

MINUTES } CITY OF PIKEVILLE

PIKEVILLE CITY COMMISSION SPECIAL MEETING MINUTES MAY 22, 2001

The Board of Commissioners of the City of Pikeville met in Special Meeting on Tuesday, May 22, 2001 at 3:00 p.m. The meeting was held in the City Hall Public Meeting Room located at 118 College Street, Pikeville, Kentucky.

Purpose of the Special Meeting was to consider the following items:

1. To adopt a resolution to submit an application for \$1 million in CDBG Funds for Phase V (High Street) of the Pikeville Redevelopment Project.
2. Consider discussion and any necessary action regarding the proposed condemnations of property along Kentucky Avenue

There being a quorum present, Mayor Frank M. Morris called the meeting to order at 3:00 p.m. Commission Members present at call of the roll were as follows:

MAYOR:	FRANK M. MORRIS
COMMISSIONER:	STEVEN D. COMBS
	EUGENE W. DAVIS
	FRANK JUSTICE, II
	DALLAS LAYNE

1. Consultant and grant writer, Will Linder of Will Linder & Associates, advised the Commission that he had recently met with the Commissioner for the Department of Local Government regarding the funding for both the utility relocation project and the housing project. The housing project was scheduled to receive \$2.5 million in CDBG funds - \$1 million the first year, and \$500,000 each year thereafter. Pikeville has received the first million and Mr. Linder expects the second year increment of \$500,000 to be released within the next two weeks. An application has been submitted for third year funding, for Phase V (High Street) in the amount of \$500,000. At that point DLG recommended the City of Pikeville apply for \$1 million, instead of applying for \$500,000 over the next two years. By filing for \$1 million now, the city can complete the acquisition on High Street with the exception of two buildings. The resolution presented to the Commission for consideration is an amendment of this year's CDBG application requesting an increase in funding from \$500,000 to \$1 million. If the application is successful, the additional funds will provide for acquisition of 13 apartment buildings on High Street, instead of the projected 6 to 8 apartments. The resolution was presented and read as follows:

ORDER OF PIKEVILLE, KENTUCKY AUTHORIZING THE FILING OF A 2001 KENTUCKY COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING APPLICATION R-2001-025

WHEREAS, it is necessary and in the public interest that the City avail itself of the financial assistance provided by Title I of the Housing and community Development Act of 1974, and the 1981 Amendments permitting the Kentucky Department of Local Government, Division of Community Development, to commence a Community Development Program within the community; and,

WHEREAS, it is recognized that the Federal/State contract for such financial assistance pursuant to said Title I will impose certain obligations and responsibilities upon the City and will require among other things:

- (1) Approval of a satisfactory application transmitted to the Kentucky Department of Local Government, Division of Community Development;

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(2) ~~Certification by the City relating to activities such as civil rights, citizen participation, relocation payments, acquisition of properties, national environmental policies, and accounting practices; and,~~

(3) Other local obligations and responsibilities in connection with the undertaking and carrying out of the Kentucky Community Development Block Grant Program; and

WHEREAS, in those areas where acquisition and clearance is proposed, the objectives of the program cannot be achieved through more extensive rehabilitation, and a displacement strategy has been formulated.

NOW, THEREFORE, BE IT ORDERED by the City of Pikeville:

- (1) That the United States of America and the Commonwealth of Kentucky be, and hereby are, assured of full compliance by the City with certification relating to all regulations and administration of Civil Rights Act, citizen participation, relocation payments, acquisition processes, accounting procedures, the Hatch Act, minimum wage and minimum hour provisions of the Fair Labor Standards Act, and all requirements of the National Environmental Policy Act of 1968.
- (2) That the Mayor is authorized and directed to prepare such certification and to assure full compliance with all certifications as outlined in (1) above, and all other pertinent regulations.
- (3) That an application on behalf of the City for a grant of up to \$1,000,000 of said Title I funds for housing activities is hereby approved and that the Mayor is hereby authorized to execute and file such application with the State Department of Local Government, to provide such additional information and to furnish such documentation as may be required, and to act as the authorized correspondent of the City relating to the Kentucky Community Development Block Grant Program.

