

# MINUTES } CITY OF PIKEVILLE

## SPECIAL MEETING - OCTOBER 2, 1989

THE BOARD OF COMMISSIONERS OF THE CITY OF PIKEVILLE WAS CALLED TO MEET IN SPECIAL SESSION ON MONDAY, OCTOBER 2, 1989 AT THE CITY HALL PUBLIC MEETING ROOM AT 260 HAMBLEY BOULEVARD.

MAYOR W. C. HAMBLEY, M.D. CALLED THE MEETING TO ORDER AT 6:00 P.M. COMMISSION MEMBERS PRESENT AND FORMING A QUORUM WERE:

COMMISSIONER	STEVEN COMBS
	THOMAS HUFFMAN
	JOHNNY MOUNTS
MAYOR	W. C. HAMBLEY, M.D.

COMMISSIONER GREG JUSTICE WAS ABSENT.

PURPOSE OF THE SPECIAL MEETING WAS TO DISCUSS:

1. ENTERING INTO AN AGREEMENT WITH B D & E, PIKEVILLE MALL DEVELOPERS
2. PROPERTY TRANSFER BETWEEN THE CITY OF PIKEVILLE AND THE URBAN RENEWAL AGENCY

CITY ATTORNEY RUSSELL DAVIS, JR., EXPLAINED THAT MOST OF THE CHANGES DISCUSSED AT THE WORK SESSION HAVE BEEN MADE TO THE AGREEMENT BETWEEN THE PIKEVILLE MALL DEVELOPERS AND THE CITY OF PIKEVILLE. MR. DAVIS REPORTED THAT THE AGREEMENT IS SATISFACTORY BASED UPON THE CITY COMMISSION'S DIRECTIVES. THE CITY WILL LOAN THE UDAG GRANT MONIES AND THE DEVELOPER WILL PAY THE FUNDS BACK. TERMS OF THE AGREEMENT PROVIDE THAT THE DEVELOPER WILL PAY THE CITY A SUM OF \$60,000 PER YEAR. ON THE 25TH YEAR, THE REMAINING BALANCE IS DUE AND PAYABLE. IF THERE IS AN EXCESS OF PROFITS (MORE THAN 12% RETURN) THE \$60,000 PER YEAR PAYMENT WILL BE INCREASED ACCORDINGLY.

THERE IS A CLAUSE IN THE AGREEMENT WHICH PROVIDES THAT IF THE DEVELOPER SELLS THE MALL PROJECT OR REFINANCES, THE DEVELOPER WILL HAVE TO PAY OFF THE LOAN TO THE CITY AND IF THEY HAVE RECEIVED MORE THAN A 12% RETURN ON THE INVESTMENT, WHATEVER THEY HAVE OVER, THEY WILL PAY OFF TOWARDS THE CITY'S LOAN.

MR. DAVIS WENT ON TO EXPLAIN THAT THE CITY DOES NOT ACTUALLY SIGN THE AGREEMENT WITH THE DEVELOPER AT THIS TIME. NEEDED IS A RESOLUTION FROM THE COMMISSION SAYING THAT THE CITY APPROVES THE AGREEMENT IN THE FORM AS ATTACHED TO THE RESOLUTION AND THEN FORWARD TO HUD FOR THEIR APPROVAL. IF HUD MAKES ANY RECOMMENDATIONS FOR CHANGE IN THE AGREEMENT, THE AGREEMENT WILL BE RETURNED TO THE CITY FOR APPROVAL. UPON HUD'S APPROVAL, THE CITY AND DEVELOPER CAN EXECUTE THE AGREEMENT.

JOHNNY MOUNTS MADE THE MOTION TO APPROVE THE FINAL DRAFT OF THE AGREEMENT BETWEEN THE CITY OF PIKEVILLE AND THE BIG SANDY REGIONAL MALL JOINT VENTURE, BARRY E. DOTSON & ASSOCIATES, INC., AND LAING PROPERTIES, INC. STEVE COMBS SECONDED THE MOTION. THE MOTION CARRIED 4 - 0. (RESOLUTION R-89-014)

A RESOLUTION APPROVING THE FORM OF A PROPOSED LOAN AGREEMENT BY THE CITY OF PIKEVILLE AND BIG SANDY REGIONAL MALL JOINT VENTURE, BARRY E. DOTSON AND ASSOCIATES, INC. AND LAING PROPERTIES, INC. FOR A LOAN FROM THE CITY OF PIKEVILLE OF \$4,469,524.00 IN A UDAG GRANT

