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### Downtown loan program created

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A group of local banks has partnered with the Greater Owensboro Economic Development Corp. to create a revolving loan pool to help fund downtown revitalization projects.

The program, announced this week, would offer loans of between \$250,000 and \$1 million to purchase and renovate properties in downtown for residential, retail and commercial uses.

"What this does is this positions us to allow the private sector to step up to the plate," said EDC President and CEO Nick Brake said. "It's about public-private partnerships supporting economic development in downtown."

The program was developed by BB&T, Independence Bank and U.S. Bank as a way to better entice investment in downtown properties, said Scott McCain, city executive with BB&T.

First National Bank, Republic Bank and Old National Bank have also joined the program since the idea was first proposed, and each of the banks is a trustee bank that invests each year with EDC.

A similar loan pool was developed in the 1990s under the guidance of Downtown Owensboro Inc., but the lack of marketing and a comprehensive downtown plan such as the one recently adopted by city and county government kept that program from being utilized, McCain said.

The excitement that many in the community feel about the downtown plan recently developed by Gateway Planning Group prompted EDC members and bank officials to begin looking at reviving the program, McCain said.

The Owensboro City Commission and Daviess Fiscal Court have approved an increase in the insurance premium fee to help fund a \$79 million package of projects for Owensboro's downtown.

Local officials said recently they anticipate those projects, which include an indoor events center, spurring private investment of between two and three times the cost of the package of projects paid for by local government.

Under the program, the banks will create a revolving loan pool of \$2.5 million, and loan applications would be required to first meet the approval of Downtown Development Director Fred Reeves, and then a loan committee comprising representatives from all six banks.

It will be a revolving loan pool, which means new loans will be funded by the ongoing repayment of the initial loans and allow for more than the initial \$2.5 million to be loaned out over the life of the program.

The loans will be offered with more attractive features than are typically available including longer amortization periods, lower rates and lower

fees.

"The program itself has got more relaxed terms than what a person could find in a conventional loan," McCain said. " This is not a giveaway program. ...We're going to be looking at all the different criteria that some one looks at to make a good loan."

Because the emphasis of the downtown master plan and the program is on economic development and job creation, the projects seeking funding should be able to exhibit that type of impact, Reeves said.

The loans could be used for the purchase and renovation of existing properties downtown but not for the construction of new buildings.

Reeves said the downtown revitalization project could also tap into federal and state incentive programs to help offset some of the costs and encourage investment.

At least three local individuals have already shown interest in applying for the loans under the new program, Reeves said.

"This is something that has been implemented and has been successful in other communities," said Darrell Higginbotham, Daviess County president of Independence Bank and chairman of the EDC board.

Higginbotham and others involved in the program pointed to Paducah and Huntington, [W.Va.](#) as examples of where similar loan pools had encouraged development.

Fred May, community president for U.S. Bank, said the program should serve as a jump start to private investment downtown.

"I think this product we've developed, I think it's going to have a lot of utility," May said. "The overall success of the community is an absolute priority for us."

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