than 20% of the capital investment or finished square footage can be devoted to retail	Up to 100% of the state real property incremental tax revenue may be pledged from the footprint	May recover up to 100% of approved public infrastructure costs	20 years
Signature Projects (KRS 154.30-050)	Project must: • Be judged to be of such magnitude as to warrant extraordinary public support AND • Represent new economic activity in the Commonwealth AND • Result in a net positive impact to the Commonwealth as certified by an independent outside consultant	$200 million	Not more than 20% of the capital investment or finished square footage can be devoted to retail	Types of state taxes that may be pledged include: • Real property ad valorem tax • Individual income taxes/ Withholding tax • Corporate income tax • Limited liability entity tax • Sales tax Up to 80% of incremental state tax revenues may be pledged from the footprint.	May recover up to 100% of: • Approved public infrastructure costs (less sales and use taxes paid) • Financing costs related to public infrastructure costs • Signature project costs (less sales and use taxes paid) Qualifies for a sales tax refund on the purchase of construction materials that do not qualify as an approved pubic infrastructure cost or an approved signature project cost	30 years

State Participation Programs

Mixed-Use Redevelopment in Blighted Urban Areas (KRS 154.30-060)	Project must: • Represent new economic activity in the Commonwealth AND • Result in a net positive impact to the Commonwealth as certified by an independent outside consultant AND • Include pedestrian amenities and public space	$20 million (but not to exceed $200 million)	Must include at least two of the following "uses": • Retail • Residential • Office • Restaurant • Hospitality To qualify as a "use," the "use" must comprise at least 20% of the total finished square footage or 20% of total capital investment. EXCEPTION: In a consolidated local government or an urban-county government, a project may qualify if all of the following three requirements are achieved: • Includes at least 3 "uses"; • One of the "uses" meets the 20% requirement; and • The other "uses," when combined, jointly meet the 20% requirement. The area cannot include any retail establishment that exceeds 20,000 square feet of finished square footage. The area must meet three of the seven blight/deterioration conditions (see above).	Types of state taxes that may be pledged include: • Real property ad valorem tax • Individual income taxes/ Withholding tax • Corporate income tax • Limited liability entity tax • Sales tax Up to 80% of incremental state tax revenues may be pledged from the footprint.	May recover up to 100% of approved public infrastructure costs and costs related to land preparation, demolition and clearance	20 years

State participation is limited to projects meeting the Blighted Urban Redevelopment Areas criteria of a Local Development Area outlined above. Only the tax revenues generated within the footprint of the specific identified project are included in the increment. The footprint is defined as the actual perimeter of a discreet, identified project within a development area in which capital investments are made. If state income taxes or local occupational license taxes are included for a TIF project that includes office space, the applicant should consider the impact of pledging these taxes on the ability to attract/locate other economic development projects at a later date.

The Process

- After establishing local TIF development area by local ordinance, local agency submits TIF application for state increments to the Cabinet for Economic Development (CED).
- CED staff reviews TIF application for completeness and evaluates whether, based solely on information submitted by the applicant, the project is likely to meet the minimum requirements for the program.
- CED staff presents TIF project to the Kentucky Economic Development Finance Authority (KEDFA) board for preliminary approval.
- Upon KEDFA preliminary approval, CED staff works with the Finance and Administration Cabinet and the Office of State Budget Director to develop criteria for the completion of a TIF consultant's report (if required).
- Consultant researches potential TIF project and projections submitted by local agency and determines if the projections are accurate and if the project results in a net positive impact for the Commonwealth.
- If the consultant's report reflects a net positive impact to the Commonwealth, the report is presented to KEDFA during closed session.
- CED staff negotiates the TIF incentive available to the project and drafts a TIF incentive agreement detailing the footprint, the specific taxes, amounts of increments available and infrastructure expenditures along with reporting requirements.
- CED staff presents the TIF project to KEDFA Board for final approval.
- Upon final approval, the TIF project can activate and increments can begin to accrue.

The third, fourth, fifth and sixth bullet points above do not apply to Real Property Ad Valorem Tax Revenue TIF projects since a consultant report is not required.

Fees

A non-refundable application fee of $1,000 is payable upon submission of the TIF application. Prior to final approval, the applicant will be responsible for an administrative fee equal to one-fourth of one percent (0.25%) of the final incentive amount authorized in the tax incentive agreement up to a maximum of $50,000. In addition, the applicant will be responsible for all independent outside consultant fees and legal fees, including expenses of counsel to KEDFA, necessary for the preparation of the consultant report and the tax incentive agreement.

To learn more, contact:
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