

MINUTES } CITY OF PIKEVILLE

CITY OF PIKEVILLE BOARD OF COMMISSIONERS REGULAR MEETING MINUTES JANUARY 28, 2002

The Board of Commissioners for the City of Pikeville met in regular session on Monday, January 28, 2002. The meeting was held in the City Hall Public Meeting Room located at 118 College Street, Pikeville, Kentucky.

There being a quorum present, Mayor Frank M. Morris called the meeting to order at 6:15 p.m. Commission Members present at roll call were as follows:

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

AGENDA ITEM II.

MINUTES

The minutes for the previous regular meeting of January 14, 2002, were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Justice made the motion, seconded by Commissioner Davis to approve the minutes as prepared. The motion carried unanimously.

AGENDA ITEM III.

BUSINESS FROM THE FLOOR

MYERS TOWER ROAD WIDENING: Pikeville Housing Authority Executive Director, Sean Gilbert, distributed copies of written correspondence from the Department of Housing & Urban Development concerning his request for funding to widen the access road at Myers Tower. According to the January 4, 2002 letter from HUD official, Art Wasson, there are no additional funds available through HUD. Mr. Wasson did suggest that the grassy area outside Myers Tower's maintenance shop be replaced with base materials and asphalt to provide a 12' X 22' area which can be used to park delivery trucks or for on-coming traffic to pass. The Commission discussed the possibility of constructing a roadway around the back of the building, which could be designated as a fire lane. The fire chief expressed his concerns for the stability of the building's foundation should this option be considered. Additionally, the ladder of the fire truck would only provide access to the eighth or possibly the ninth floor. The Commission scheduled a 5:00 p.m. work session for February 11, 2002, on the site to discuss the matter further with Mr. Gilbert and city engineer Sykes.

PHASE IV - KENTUCKY AVENUE: Will Linder of Will Linder & Associates, grant writers and consultants, was present to discuss the funding for Phase IV of the Kentucky Avenue Redevelopment Project and Phase II of the housing development and roadway/utility improvement project. Mr. Linder reminded the Commission of the difficulty in meeting the deadline for expending 10% of the housing tax credits associated with Phase I of the housing development and roadway/utility improvement project. Because of the deadline, the acquisition of properties for Phase II of the Kentucky Avenue Redevelopment Project was rushed which resulted in the city paying more than the property appraisals provided. In an effort to avoid deadline delays with Phase II of the housing development and road/utility improvements, the Commission authorized the City Manager to secure a \$500,000 loan to begin acquisition of the Phase IV properties. On January 22nd, a meeting was held with Kentucky Housing Corporation officials, the City Manager, Project Director, city engineer, staff from Will Linder's office, and staff of the non-profit housing corporation. Kentucky Housing Corporation suggested the city borrow \$1.5 million from KHC at 3% interest (to be paid quarterly), with the loan being repaid with the KHC grant proceeds. Proceeds from the grant are expected to be released in April or May. Tax credit applications are due in February and July 2002. Mr. Linder

MINUTES } CITY OF PIKEVILLE

~~recommended that no application be submitted until the city gets further into the Phase IV property~~ acquisition. By delaying the tax credit application until January 2003, the city will have sufficient negotiation time with property owners. If the acquisition proceeds more quickly, the tax credit application can be submitted earlier. Phase II of the roadway/utility improvement project is to be funded through Governor Patton's contingency fund. Mr. Linder advised it will be necessary to have this phase of the contract awarded by June 29th.

Mr. Linder advised the Commission there is a \$300,000 projected funding shortfall. Financing options are being explored and Mr. Linder anticipates a solution to the problem within the next month.

Mr. Linder reported a problem with one of the housing pads for the first phase of the housing project. The pad is located at the intersection of Smith Street/Kentucky Avenue. There is soft soil that will have to be removed. Terry Anderson of Summit Engineering advised the matter is being negotiated with Patriot Construction. Estimated cost to remedy the problem is \$70,000, however through negotiations the contractor is considering reducing the estimate to \$57,000 in exchange for a time extension to his contract. Mr. Anderson advised the matter will be presented to the Commission at a future meeting in the form of a change order.

Mr. Linder requested the adoption of the following resolution which authorizes the execution of a loan with Kentucky Housing Corporation in the amount of \$1.5 million for acquisition, relocation and demolition activities in Phase IV, Kentucky Avenue.

