

PACRO mulls how to spend USEC assets

Posted: Tuesday, May 24, 2016 12:15 AM

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As the designated recipient of surplus assets coming from the U.S. Department of Energy's Paducah Gaseous Diffusion Plant, the Paducah Area Community Reuse Organization faces several challenges.

They include complying with the myriad governmental, environmental and procedural rules that accompany the task of identifying and transferring assets related to the ongoing deactivation of the site.

PACRO also has to find a fair way to see its nine member counties benefit from efforts to mitigate job losses from the plant's shutdown and share in whatever economic development opportunities are identified for the region.

Following some discussion along those lines at its meeting last week, a five-person committee was established to look at ways those goals can be achieved.

A request for funding from Carlisle County Judge-Executive Greg Terry sparked discussion about concerns over setting a precedent for future use of funds and adhering to the organization's mission.

Terry would like PACRO to fund a planned study focusing on economic development possibilities in west Kentucky's four Mississippi River counties -- Ballard, Carlisle, Hickman and Fulton. The study will cost \$84,000, with each county responsible for \$21,000.

It will be conducted by Civic Pointe Group, an organization providing professional services and data to nonprofit groups and local governments, and will look at opportunities such as establishing a riverport at the site of the recently shuttered Verso paper mill in Wickliffe.

Terry maintained the study would help the four river counties that have lost a number of jobs from the Verso plant shutdown and other closings, including jobs lost when uranium enrichment operations ceased at the DOE site. The study would also help with economic development in the entire region.

"Anything that would be done in that study would have to move on up the river (in terms of benefits), it wouldn't be just those four counties," Terry said.

Scott Darnell, president/CEO of Paducah Economic Development, which is contracted to oversee PACRO, expressed concern about setting a precedent for the future. He said money from the transfer of assets, like the estimated \$100,000 to \$160,000 (half of which to be returned to the U.S. treasury) from the sale of 10,000 to 16,000 tons of coal from the site, is only now beginning to come in.

He said it was always understood that as the board started selling surplus assets, it would discuss whether to continue to put up money for its revolving loan fund or use it for other things.

"I think it's responsible to have that discussion now that asset money is coming in, how is that money used and how it's fair," Darnell said.

PACRO was seeded with approximately \$10 million from the federal government. After the federal funding stream halted in 2006, the organization switched from providing grants to issuing loans to help support economic development in its counties.

Today, the revolving loan fund has approximately \$3.6 million with several remaining outstanding industrial and entrepreneurial notes.

Paducah Mayor Gayle Kaler, PACRO board chair, noted the main intent of the organization's funding has always been to mitigate job losses at the gaseous diffusion plant, and that specific guidelines exist for how the money can be spent.

"Once we start getting more of the recycled materials from the plant site, we probably can be more flexible with what we do with that money," Kaler said. "I think there needs to be a consensus from the board on how we move forward, what we do with those asset transfers."

Mark Manning, PACRO board member from Calloway County, added: "I think the one thing we can all agree on is whether it's PACRO, the regional industrial park or anything else, we have very limited resources. And as a result we all want to make sure the limited resources can bring us the biggest bang for the buck."

"What I'm hearing is that it's time to start putting a process in place for when we have assets coming in that can be allocated for different projects," he said.