

# MINUTES } CITY OF PIKEVILLE

## SPECIAL MEETING - AUGUST 15, 1988

The Board of Commissioners of the City of Pikeville met in a Specially called session on Monday, August 15, 1988 in the City Hall Public Meeting Room at 260 Hambley Boulevard.

Special Meeting Notices were delivered in accordance to law. The meeting's purpose was to:

1. Consider selecting a mall site and developer
2. Consider designating an access road location in the Riverfill.

There being a quorum present, Mayor W. C. Hambley, M.D. called the meeting to order at 7:00 P.M. The following Commission Members were present upon call of the roll:

COMMISSIONER:	STEVE COMBS
	GREG JUSTICE
	THOMAS HUFFMAN
	JOHNNY MOUNTS
MAYOR:	W. C. HAMBLEY, M.D.

C. J. May of B. D. & E Development presented material to the Commission as requested at an August 11, 1988 work session. Included in the information package were a FEMA letter regarding the permit, proforma statements, financial commitments, land options and tenant commitments. Mr. May advised the Commission that all leases are in place with the exception of the Thompson parcel located at the north end of the project. According to Mr. May, this lease is out for signature, but if not signed, will not halt the project.

B. D. & E. Development requested an endorsement from the City Commission in an effort to convince HUD officials to grant an extension of the UDAG \$4.5 million grant which is earmarked for off site improvements. The scheduled date of termination is August 24, 1988. Also necessary for the Construction of this 450,000 sq. ft. enclosed mall and 150,000 sq. ft. strip center, is the City's participation in a \$2.7 million Tax Increment Bonds for the construction of a 5 lane bridge. Commissioner Huffman voiced his concerns on the repayment of these bonds. It was explained that the increase in the generated income in the occupation taxes for the expected 1201 mall employees would be used in the repayment of these bonds. \$125,000 is expected annually in these additional occupational tax revenues. Property taxes are estimated to reach \$500,000 annually over a ten year period. Arguments in support of the project were heard from area businessman, Harding Dawahare, who commented that the additional tax revenues earmarked for the repayment of the bonds would not be realized unless the mall project proceeded. Financing institutions were discussed. Mr. May stated that B. D. & E Development plans to fund this venture through CitiCorp Bank. The City Commission asked for a copy of financial references.

Nancye Caudill Blackburn, president of Grouse Point Development Corporation, presented their package of information for a 300,000 sq. ft. proposed mall to be located in Poor Farm Hollow.

Mrs. Blackburn listed ten points in an effort to secure the City Commission's endorsement of her company and site location. Of those ten points, emphasized was that no off site improvements are necessary. Mrs. Blackburn estimated her needs to be a \$1.9 million UDAG and a \$1.45 million dollar Tax Increment Bond. She commented that these funds may not be necessary. The sale of the coal minerals located on this site at \$16.00/ton will be used to fund a portion of the local share.

Architect, Jim Ellis, presented each Commission Member with plans of the proposed mall.

Prudential Life is Grouse Point Development's choice to finance this project.

Thomas Huffman made the motion, seconded by Greg Justice to adjourn to an executive session to discuss legal matters. The motion carried unanimously.



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Steve Combs made the motion, seconded by Greg Justice to reconvene to regular session. The motion carried unanimously.

Steve Combs made the motion that the City of Pikeville endorse B. D. & E. Development and the Airport Site to try to obtain UDAG funds in Washington, D.C. this Friday. Johnny Mounts seconded the motion. The motion carried 3 - 2 with Greg Justice voting "NO" and Thomas Huffman voting to endorse the mall project but not the funding package. 1-27-009

Thomas Huffman made the motion to adopt a resolution entitled:

A RESOLUTION APPROVING THE SUBMISSION OF A UDAG GRANT APPLICATION FOR GROUSE POINT DEVELOPMENT CORPORATION FOR THE DEVELOPMENT OF AN ENCLOSED MALL IN POOR FARM HOLLOW R-88-010

Steve Combs seconded the motion. The motion carried unanimously.

There being no further business to discuss, Thomas Huffman made the motion, seconded by Johnny Mounts to adjourn. The motion carried unanimously.

APPROVED

W.C. Hawley, Jr.

ATTEST:

Karen Harris  
CITY CLERK

