

# MINUTES } CITY OF PIKEVILLE

## CITY OF PIKEVILLE BOARD OF COMMISSIONERS REGULAR MEETING MINUTES NOVEMBER 25, 2002

The Board of Commissioners for the City of Pikeville met in regular session on Monday, November 25, 2002 at 6:00 p.m. The meeting was held in the City Hall Public Meeting Room located at 118 College Street, Pikeville, Kentucky.

There being a quorum present, Mayor Pro Tem Steven D. Combs called the meeting to order. Commission Members present at roll call were as follows:

|               |                   |
|---------------|-------------------|
| COMMISSIONER: | STEVEN D. COMBS   |
|               | EUGENE W. DAVIS   |
|               | FRANK JUSTICE, II |
|               | DALLAS LAYNE      |

Mayor Frank M. Morris was absent.

### AGENDA ITEM II. MINUTES

The minutes for the previous regular meeting held on November 11, 2002 were included in each Commission Member's agenda package. There being no additions or corrections to the minutes, Commissioner Layne made the motion, seconded by Commissioner Justice to approve the minutes as presented. The motion carried 4 - 0.

### AGENDA ITEM III. BUSINESS FROM THE FLOOR

A. PIKEVILLE AFFORDABLE HOUSING CORPORATION: The Commission reviewed a request from Pikeville Affordable Housing Corporation to draw down \$36,215.00 from the line of credit extended by the City for architectural fees in conjunction with the Phase IV Kentucky Avenue Townhouse Project. The invoice was approved for payment by the Pikeville Affordable Housing Corporation Board. Commissioner Layne made the motion, seconded by Commissioner Davis to approve the request to draw down funds from the line of credit as requested. The motion carried 4 - 0.

B. KENTUCKY AVENUE PHASE II, Ltd.: Presented for approval were documents removing the City of Pikeville as guarantor of the construction loan between Community Trust Bank and Kentucky Avenue Phase II, Ltd. for the construction of the first 40 units of the Kentucky Avenue Townhouses. It was explained the City was to be removed as a guarantor of the construction loan upon sale of the tax credits. Commissioner Layne made the motion to authorize the Mayor Pro Tem to execute the necessary documents to remove the City as guarantor of the construction loan. Commissioner Davis seconded the motion. The motion carried 4 - 0.

C. DOWNTOWN PROMOTION: Present on behalf of the Chamber of Commerce and the Main Street Program Board was Bambi Phillips to propose an advertising campaign for the downtown businesses. The City Commission met with downtown merchants; Mountain Enterprises, contractor for the utility relocation project; city engineers; Chamber of Commerce and Main Street Board officials in an attempt to formulate a plan to assist the merchants with an advertising promotion during the holiday season. Construction activities for Phase II of the Utility Relocation Project have discouraged shoppers from visiting the downtown area. Merchants advised their sales had decreased by as much as 50%. The contractor has agreed to halt construction during the holiday season. Ms. Phillips presented a proposal whereby the city would fund \$6,000.00 in advertising in the local media and the Main Street Program would offer \$2,000.00 in Christmas Cash to entice shoppers to the downtown area. The Christmas Cash will be given away on 12/6; 12/13; and 12/20. Each participating merchant will be including merchandise or a prize from their store as part



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of the promotion. The advertising campaign will begin November 24th and extend through December 20th. Thirty second ads emphasizing the promotion are proposed. The event will be promoted and the name of each participating business will be mentioned. The radio stations have provided matching ads. The News-Express provided a 35% discount on ads, additional bonus ads, and signage for each store. Advertising in the Mountain Bargain Hunter and the Medical Leader were also proposed. Commissioner Justice suggested the ads proposed for the Mountain Bargain Hunter be deleted and divert those funds to the Christmas Cash amount. Commissioner Davis made the motion to accept the Chamber of Commerce's proposal as prepared. The motion died from lack of a second. Further discussion was had concerning the cost of advertising. Commissioner Combs suggested the ad with the Mountain Bargain Hunter be deleted and to equally delete ads from the other media in a total amount of \$1,000.00 and to transfer \$1,000.00 to the Main Street Program to provide for a total of \$3,000.00 in Christmas Cash be given away during the promotion. Commissioner Davis made the motion to authorize the expenditure of \$5,000.00 for the media campaign and to increase the Main Street Board's allocation by \$1,000.00. Commissioner Layne seconded the motion. The motion carried 4 - 0. The Christmas Cash will be given away in \$1,000.00 increments on 12/6; 12/13; and 12/20.