/s/ Karen W. Harris
ATTEST

/s/ Frank M. Morris
MAYOR

Commissioner Combs made the motion to adopt the resolution as presented and read. Commissioner Layne seconded the motion. The motion carried unanimously.

2. Acquisition of Kentucky Avenue Properties through Condemnation Proceedings: Mr. Linder reported that he had spoken with each of the owners of the 7 remaining properties left to be acquired on Kentucky Avenue. Additionally, letters have been sent to each owner explaining the procedure for negotiating a purchase price when the appraisal is lower than the owner's counter-offer. Mr. Linder explained the funding agency will consider paying an amount higher than the appraisal under two conditions: (1) the owner can point out a documented material change in the character or condition of the property; or (2) the owner can obtain his own appraisal utilizing the services of a state-certified appraiser. Project Director, Sue Smallwood, gave each Commission member a copy of the letter, along with the city's offer, the property owner's counter-offer; the appraisal conducted by Walter's & Associates; and a list of state certified appraisers from Pike, Floyd, Martin, and Perry Counties. Mr. Linder alerted the Commission to the fact that only the property owner can divulge the information contained in the appraisal prepared by the city's appraiser. It was pointed out that the city can't retain the services of another appraiser on behalf of the city or the property owner. The property owner is responsible for the second appraisal at his/her cost. Pursuant to discussions with the property owners, Mr. Linder reported that David Adams, while he had not accepted the city's initial offer to purchase, has now agreed to sell his property for the city's appraisal amount. Betty White and Robert Pinson have retained the services of an appraiser. James Rowe has indicated he will have a second appraisal. With regard to Big Sandy Habitat for Humanity, Mr. Linder reported that he had spoken with Habitat President, Carolyn Rasnick, about the possibility of working

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through the Kentucky Housing Corporation (KHC) to obtain grants for the Habitat for Humanity to make up the difference between what they paid for the property and the appraisal. Mr. Linder told the Commission that he feels very comfortable that an agreement will be successfully negotiated with Habitat for Humanity and KHC, however he has received nothing in writing from KHC. Mr. Linder advised that the officers for Habitat for Humanity realize that the city has no choice but to file condemnation proceedings, but they understand they can continue to negotiate until the trial begins. Mr. Linder commented that he had been unable to reach any type of resolution with Blake Robinson.

Commissioner Combs questioned the haste in filing condemnation proceedings. Mr. Linder explained that the total Pikeville Redevelopment Project, estimated to cost \$15.5 million, includes the construction of 60 units of housing on Kentucky Avenue. Street widening and site preparation must be accomplished simultaneously. In order to stay on schedule, the acquisition must be completed prior to the commencement of street construction, slated to begin in August, but no later than September 15th. Commissioner Combs, in reviewing the letters sent to the property owners, questioned why there was a delay in sending the letter of intention to file condemnation proceedings. Mr. Linder and Ms. Smallwood reported that Federal Law provides that a second offer must be made prior to beginning condemnation proceedings. Commissioner Combs asked why the schedule for acquisition had been delayed. Mr. Linder advised that HOME funds were expected to be released for property acquisition in November, 2000, however, Kentucky Housing Corporation did not release the funds until April 16th. Commissioner Combs commented that in order to meet the deadline for acquisition, the City Attorney will have to file condemnation proceedings by May 25th.