WHEREAS, A LOAN AGREEMENT HAS BEEN PRESENTED TO THE CITY COMMISSION BY THE CITY OF PIKEVILLE AND BIG SANDY REGIONAL MALL JOINT VENTURE, BARRY E. DOTSON AND ASSOCIATES, INC. AND LAING PROPERTIES, INC.;

WHEREAS, SAID LOAN AGREEMENT PROVIDES FOR A LOAN IN THE SUM OF \$4,469,524.00 FROM THE CITY OF PIKEVILLE TO BIG SANDY REGIONAL MALL JOINT VENTURE, BARRY E. DOTSON AND ASSOCIATES, INC. AND LAING PROPERTIES, INC., SAID SUM RECEIVED BY THE CITY THROUGH A UDAG GRANT.

WHEREAS, THE PROCEEDS OF THE LOAN SHALL BE USED FOR DEVELOPMENT AND CONSTRUCTION OF A REGIONAL MALL AND COMMUNITY STRIP CENTER ON THE OLD AIRPORT SITE;

WHEREAS, THE CITY COMMISSION DESIRES TO APPROVE THE FORM OF THE LOAN AGREEMENT SUBJECT TO THE ACCEPTANCE AND APPROVAL OF THE SAME BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

NOW, THEREFORE, BE IT RESOLVED THAT SAID LOAN AGREEMENT IS APPROVED, AND THE MAYOR AND CITY CLERK ARE AUTHORIZED TO EXECUTE THE SAME UPON ACCEPTANCE OF THE TERMS BY THE DEPARTMENT OF THE HOUSING AND URBAN DEVELOPMENT. A COPY OF SAID LOAN AGREEMENT IS ATTACHED HERETO.

PASSED THIS 2ND DAY OF OCTOBER, 1989.

COMMISSIONER JOHNNY MOUNTS MOVED THE ADOPTION OF THE FOREGOING



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RESOLUTION. COMMISSIONER STEVE COMBS SECONDED THE MOTION.

UPON ROLL CALL, THE VOTES WERE AS FOLLOWS:

	YES	NO
W. C. HAMBLEY, M.D., MAYOR	X	
STEVE COMBS, COMMISSIONER	X	
GREG JUSTICE, COMMISSIONER		ABSENT
THOMAS HUFFMAN, COMMISSIONER	X	
JOHNNY MOUNTS, COMMISSIONER	X	

THE MAYOR DECLARED THE WITHIN RESOLUTION ADOPTED.

/S/ W. C. HAMBLEY, M.D. W. C.  
HAMBLEY, M.D., MAYOR

ATTEST:

/S/ KAREN HARRIS  
KAREN HARRIS, CITY CLERK

A MAP WAS REVIEWED BY THE CITY COMMISSION WHICH SHOWED THE RIVERFILL AREA AND OWNERSHIP. AFTER AN EXTENSIVE REVIEW, STEVE COMBS MADE THE MOTION TO DIRECT THE CITY ATTORNEY TO PREPARE AN INTERPARTY DEED TO BE FORWARDED TO THE URBAN RENEWAL AGENCY FOR THEIR CONSIDERATION WHEREIN THE CITY DEEDS ALL RIVERFILL PROPERTY FROM HUFFMAN AVENUE TO FERGUSON CREEK EXCEPT FOR THE OLD MIDDLE BRIDGE SITE, ALL CONTINGENT UPON URBAN RENEWAL DEEDING THE PROPERTY BEHIND THE DAY CARE CENTER TO THE CITY TO BE LEASED TO THE DAY CARE CENTER; THE PROPERTY BEHIND THE PIKEVILLE COLLEGE GYM TO PIKEVILLE COLLEGE (PIKEVILLE COLLEGE IS TO PREPARE A DEED FOR A ROADWAY & SEWAGE LINE TO THE CITY); DEED PROPERTY TO MOUNTAIN COMPREHENSIVE CARE CENTER SUBJECT TO THEM PROVIDING THE CITY EVIDENCE THAT THEY WILL FOLLOW THROUGH WITH THE PROJECT; WITH THE DEED TO THE URBAN RENEWAL CONTINGENT UPON THE URBAN RENEWAL AGENCY DEEDING THE OLD CITY HALL PROPERTY PROPERTY AT 211 DIVISION STREET TO THE CITY OF PIKEVILLE. THOMAS HUFFMAN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THOMAS HUFFMAN MADE THE MOTION TO ADJOURN. JOHNNY MOUNTS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

APPROVED: /S/ W. C. HAMBLEY, M.D.

ATTEST:

/S/ KAREN HARRIS