

CITY OF PIKEVILLE
BOARD OF COMMISSIONERS
SPECIAL MEETING
AUGUST 21, 1995

The Board of Commissioners of the City of Pikeville met in Special Session on Monday, August 21, 1995. The meeting was held in the City Hall Public Meeting Room at 260 Hambley Boulevard, Pikeville, Kentucky.

There being a quorum present, Mayor Steven D. Combs called the meeting to order at 12:04 p.m. The following Commission Members were present when the meeting was called to order:

MAYOR: STEVEN D. COMBS
COMMISSIONER: KENNY BLACKBURN
WALTER BLANKENSHIP
SHARON CLARK

Commissioner Eugene Davis was absent.

Also present were a number of Methodist Hospital of Kentucky Board of Directors and employees.

The Special Meeting was called for the following purpose:

1. CONSIDER DISCUSSION WITH REGARD TO THE U.D.A.G. RETENTION AND RECAPTURE AGREEMENT

Mayor Combs reported to the Commission that he has had verbal correspondence with Washington HUD officials who have advised that the City Commission must vote to withdraw the U.D.A.G. Recapture and Retention Agreement by Tuesday if the City wishes to submit applications to utilize the remaining \$4.1 million in U.D.A.G. Funds. The Mayor explained to those present that the Retention and Recapture Agreement allows the City to obtain \$0.25 for every dollar of unused U.D.A.G. funds committed to the Pikeville Project. Pikeville Methodist Hospital Administrator, Martha Chill, told the Commission that a preliminary funding application has been sent to David Sowell in Washington. It has been indicated that the application, which requests the full amount of the remaining funds, has been determined eligible to receive funds. Ms. Chill advised that the funding application had been sent to Washington without the Financial Commitments. She reported that those documents are now in hand and are available to be forwarded to HUD. It was pointed out that the U.D.A.G. funds, should the Hospital be successful in their effort to receive those funds, will be perceived as loan proceeds. It will be necessary for the City and the Hospital to negotiate a loan agreement establishing a payback schedule. Commissioner Blankenship made the motion to withdraw the U.D.A.G. Retention and Recapture Agreement filed by the City of Pikeville. Commissioner Blackburn seconded the motion. During discussion, Mayor Combs reported that the Commission will consider at the August 28, 1995 regular meeting, the matter of notification to the Methodist Hospital of KY, Inc. and to SEI & Development Corporation. The fact that remaining U.D.A.G. funds were available has been discussed for several months, however both the Mayor and Project Coordinator, Sue Smallwood, reported that no correspondence, neither verbal nor written, has been received from SEI & Development Corporation (developer of old airport property).

Commissioner Blackburn reported that he found it necessary, upon the advise of the City Attorney, to withdraw his second to Commissioner Blankenship's motion due to a conflict of interest. Commissioner Clark seconded Commissioner Blankenship's motion to withdraw the U.D.A.G. Retention and Recapture Agreement filed by the City of Pikeville. Upon call of the roll, the motion carried by the following votes:

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| MAYOR: | STEVEN D. COMBS | YES |
| COMMISSIONER: | KENNY BLACKBURN | ABSTAIN |
| | WALTER BLANKENSHIP | YES |
| | SHARON CLARK | YES |

There being no further business to come before the Commission, Mayor Combs made the motion, seconded by Commissioner Blankenship to adjourn the meeting. Upon call of the roll, the motion carried 4 - 0. (Adjournment Time: 12:10 p.m.)

STEVEN D. COMBS, MAYOR

ATTEST:

KAREN W. HARRIS, CITY CLERK