RESOLUTION #R-2002-001
AUTHORIZING THE USE OF HOUSING DEVELOPMENT FUND LINE OF CREDIT

WHEREAS, the City of Pikeville, in the public interest of the community, has made application for, and received approval of, financial assistance provided by Kentucky Housing Corporation through the HOME Investment Partnership Program - for the Kentucky Avenue Phase IV Redevelopment Project; and,

WHEREAS, it is recognized that the Federal/State contract for such financial assistance pursuant to said HOME Investment Partnership Program requires certain obligations and responsibilities by the City of Pikeville prior to receiving a release of funds; and,

WHEREAS, a submission of an application for Low Income Housing Tax Credits is required prior to receiving a release of HOME Investment Partnership Program funds for this Phase IV - Project; and,

WHEREAS, submission of the LIHTC application in February 2002 could pose a schedule conflict that could result in the loss of these housing credits if obligations are not met by November 30, 2002; and,

WHEREAS, it is recommended by a joint meeting of city staff, Kentucky Housing Corporation staff, Pikeville Affordable Housing Corporation staff, Summit Engineering staff, and Will Linder and Associates staff that an application for HDF line of credit issued by Kentucky Housing Corporation be utilized by the City of Pikeville. This HDF line of credit will allow the city to proceed with making offers to purchase and relocating residents and at the same time assess the viability of meeting Low Income Housing Tax Credit programmatic timing requirements. Thus allowing the submission of a timely application for LIHTC that will not jeopardize the overall funding for the project.

NOW, THEREFORE, be it RESOLVED by the City of Pikeville:

- (1) Approval to submit a Housing Development Fund application for a line of credit for \$1,500,000 at 3%, with interest to be paid quarterly.

MINUTES } CITY OF PIKEVILLE

- (2) Approval of the mayor or mayor pro-tem to sign all necessary loan closing documentation.
- (3) Approval of the Grants Coordinator to sign draw requests requesting HDF funding as she would HOME funds.
- (4) Approval of the use of 2000 HOME Investment Partnership Program funds, once released, to repay the line of credit.

Commissioner Combs made the motion to adopt the resolution. Commissioner Davis seconded the motion. The motion carried unanimously.

UTILITY RELOCATION PROJECT - PHASE II: Mr. Linder presented the following resolution authorizing the Mayor and City Attorney to execute a contract with the Department of Local Government for receipt of Community Development Block Grant funds in the amount of \$1 million to be used for Phase II of the utility relocation project.

A RESOLUTION OF THE CITY COMMISSION OF PIKEVILLE, KENTUCKY, RELATING TO APPROVAL OF A CONTRACT BETWEEN THE CITY OF PIKEVILLE AND THE COMMONWEALTH OF KENTUCKY DEPARTMENT FOR LOCAL GOVERNMENT

RESOLUTION R - 2002-002

WHEREAS, the City Commission of Pikeville, Kentucky, as the lead applicant, has been awarded a Small Cities Community Development Block Grant from the Commonwealth of Kentucky Department for Local Government, 2000 Renaissance Underground Utility Project - Phase II (01-007) for the purpose of providing replacement of underground utilities in the Pikeville downtown area; and,

WHEREAS, it is necessary under the regulations as promulgated by the Commonwealth of Kentucky that the City Commission approve the Grant Agreement between the Commonwealth of Kentucky and the City of Pikeville for undertaking the Community Development Block Grant Program;

THEREFORE, BE IT RESOLVED by the Pikeville City Commission that:

Section 1. the Grant Agreement between the Commonwealth of Kentucky and the City of Pikeville for the above mentioned activities in the amount of \$1,000,000.00 is hereby approved.

Section 2. the Mayor and City Attorney are authorized to sign said Grant Agreement between the Commonwealth of Kentucky and the City of Pikeville and to provide any and all additional data or information necessary to assure funding and implement said program for and on behalf of the City of Pikeville.

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

PROPOSALS - THOMPSON ROAD PROPERTY: City Manager Blackburn advised that four proposals had been submitted for the purchase/development of city-owned property located on Thompson Road. Two of the proposed developers were present and were given the opportunity to give a verbal overview of their intended project.

