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### City to buy State Office Building

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By Steve Vied, Messenger-Inquirer

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Owensboro moved a big step closer to getting an upscale hotel and convention center built downtown with Thursday's confirmation that the city will acquire the State Office Building.

Owensboro Mayor Ron Payne confirmed that the City Commission had reached consensus to buy the state building from the state for \$1.74 million.

As part of the deal, the city will also take possession of the 553.5-acre Ben Hawes State Park, known primarily for its 18-hole golf course.

The State Office Building, at Second and Frederica streets, is on the spot where the master plan for downtown revitalization calls for a convention center hotel to be built. Three developers have been selected as the finalists to build a hotel with between 150 and 175 rooms.

Naming that developer is imminent, Payne said, and purchasing the state building clears the way for it to be demolished and the hotel project to proceed.

The city will receive the deed to the two-story state building by Dec. 31, and the target date for the state to vacate the building is April 30, Payne said.

"We needed to do this fairly soon because we are selecting a developer for a new hotel," Payne said in his City Hall office Thursday morning. "We'll probably be making that announcement right after the first of the year. Construction of a convention center and hotel will begin next year."

Daviess Fiscal Court is committed to building the convention center west of the proposed hotel. But county government will not be involved in the purchase of the state building or taking over and operating Ben Hawes State Park, Payne said.

"I appreciate the state working with us on this and I also appreciate the help of State Rep. Tommy Thompson because he helped up accomplish this."

The City Commission will formally vote to purchase the state building later this month, perhaps on Dec. 15, Payne said. He said a majority of the commission supports the state building purchase and takeover of Ben Hawes.

The money to buy the state building will come from city's downtown revitalization fund of almost \$60 million, made possible by the city's decision 11 months ago to increase its insurance premium tax. Proceeds from the increase are solely devoted to downtown redevelopment.

Ben Hawes Park was developed by the city in 1964 and sold to the state a decade later.

Fred Reeves, downtown development director, said the agreement between the city and the state to transfer the state building to the city is "absolutely huge."

"To finally have it is wonderful news for the community and for the downtown project," he said. "As we have talked to hoteliers, we've never looked at any other site. Now we can talk to them with certainty."

Reeves said he has talked with state officials many times about the people who work in the state building and where they will be relocated.

"They are looking at a number of sites across the community at least temporarily until they can either build a new building or find something that absolutely suits their needs," Reeves said.

Reeves said that it is more likely that the state will build a new downtown state facility because of the lack of a suitable existing building to house the 219 state employees.

City Commissioner David Johnson said he supports the state building purchase because the site is the critical piece of property needed to complete the downtown redevelopment plan.

Johnson said he also supports the city taking over Ben Hawes State Park.

"It allows us to move from a nine-hole golf course (Hillcrest Golf Course) to a 27-hole golf course," Johnson said, noting that Hawes has a regulation 18-hole course and a nine-hole par three course. But Johnson said he is opposed to the city operating both Hillcrest and Hawes golf courses.

Commissioner John Kazlauskas said he supports the acquisition of the state building because of its importance to the downtown master plan. Acquiring Ben Hawes State Park may turn out to be a positive because the city may be able to make improvements there that the state has been unwilling to make, Kazlauskas said.

Payne said converting Hillcrest to a passive city park and using its golf cart paths as walking trails is a possibility. Selling Hillcrest to a private developer is not what he wants, Payne said.

"We will have to look at whether we can operate two golf courses or operate one," Payne said. "I want to talk to the people who utilize Hillcrest. ... What happens at Hillcrest is yet to be determined, but it is an issue whether we can operate two golf courses well."

Under the state's operation, Ben Hawes runs an annual operating deficit of about \$500,000. Bill Parrish, Owensboro's city manager, said city staff is already looking at ways to lower costs and raise revenues at the state park.

"We're looking at the things we did at Hillcrest, which is pretty successful, and transfer them to Ben Hawes," Parrish said. "The big push is to increase usage. ... We will push hard on the revenue side. Our staff believes there's a lot more revenue out there."

Lowering the cost to play golf at Ben Hawes will be key as a way to attract more golfers, Parrish said.

Parrish said he was not aware of any restrictions the state will place on the city's use of the park, including the ability of the city to sell it.

"We will look at what they send us, but I don't know of any restrictions," he said. "We will look for it being fee simple, meaning we can do with it what we will."

**Steve Vied, 691-7297, [svied@messenger-inquirer.com](mailto:svied@messenger-inquirer.com)**

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