Commissioner Justice questioned the booth space plan for Hambley Boulevard during Hillbilly Days, 2003. Chamber of Commerce Director, Kitty White, explained the Police and Fire Departments have recommended that Hambley Boulevard be blocked from the Huffman Avenue intersection to the Division Street intersection for traffic control purposes, however no booths will be placed past the entrance to Thacker Funeral Home.

#### AGENDA ITEM IV.

#### PAYMENT OF BILLS

A. CITY BILLS: A list of City Bills totaling \$432,275.24 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 4 - 0.

B. PIKEVILLE REDEVELOPMENT PROJECT: Sue Smallwood, Project Director, presented the following items for consideration:

1. Kentucky Avenue Demolition: Presented for approval of payment was an invoice in the amount of \$16,361.24 on behalf of Patriot Construction for demolition of structures in Phase III, High Street, and Phase IV, Kentucky Avenue. Commissioner Combs made the motion, seconded by Commissioner Justice to approve payment to Patriot Construction in the amount of \$16,361.24. The motion carried 4 - 0.

2. Summit Engineering: Presented for approval of payment was an invoice from Summit Engineering totaling \$1,807.07 for services rendered in conjunction with the demolition in Phases III and IV. Commissioner Davis made the motion to approve payment to Summit Engineering in the amount of \$1,807.07. Commissioner Justice seconded the motion. The motion carried 4 - 0.

3. Phase IV: An invoice totaling \$3,000 was presented for approval of payment on behalf of Summit Engineering for administration and inspection services in Phase IV, Kentucky Avenue. Commissioner Justice made the motion, seconded by Commissioner Layne to approve payment as requested. The motion carried 4 - 0.

4. Phase V: Ms. Smallwood explained there are unexpended funds remaining in the Phase V High Street budget. The budget was revised to allow for the acquisition of two additional structures on High Street (buildings #22 and #23 as depicted on the map entitled "Pikeville Redevelopment Project, Proposed Phase V Map, Pikeville, Kentucky, and dated April 2001". To begin the process, approval is requested to amend the contracts for legal services, appraisal services, and review appraisal services. Resolutions amending the contracts were presented as follows:



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### AMENDMENT #3 TO AGREEMENT FOR TITLE SEARCH AND GENERAL LEGAL SERVICES, PIKEVILLE, KENTUCKY

This amendment is an attachment to the agreement entered into on the 22nd day of November, 1999, and amended May, 22, 2000 and May 22, 2001 by and between the City of Pikeville and Frank K. Nall, Attorney, for preparation of title search and general legal services for the Pikeville Redevelopment Project.

WHEREAS, the agreement entered into on the 22nd day of November, 1999 specified a maximum contract amount of \$9,100 for up to 28 parcels or units; and

WHEREAS, the amended agreement entered into on the 22nd day of May, 2000, specified a maximum contract amount of \$16,900 for up to 52 parcels or units; and

WHEREAS, the original agreement included \$100 for title opinion; \$150 for general legal services per parcel including preparation of and recording deeds, closing on property with closing statements provided; and \$50 per hour with a maximum cost of \$75 each for preparation of affidavits of decent for up to 28 parcel; and

WHEREAS, amendment #2 included title opinions and general legal services for an additional 32 parcels for the Pikeville Redevelopment Project Phase IV and V.

WHEREAS, the City of Pikeville requires title opinions and general legal services for an additional 2 parcels (buildings #22 and #23) for the Pikeville Redevelopment Project Phase V.

NOW, THEREFORE, the City of Pikeville and Frank K. Nall, Attorney amend the original agreement as follows:

1. The City of Pikeville will amend the contract for title search and general legal services to include 2 additional parcels for a total of 86 parcels.
2. The cost for these additional parcels shall be \$100 for title opinion; \$150 for general legal services per parcel including preparation of and recording deeds, closing on property with closing statements provided; and \$50 per hour with a maximum cost of \$75 each for preparation of affidavits of decent.
3. The maximum contract amount shall increase in the amount of \$500.
4. The time of performance will extend until December 31, 2002.
5. The maximum contract shall not exceed \$27,800.

