OWENSBORO BOARD OF COMMISSIONERS

Regular Meeting August 19, 2025 | 4:00 PM

> Owensboro City Hall 101 E. 4th Street Owensboro, Kentucky

- 1. CALL TO ORDER Mayor Tom Watson
- 2. ROLL CALL City Clerk Beth Davis

Present:

Mayor Tom Watson
Mayor Pro Tem Bob Glenn
Commissioner Jeff Sanford
Commissioner Curtis Maglinger
Commissioner Sharon NeSmith

- 3. INVOCATION & PLEDGE Mayor Pro Tem Bob Glenn
- 4. PRESENTATIONS
- **4.A.** Brian Howard, OMPC Executive Director, gave a presentation (attached) on Accessory Dwelling Units (ADU). An ADU is a smaller, secondary residential unit located on the same lot as the main residence; attached or detached, they provide complete, independent living facilities including living, sleeping, cooking and sanitation. He shared the potential benefits and drawbacks, along with regulatory considerations. If there are private restrictions through a Homeowners Association, those are outside of the OMPC's scope to enforce and would trump the ADU. There was brief discussion, Mr. Howard wanted to share the idea, as other cities are seeing these develop. Shelia Crowe stated it sounded like a good idea for a homeowner and asked why the homeowner would be taxed on an ADU, if they are already paying property taxes. Mr. Pagan responded that the transient room tax of four percent (4%) would not apply to rentals lasting longer than thirty (30) days.
- **4.B.** Purchasing Manager Kalyn Fox presented information on the inner workings of the Purchasing Department (attached). There was brief discussion on various methods of vehicle disposition, online, auction, etc.
- **4.C.** City Manager Pagan shared the project list (attached) and stated that projects are moving.
- 5. BUSINESS

- **5.A.** Minutes dated August 5, 2025 were unanimously approved by motion of Mayor Watson and a second from Commissioner Sanford.
- **5.B.** The following board appointments were unanimously approved by motion of Mayor Watson and a second by Mayor Pro Tem Glenn:
 - ➤ <u>Alliance for a Drug-Free Owensboro & Daviess County</u> Reappoint Rebecca Horn as a joint city-county appointment to a three-year term effective September 1, 2025. Appoint Brooke Arnold to a three-year term effective September 1, 2025.

6. MUNICIPAL ORDERS

6.A. Municipal Order 14-2025 entitled A MUNICIPAL ORDER ADOPTING A REVISED SIDEWALK POLICY AND CONSTRUCTION AND MAINTENANCE PLAN, was introduced and approved on one reading with motion by Mayor Pro Tem Glenn and a second from Commissioner Maglinger; motion carried 5-0.

Municipal Order 16-2016 created a Sidewalk Committee and adopted the City of Owensboro Sidewalk Policy and Construction and Maintenance Plan. The Sidewalk Committee has proposed revisions to the Sidewalk Policy and Construction and Maintenance Plan deemed necessary to improve maintenance of sidewalks in the City. City Manager Pagan explained that the City's primary method for sidewalk repair and replacement is to address one Neighborhood Alliance (NAB) at a time before rotating to the next Neighborhood Alliance.

Under the current policy, when a sidewalk repair request is received outside the highest-priority NAB, the City allows a cost-share partnership: the resident hires a contractor and pays for labor, while the City covers the concrete materials. Typically resulting in an approximate 20% City / 80% resident cost share. However, few residents currently utilize this program.

The proposed policy revision will have the City perform repairs using our contractor, with the residents paying an agreed-upon percentage of the total cost. The Sidewalk Committee will establish this percentage annually, but it is anticipated to be more advantageous for the resident—potentially split 50/50 or better. By using the City contractor, the burden of hiring and managing a contractor is removed from the resident. This change may encourage greater participation in the cost-share program and further improve sidewalk conditions throughout the City.