Commissioner Justice expressed his concern that property owners were not adequately informed about the acquisition and condemnation procedures. He directed Mr. Linder, in the future, to take the necessary steps to ensure that personal contact was had with each property owner to explain acquisition and the procedure for negotiations before condemnation becomes necessary. Mr. Linder advised that a federal publication brochure explaining acquisition is sent with each initial contact letter. Commissioner Justice also questioned if it were possible to have an appraiser on stand-by as it had been told to him that property owners had been unable to retain the services of an appraiser because the appraiser didn't want to become involved with the project. Mr. Linder advised that he saw no reason that an appraiser couldn't be on stand-by, but the Commission and the property owner must realize that it is the property owner's responsibility to retain the appraiser and to pay the cost of the appraisal.

Mr. Linder advised the Commission that it is possible that a second appraisal may be higher depending upon which method the appraiser chooses to employ. He thought for single family residences, the appraisal may be calculated higher utilizing the replacement or comparable approach rather than the income approach utilized by Walter's & Associates. Mr. Linder also mentioned that he had explained to the property owners that owner-tenants are eligible for relocation and moving expenses in addition to the funds derived from the sale of their home.

The following resolution was presented and read:

RESOLUTION OF THE CITY OF PIKEVILLE AUTHORIZING INITIATION OF CONDEMNATION PROCEEDINGS RELATIVE TO THE PIKEVILLE REDEVELOPMENT PROJECT - KENTUCKY AVENUE - PHASE II (RESOLUTION #R-2001-026)

WHEREAS, certain real property is situated within the corporate limits of the City of Pikeville, Kentucky; and,

WHEREAS, the acquisition of such property is necessary by the City of Pikeville, Kentucky for the purpose of elimination of slum areas and blighted areas as stipulated in KRS Chapter 99.370; and,

WHEREAS, a Development Plan for the Pikeville Redevelopment Program has been prepared and adopted by the Pikeville City Commission in accordance with KRS Chapter 99, specifically identifying properties to be acquired and the public purpose for which the property scheduled for acquisition will be utilized after

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acquisition; and.

WHEREAS, negotiations with various owners of real property in the HOME Target Area have failed to result in the purchase of the properties as identified in the Development Plan; and,

WHEREAS, KRS 416.550 to 416.670 requires that the governing body of the municipality approve the initiation of condemnation proceedings wherein the property sought to be condemned lies;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF PIKEVILLE:

1. That the properties located in the Pikeville Redevelopment Project - Kentucky Avenue - Phase II HOME Investment Partnership Program Target Area, upon which condemnation proceedings will be initiated, are located within the City of Pikeville and have been identified in the Development Plan prepared in accordance with KRS Chapter 99 and approved by the City Commission.
2. That the following described real property is needed by the City of Pikeville for purposes of elimination of slum and blighted areas and the related conditions caused by such areas, and are further identified as follows:

<u>Parcel #</u>	<u>Address</u>	<u>Owner of Record</u>
02	273 KY Avenue	Robert Pinson
03	271 1/2 KY Avenue	Betty White
07	126 KY Avenue	Robert Pinson
08	KY Avenue - Lot #2	Sandy Valley Habitat for Humanity
09	KY Avenue - Lot #3	Blake and Jane Y. Robinson
22	252 KY Avenue	James Rowe

Commissioner Davis made the motion, seconded by Commissioner Justice to adopt the resolution as presented. The motion carried unanimously.

Mr. Linder reported there may be enough left in the Phase II project funds to make an offer to purchase the Huffman property located at the end of Sycamore Street. Since the city employs Mrs. Huffman's son, a Conflict of Interest Statement will need to be prepared stating that Richard Huffman was employed after the project was initiated and he had nothing to do with the actual planning of the project. Mr. Linder advised that he would prepare the statement and forward to the City Attorney for review. According to Mr. Linder, the Conflict of Interest Statement must be posted in the minutes.

There being no further business to come before the Commission, Commissioner Combs made the motion to adjourn the meeting. Commissioner Davis seconded the motion. The motion carried unanimously.

APPROVED

Frank M. Morris
FRANK M. MORRIS

ATTEST:

Karen W. Harris
KAREN W. HARRIS, CITY CLERK