Jerry Kanney, representing Interstate Natural Gas Company, explained their proposal is submitted in support of the medical complex proposed by Dr. Baretta Casey. Interstate Natural Gas Company

MINUTES } CITY OF PIKEVILLE

is interested mainly in the property located on the back portion of the tract. They propose to construct two buildings. The shop/warehouse building will consist of 12,000 sq. ft. and the office building, which will house the offices of Interstate Natural Gas Company and Jerome A. Kanney CPA Office, will consist of between 5 and 10,000 sq. ft. Presently, the firm has 18 employees, not all of whom work within the city limits. Mr. Kanney expects the employee count to increase to 40 employees with the construction of the new office/shop/warehouse facility. Mr. Kanney expects significant site development costs of between \$100,000 and \$250,000. According to Mr. Kanney, most of the property will require at least 1.5 feet of fill be placed prior to any construction activities. Referring to a color-coded map, Interstate Natural Gas Company submitted three separate proposals. Proposal A, takes in property color-coded in yellow; Proposal B includes property in Proposal A and color-coded in orange; and Proposal C includes property in Proposals A & B plus the area color-coded in green. Purchase price of the property color-coded in yellow is the amount listed in the city's appraisal. Purchase prices of the tracts color-coded in orange and green are not based upon the city's appraisal due to the amount of fill required. While Interstate Natural Gas Company would like to purchase all the property, they are most interested in acquiring the property listed in Proposal A. Mr. Kanney explained that should the city decide to widen Thompson Road, his current office facility and property would be required.

Baretta Casey M.D. advised that she would like to acquire lot A as depicted on the plat map supplied by the City of Pikeville. Dr. Casey proposes to construct a 10,000 sq. ft. family health center to provide office space for five family physicians. Total employment, including office personnel, nursing staff, etc. is estimated between 21 to 26. Dr. Casey reported that each physician will generate approximately \$600,000 per year in income. Dr. Casey proposes the city donate the needed property as an economic incentive.

The Commission directed the City Manager to contact the remaining two developers to offer them the opportunity to give an oral presentation of their proposed projects during the City Commission's February 11, 2002 meeting.

AGENDA ITEM IV.

PAYMENT OF BILLS

A. CITY BILLS: A list of City Bills totaling \$361,089.15 was presented to the Commission for approval of payment. Commissioner Justice made the motion, seconded by Commissioner Davis to approve payment of the bills as requested. The motion carried unanimously.

City Manager Blackburn reported that he had contacted Commission Members during the previous week to obtain approval to pay the garbage tipping fees from October - December 2001 to the Fords Branch Landfill, plus an additional bill in the amount of \$1,456.40. Commissioner Combs made the motion, seconded by Commissioner Layne to approve payment of the invoices to Ford's Branch Landfill effective on January 18, 2002. The motion carried unanimously. The City Manager reported that officials at the landfill contend the city still owes about \$13,000. He is reviewing the bills to determine the validity of this contention.

B. PIKEVILLE REDEVELOPMENT PROJECT: Project Director Sue Smallwood presented three invoices for approval of payment as follows: Summit Engineering - \$10,140.75 for engineering services on the Kentucky Avenue roadway/utility improvement project; Summit Engineering - \$1,822.22 for Phase V (High Street) housing surveys; and Frank Nall - \$2,450.00 for deed preparation, title search, and closings for Phases I, IV and V. Commissioner Combs made the motion, seconded by Commissioner Justice to approve payment of the bills as requested. The motion carried unanimously.

C. PARKING STRUCTURE PROJECT: Presented for approval of payment was a request on behalf of Summit Engineering in the amount of \$41,200.00 for design services for the parking structure project. Commissioner Combs made the motion to approve payment of the invoice as presented. Commissioner Davis seconded the motion. The motion carried unanimously.

MINUTES } CITY OF PIKEVILLE

AGENDA ITEM V.

OLD BUSINESS

A. CITY ENGINEER'S REPORTS: Charles Byers, representing Summit Engineering, City Engineers, advised the Commission that Kentucky Avenue Utility and Road Improvement Project contractor, Patriot Construction, was to have had the first five building pads available for the housing contractor (Goggans Construction) by December 29, 2001. The building pads are yet to be completed to the housing contractor's satisfaction. A meeting between the engineer and the contractors is scheduled for February 4th on the site.