6.B. Municipal Order 15-2025 entitled A MUNICIPAL ORDER AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN EASEMENT AGREEMENT BETWEEN THE CITY OF OWENSBORO AND REGIONAL WATER RESOURCE AGENCY, GRANTING A PERPETUAL EASEMENT FOR THE PURPOSE OF CONSTRUCTING, OPERATING, MAINTAINING AND RECONSTRUCTING A SEWER LINE ACROSS A PORTION OF PROPERTY LOCATED ON CARTER ROAD, was introduced and

approved on one reading with motion by Mayor Watson and a second from Commissioner Sanford; motion carried 5-0.

Regional Water Resource Agency ("RWRA") requests a perpetual easement for the purpose of constructing and thereafter operating, maintaining and reconstructing a sewer line over and across a portion of property located on Carter Road. The easement has been fully reviewed by city staff and will not unreasonably interfere with the use of the property located on Carter Road. City Manager Pagan stated that staff has reviewed the requested easement and determined it will not negatively impact the property.

- **6.C.** Municipal Order 16-2025 entitled A MUNICIPAL ORDER AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A REAL ESTATE PURCHASE AGREEMENT FOR THE ACQUISITION OF PROPERTY LOCATED ON WEST PARRISH AVENUE CONTAINING 73.372 ACRES, MORE OR LESS, was introduced and approved on one reading with motion by Mayor Watson and a second from Commissioner Sanford; motion carried 5-0.
- J.E. Massie Farm, LLC owns certain real property located on West Parrish Avenue in Daviess County, Kentucky and the property owner now desires to sell the real property. The City of Owensboro seeks to acquire said property for economic development purposes. City Manager Pagan explained that earlier in the week the purchase of the Massie site was announced for future economic development. The Board of Commissioners have made economic development a top priority, and this major investment represents a significant milestone in advancing that vision. In 2023, the City engaged a consultant to review potential industrial sites across the county and identify those best positioned for future growth. The Massie site ranked in the top tier of all sites evaluated, confirming its long-term potential for attracting jobs and investment to our community. The current industrial park, the Airpark, still has some land available, but that supply is quickly diminishing. Three (3) companies currently hold options or purchase agreements for the majority of the remaining acreage, meaning the Massie property will be essential to meeting future demand. Importantly, this purchase has been part of the City's long-term planning. Funds have been set aside in advance, so while the Massie acquisition is a sizeable investment, it will not impact the City's general fund, the primary operating fund. This acquisition has been years in the making. Brad Davis, Vice President of Business Development at the Economic Development Corporation, has worked diligently on this project for the past two (2) years. Mr. Pagan thanked Mr. Davis, along with Claude Bacon and the entire EDC team, for being such strong and collaborative partners in helping bring this opportunity to reality. The Massie site consists of two (2) separate parcels and both this order and Municipal Order 17-2025 approve the purchase in full. Purchase price is \$38,500 per acre, which is reasonable considering the property appraised at \$41,022 per acre.
- **6.D.** Municipal Order 17-2025 entitled A MUNICIPAL ORDER AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A REAL ESTATE PURCHASE AGREEMENT FOR THE ACQUISITION OF PROPERTY LOCATED ON WEST PARRISH AVENUE CONTAINING 48.233 ACRES, MORE OR LESS, was introduced and approved on one

reading with motion by Mayor Watson and a second from Mayor Pro Tem Glenn; motion carried 5-0.

William M. Kuegel, Jr. and Lois Elaine Kuegel own certain real property located on West Parrish Avenue in Daviess County, Kentucky and the property owners now desire to sell the real property. The City of Owensboro seeks to acquire said property for economic development purposes. See comments in Municipal Order 16-2025.

6.E. Municipal Order 18-2025 entitled A MUNICIPAL ORDER AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN APPLICATION FOR A LOCAL ASSISTANCE ROAD PROGRAM GRANT THROUGH THE KENTUCKY TRANSPORTATION CABINET, DEPARTMENT OF RURAL & MUNICIPAL AID, IN THE APPROXIMATE AMOUNT OF \$2,220,000.00, THE PROCEEDS OF WHICH WILL BE UTILIZED BY THE CITY OF OWENSBORO TO RESURFACE CITY STREETS; A TWENTY-FIVE PERCENT (25%) MATCH OF \$555,000 IS REQUIRED BY THE CITY, was introduced and approved on one reading with motion by Mayor Watson and a second from Commissioner NeSmith; motion carried 5-0.

