

MINUTES } CITY OF PIKEVILLE

SPECIAL MEETING - AUGUST 21, 1991

The City of Pikeville Board of Commissioners were called to meet in special session on Wednesday, August 21, 1991 at 12:00 Noon. The meeting was held in the City Hall Public Meeting Room at 260 Hambley Boulevard.

The meeting was called for the purpose of meeting with a potential developer to discuss proposals for terms and conditions for development of the airport property and other site selections within the City of Pikeville.

There being a quorum present, Mayor Walter E. May called the meeting to order. Commission Members present upon call of the roll were as follows:

MAYOR:	WALTER E. MAY
COMMISSIONER:	WALTER BLANKENSHIP
	EUGENE DAVIS
	JOHNNY MOUNTS

Commissioner Frank Morris arrived at 12:15 p.m.

Mayor May advised the Commission of a letter from the Office of the Governor, Department of Local Government with regard to the Pikeville Mall. According to the letter the \$740,000.00 CDBG grant has been withdrawn. The letter further stated that "if, and when this project reaches a stage where definite costs and accomplishments can be identified an application may be resubmitted for consideration under another funding cycle". The City Manager explained the CDBG funds were dedicated for offsite improvements (water and sewer line extensions; 200,000 gallon water tank; road improvements on Thompson Road) on the airport road mall site. Indirectly associated with the project are loan funds from the Kentucky Infrastructure Authority in the amount of \$3,025,000.00. These monies will be used to fund the improvements at the wastewater treatment plant. Mayor May explained it had been the intention to repay the 3% interest funds with the occupational fees generated by the mall. With the wastewater plant project nearing completion, and interest charges being assessed at 10% per annum, it has become necessary to look at other methods to repay the improvement loan. The alternatives are to raise the occupational fee by 1/2% or to raise the sewer rates to 116% of the water charge. It is not known at this time how these developments will affect the UDAG funds. The City has been granted an extension through October, 1991. It is hoped that the developer, primarily C. J. May, who has been working on the airport site mall project will come up with a means of financing, thus enabling the City to hold the UDAG. The Mayor continued by saying that if Mr. May is unsuccessful in negotiating a workable project, he would like to work with another developer on a project which would enable the city to hold onto the UDAG funds. The UDAG funds are tied to economic development and the providing of jobs. There is a possibility the UDAG can be moved to another project.

Addressing the Commission was Roy Drinkard, a developer from Alabama. Mr. Drinkard communicated his eagerness in working with the Commission to develop a project in Pikeville. Mr. Drinkard advised his company has developed approximately 100 strip shopping centers, but he has not been involved in the construction of a shopping mall. Mayor May pointed out that the city of Pikeville does not have control of the property known as the airport site. The property is privately owned and the owners have made agreements with the previous mall developers. If Mr. Drinkard should choose to develop a project on the airport site, he will have to negotiate an agreement with the property owners. Mayor May continued by saying the reason for the meeting today is due to the shortness of time in meeting the deadline for the UDAG funds, the letter withdrawing the CDBG funds, and to explore possibilities in case C.J. May is unsuccessful in locating the necessary financing for the proposed project. It is thought one or more smaller projects would be enough to salvage the UDAG. In looking at smaller projects, it is necessary for Mr. Drinkard to negotiate with the Commission with regard to city owned property.

At 12:50 p.m., Commissioner Blankenship made the motion, seconded by Commissioner Davis to adjourn to an executive session for the purpose of discussing property negotiations and other legal matters. Upon call of the roll, the motion carried unanimously.

At 1:50 p.m., Commissioner Morris made the motion to reconvene to regular session. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 4 - 0 (Commissioner Davis left before the meeting concluded).

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Mayor May announced discussion was had with Mr. Drinkard and his associate, Joe McElroy regarding the different possibilities for development in Pikeville, including some possibilities of development on city owned property. Said city property is located on Thompson Road more commonly referred to as the "old softball field". No agreement has been reached at this time, however Mr. Drinkard is interested in doing some type of commercial development within the city of Pikeville and is interested in pursuing a project with the city or any private property owners. The Mayor advised Mr. Drinkard is going to contact some private property owners today, including those owners of the property referred to as the mall site.

There being no further business to come before the Commission, Commissioner Blankenship made the motion, seconded by Commissioner Mounts to adjourn the meeting. Upon call of the roll, the motion carried 4 - 0.

Mayor May reminded those present of the special called meeting to be held on this date at 7:00 p.m.

APPROVED

Walter E. May
WALTER E. MAY, MAYOR

ATTEST:

Karen Harris
KAREN HARRIS, CITY CLERK

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SPECIAL MEETING - AUGUST 21, 1991

The City of Pikeville Board of Commissioners were called to meet in special session on Wednesday, August 21, 1991 at 7:00 p.m. The meeting was held in the City Hall Public Meeting Room at 260 Hambley Boulevard, Pikeville, Kentucky.

There being a quorum present, Mayor Walter E. May called the meeting to order. Commission Members present upon call of the roll were as follows:

MAYOR:	WALTER E. MAY
COMMISSIONER:	WALTER BLANKENSHIP
	EUGENE DAVIS
	JOHNNY MOUNTS

Commissioner Frank Morris arrived at 7:10 p.m.

Mayor May announced the purpose of the special called meeting was to meet with a potential developer to discuss proposal, terms and conditions for the development of the airport property and other site selections within the City of Pikeville.

Introduced to the Commission was Dan C. Downs, III of Gramex Property Corporation and also affiliated with Polar-Bek. In addressing the Commission, Mr. Downs stated that Gramex Property Corporation has been in existence for 40 years and have developed several centers around the country. Gramex Property Corporation is self-financed and not compelled to borrow funds for development. Polar-Bek is a 130 year old company. Mr. Downs expressed the company's desire to speak with the Commission with regard to development on city owned properties, as well as on privately owned properties within the city. Mr. Downs disclosed that the company has made the necessary demographic studies and have concluded that Pikeville will not support a mall project. Reasons for this conclusion are that the cost of construction of an enclosed mall are far greater than that of a "power center" and the cost of operation is more expensive. A power center was defined to be a large regional shopping center with approximately 12 major anchor tenants.

At 7:20 p.m., Commissioner Blankenship made the motion to adjourn to an executive session for the purpose of negotiating with Mr. Downs for the possible purchase or lease of city property. Commissioner Davis seconded the motion. Upon call of the roll, the motion carried unanimously.

At 8:55 p.m., Commissioner Morris made the motion, seconded by Commissioner Blankenship to reconvene to regular session. Upon call of the roll, the motion carried unanimously.

Mayor May reported that the Commission had an informative discussion with Mr. Downs, who represents the Gramex Property Corporation and Polar-Bek Corporation. Mayor May commented that Mr. Downs is the first developer appearing before the City Commission who says they do not have to seek outside financing and are prepared to do a project within the City of Pikeville on their own funds. Mr. Downs is interested in continuing negotiations not only with the City of Pikeville, but with the property owners of the mall site at the old airport. Mayor May concluded by saying the city is operating under tight time constraints with the UDAG and the other funding agencies. Mr. Downs has assured the Commission that he will move as quickly as possible and is prepared to move ahead if he can secure the proper agreements with the property owners.

There being no further business to come before the Commission, Commissioner Blankenship made the motion, seconded by Commissioner Davis to adjourn. Upon call of the roll, the motion carried unanimously. (Adjournment Time: 9:00 p.m.)

APPROVED Walter E. May
WALTER E. MAY, MAYOR

ATTEST:

Karen Harris
KAREN HARRIS, CITY CLERK