B. MAIN STREET BOARD REPORTS: Main Street Board Executive Director, Glendia Sawyers requested permission to submit a funding application on behalf of the City of Pikeville to the Department of Transportation in the amount of \$1 million for Phase III of the utility relocation project. The following resolution authorizing the submission of the application was presented as follows:

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION TO THE KENTUCKY TRANSPORTATION CABINET FOR TEA-21 FUNDING FOR PHASE III OF THE UTILITY RELOCATION PROJECT

RESOLUTION R-2002-003

WHEREAS, the City of Pikeville, through the Pikeville Main Street Program, is proceeding with the underground relocation of utilities in its designated renaissance area; and,

WHEREAS, in order to proceed with Phase III of the Utility Relocation Project, an application for funding must be submitted to the Kentucky Transportation Cabinet for TEA-21 Funding in the amount of \$1,000,000.

NOW, THEREFORE, BE IT RESOLVED, that authorization is hereby granted to the Pikeville Main Street Program to submit a funding application to the Kentucky Department of Transportation for \$1,000,000 in TEA-21 funding to be used in Phase III of the Utility Relocation Project.

Commissioner Davis made the motion to adopt the resolution as presented and read. Commissioner Layne seconded the motion. The motion carried 5 - 0.

2. **Payment of Bills:** Ms. Sawyers requested approval to pay invoices to Summit Engineering in the amount of \$548.36 for Phase I of the utility relocation project and \$18,000 for Phase II of the utility relocation project. The invoices have been approved for payment by the Main Street Board. Commissioner Combs made the motion, seconded by Commissioner Justice to approve payment of the bills as requested. The motion carried unanimously.

C. CITY ATTORNEY'S REPORTS: Russell H. Davis, Jr., City Attorney, presented the following items for the Commission's consideration:

1. **Financial Disclosure Statements:** The City Attorney advised that several Commission Members have received notice from the county judge executive's office requesting that they comply with the financial disclosure ordinance as adopted by Pike County. The City Attorney reported he has reviewed the statute and found it to be incorrect that the city's officials are obligated to follow the county's financial disclosure law. City Attorney Davis prepared a letter on behalf of the Commission to send to the county judge executive advising that city officials abide by the city's code of ethics and are not required to submit financial disclosure to the county clerk.

2. **Subdivision regulations:** During a work session held at 5:30 p.m. on this date, the Commission discussed construction of utilities and streets in subdivisions as required by the City of

MINUTES } CITY OF PIKEVILLE

~~Pikeville Subdivision Regulations. The City Attorney was authorized to prepare a draft policy which would grant an 18 month moratorium for completion of the infrastructure improvements to allow sale of the lots, contingent upon the developer securing an irrevocable letter of credit. The proposed policy will be presented to the Commission during their next regular meeting.~~

D. CITY MANAGER'S REPORTS: Kenny Blackburn, City Manager, advised the Commission that he is pursuing a state permit for the operation of a solid waste transfer station. The Commission consented to allow the city manager to advertise for bids for the purchase and installation of the necessary equipment and to allow U.S. Filter to begin site preparation.

City Manager Blackburn requested an executive session for the purpose of discussing the York Heirs property acquisition and the appraisal for the city owned Poor Farm property. It was announced that proposals concerning the sale and development of the city's Thompson Road property would not be discussed.

At 7:35 p.m., Commissioner Combs made the motion, seconded by Commissioner Layne to adjourn to executive session for the purpose of discussing two property matters. The motion carried unanimously.

At 8:02 p.m., Commissioner Justice made the motion, seconded by Commissioner Layne to reconvene to regular session. The motion carried 4 - 0 (Commissioner Davis was absent).

York Property Acquisition: City Manager Blackburn advised that a condemnation suit had been filed against the York Heirs to obtain property adjacent to College Street for the purpose of constructing and operating a public parking structure. The City Attorney received notice of the Commissioners' award, which was established at \$110,000.00. Dixon Nunnery prepared the city's appraisal of the property which was valued at \$85,000.00. The Commission authorized negotiation with the property owners. The property owners have agreed to accept the Commissioners' award. Special counsel for the condemnation suit, Phillip Whicker, recommended a settlement of the suit for the amount of the Commissioners' award. Commissioner Layne made the motion to authorize the Mayor to execute the deed of conveyance. Mayor Morris seconded the motion. The motion carried 4 - 0 (Commissioner Davis was absent).

There being no further business to come before the Commission, Commissioner Layne made the motion, seconded by Commissioner Combs to adjourn the meeting. The motion carried 4 - 0 (Commissioner Davis absent). (Adjournment time: 8:15 p.m.)

APPROVED:

Frank M. Morris
FRANK M. MORRIS, MAYOR

ATTEST:

Karen W. Harris
KAREN W. HARRIS, CITY CLERK