The City of Owensboro desires to resurface various streets in need of repair and seeks to file an application for a Local Assistance Road Program Grant through the Kentucky Transportation Cabinet, Department of Rural & Municipal Aid, in the approximate amount of \$2,220.000.00, the proceeds of which will be utilized to perform the necessary resurfacing. A twenty-five percent (25%) match of \$550,000.00 is required for this grant.

6.F. Municipal Order 19-2025 entitled A MUNICIPAL ORDER OF THE CITY OF OWENSBORO, KENTUCKY, PRELIMINARILY APPROVING AN INDUSTRIAL REVENUE BOND FINANCING FOR MIZKAN AMERICA, INC., OR ANY AFFILIATE THEREOF OR ENTITY RELATED THERETO; AUTHORIZING INITIATION OF THE ACQUISITION, CONSTRUCTION, EQUIPPING, AND INSTALLATION OF A QUALIFYING PROJECT; AGREEING TO ISSUE INDUSTRIAL REVENUE BONDS AT THE APPROPRIATE TIME; AUTHORIZING THE EXECUTION AND DELIVERY OF A MEMORANDUM OF AGREEMENT AND A PAYMENT IN LIEU OF TAXES AGREEMENT IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND TAKING OTHER PRELIMINARY ACTIONS, was introduced and approved on one reading with motion by Mayor Watson and a second from Commissioner Maglinger; motion carried 5-0.

Mizkan American announced an expansion to their Owensboro facility in July 2024. The City of Owensboro desires to provide the company with an incentive for the project through a property tax abatement, with the company providing a payment-in-lieu-of -tax-payment. City Manager Pagan stated that earlier in the year, Mizkan held a groundbreaking for an expansion of their Owensboro facility. At the time, the project was projected to involve a \$156 million investment and create 44 new jobs.

This Municipal Order provides preliminary approval for an industrial revenue bond to support the expansion. Essentially, the bond functions as a property tax incentive for the

project. Under this arrangement, the City will technically own the property on which the expansion will sit, making it tax-exempt. However, Mizkan will make payments to the various taxing districts at a negotiated, reduced rate. Specifically, the City negotiated a 75% property tax rebate for ten (10) years. The company will pay 25% of what they would have owed if they fully owned the property and it was taxable. The school system will receive the full amount, ensuring they are made whole.

This structure is slightly different from a typical economic development incentive but achieves the same goal of supporting the project. This Municipal Order provides preliminary approval; a similar item will appear on an upcoming agenda to finalize the incentive.

7. ORDINANCES - 2nd READING

7.A. Ordinance 11-2025 entitled AN ORDINANCE AMENDING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026, AND AMENDING ORDINANCE 6-2025 TO REVISE BEGINNING FUND BALANCES, CARRY OVER APPROPRIATIONS FOR ALL OUTSTANDING ENCUMBRANCES, CAPITAL PROJECTS AND RE-BUDGET FUNDS, was unanimously approved on second reading by a roll call vote. Motion was made by Commissioner NeSmith and seconded by Mayor Pro Tem Glenn.

Budget amendment to revise beginning fund balances, carry over appropriations for all outstanding encumbrances, capital projects and re-budget funds.

8. ORDINANCES - 1st READING

8.A. Ordinance 12-2025 entitled AN ORDINANCE AMENDING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026, AND AMENDING ORDINANCE 6-2025 TO RECEIVE AND APPROPRIATE FUNDS FROM RIVERCITY PICKLEBALL, AND TO APPROPRIATE FUNDS FOR A LAND PURCHASE, was introduced and publicly read on first reading.

Budget amendment to receive and appropriate funds from Rivercity Pickleball, and to appropriate funds for a land purchase. City Manager Pagan explained the budget amendment has two (2) components: one (1) is to appropriate funds for the purchase of the Massie property previously approved earlier in the meeting. As a purchase from the economic development fund, there will be no impact on the general fund.

The second component of the budget amendment is to incorporate the donation from the Rivercity Pickleball Club. The agreement with the club requires them to contribute \$500,000 to the project. As construction is nearing, the added revenue is needed to offset expenses after construction begins.

8.B. Ordinance 13-2025 entitled AN ORDINANCE IMPOSING A TEMPORARY MORATORIUM ON CERTAIN CATEGORIES OF GROUP HOUSING AND FACILITIES IN OWENSBORO, was introduced and publicly read on first reading.

The City of Owensboro Board of Commissioners has received public input expressing concern over the location of certain categories of group housing and other facilities within the city limits and desires to obtain data related to these types of group housing and facilities to determine the accuracy of public input. The Board of Commissioners desires the Owensboro Metropolitan Planning Commission to review the zoning ordinance to determine whether changes are needed to address the concerns raised by citizens. The Board of Commissioners believes it is appropriate to pause applications with regard to these categories of group housing and facilities while the Planning Commission conducts its review. City Attorney Mark Pfeifer explained that in late 2024, the Northwest Neighborhood Alliance expressed concern with the impact of homeless shelters in their neighborhood and requested no further shelters be allowed in their area. If the moratorium passes, it will allow city staff twelve (12) months to gather data and review what other cities have done, consult with OMPC, and study whether any changes to the zoning ordinance are needed to address the concerns. The mortarium will not affect existing shelters or facilities in any way; it would only stop consideration of any new shelters or facilities during the 12-month period. If zoning changes are made during the moratorium, the Board of Commissioners could terminate the moratorium.

9. CITY MANAGER ITEMS

- **9.A.** The financial report for the period ending July 31, 2025 was presented by Deputy Director of Finance and Support Services, Dane' Galloway (attached). Motion was made by Mayor Watson to file the report for audit; second from Commissioner Maglinger and carried unanimously.
- **9.B.** The following personnel appointments were unanimously approved by motion of Mayor Watson and a second by Commissioner Maglinger:

NON-PROMOTIONAL / PROBATIONARY STATUS:

➤ **Gregory A. Eatherly** – Probationary, full-time, non-civil service appointment to Bus Driver with the Public Works Transit Department, effective August 24, 2025

REGULAR STATUS:

- Sidney Madison Coleman Regular, full-time, non-civil service appointment to Communications Digital Coordinator with the Administration Department, effective August 25, 2025
- ➤ <u>Tyler H. Grant</u> Regular, full-time, non-civil service appointment to Fire Driver/Engineer with the Fire Department, effective August 25, 2025

- Wilson Dean Jenkins Regular, full-time, non-civil service appointment to Fire Driver/Engineer with the Fire Department, effective August 25, 2025
- Andrew D. Osborne Regular, full-time, non-civil service appointment to Street Manager with the Public Works Street Department, effective August 25, 2025
- **9.C.** City Manager Comments None
- 10. COMMUNICATIONS FROM ELECTED OFFICIALS

Members of the Commission discussed the events they recently attended.

11. OPEN PUBLIC FORUM

Pam Bivens (4127 Liberty Pointe) presented Mayor Watson with a quilt she made from the donated neckties for the Owensboro Science & History Museum.

12. CLOSED SESSION

- **12.A.** Motion was made by Mayor Watson to enter into closed session under KRS 61.810 (1)(k) in which federal or state law specifically requires to be conducted in privacy; motion was seconded by Commissioner Maglinger and carried unanimously.
- **13.** Motion was made by Mayor Watson and seconded by Commissioner Sanford to return to open session.
- **14.** There being no further business to discuss, a motion was made by Mayor Watson to adjourn the meeting at 5:29 pm, Commissioner Maglinger seconded the motion and it carried unanimously.

	Thomas H. Watson, Mayor
ATTEST:	
Beth Davis, City Clerk	