### AMENDMENT #3 TO AGREEMENT FOR APPRAISAL SERVICES, PIKEVILLE, KENTUCKY

This amendment is an attachment to the agreement entered into on the 22nd day of November, 1999 and amended on the 22nd day of May, 2000, and amendment #2 dated 22nd of May, 2001, by and between the City of Pikeville and Walters and Associates for preparation of the appraisals for the Pikeville Redevelopment Project.

WHEREAS, the agreement entered into on the 22nd day of November, 1999 and amended on the 22nd day of May, 2000, specified a maximum contract amount of \$28,975 for up to 52 parcels or units; and

WHEREAS, the original agreement included appraisals for 6 vacant lots @ 200/each, 5 single family units @ \$275/each and 17 multi-tenant units @ \$750 per structure; and

WHEREAS, amendment number one included an additional 24 parcels, 8 single-family units, 15 multi-family units, and 1 lot;



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WHEREAS, amendment number two included appraisals for up to an additional 24 single family units and 15 multi-tenants units and 1 vacant lot for the Pikeville Redevelopment Project Phases IV and V.

WHEREAS, the City of Pikeville requires appraisals for an additional 2 multi-family buildings (buildings #22 and #23) for the Pikeville Redevelopment Project Phase V.

NOW, THEREFORE, the City of Pikeville and Walters and Associates amend the original agreement as follows:

1. The City of Pikeville will amend the contract for appraisal services to include 2 additional appraisals for multi-family units.
2. The cost for these additional appraisals shall be \$275/each for single-family units, \$750/each for multi-tenant units; and \$200/each for vacant lots.
3. The maximum contract amount shall increase by \$1,500.
4. The time for performance will extend until December 31, 2002.
5. The maximum contract shall not exceed \$52,225.

and

### AMENDMENT #3 TO AGREEMENT FOR REVIEW APPRAISAL SERVICES, PIKEVILLE, KENTUCKY

This amendment is an attachment to the agreement entered into on the 22nd day of November, 1999, and amended on the 22nd day of May, 2000, and amended on 22nd day of May, 2001 by and between the City of Pikeville and Appraisal Associates of Kentucky for preparation of the review appraisals for the Pikeville Redevelopment Project.

WHEREAS, the agreement entered into on the 22nd day of November, 1999, specified a maximum contract amount of \$11,740 for up to 28 parcels or units; and

WHEREAS, the amended agreement on the 22nd day of May, 2000 specified a maximum contract amount up to \$13,000 for up to 52 parcels or units; and

WHEREAS, the original agreement included desk review appraisals @ \$125/each and field review appraisal @ \$250/each; and

WHEREAS, amendment #2 included review appraisals for an additional 32 parcels for the Pikeville Redevelopment Projects Phases IV and V.

WHEREAS, the City of Pikeville requires review appraisals for an additional 2 parcels (buildings #22 and #23) for the Pikeville Redevelopment Project Phase V.

NOW, THEREFORE, the City of Pikeville and Appraisal Associates of Kentucky, amend the original agreement as follows:

1. The City of Pikeville will amend the contract for review appraisal services to include 2 additional review appraisals for a total of 86 parcels.
2. The cost for these additional appraisals shall be \$125 for desk review and \$250 for field review per review appraisal.
3. The maximum contract amount shall increase in the amount of \$500.
4. The time of performance will extend to January 31, 2002.
5. The maximum contract shall not exceed \$21,500.



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Commissioner Combs made the motion to adopt the preceding resolutions as presented. Commissioner Layne seconded the motion. The motion carried 4 - 0.

5. Phase VI Update: Sandy Runyon, Executive Director of the Big Sandy Area Development District, appeared before the Commission to discuss the Pikeville Redevelopment Project - Phase VI CDBG funding application. Included in the Phase VI funding application is the acquisition of a historical structure (building #79) located at the corner of Sycamore and High Streets. Because it will take some time to meet all the requirements to plan and renovate the historical structure according to regulations, Ms. Runyon recommended that the acquisition of building #79 be deferred to Phase VII, and substitute the acquisition of building #24 located at High Street/Saad Avenue in Phase VI. Commissioner Combs made the motion, seconded by Commissioner Justice to defer the acquisition of building #79 to Phase VII and to substitute the acquisition of building #24 in Phase VI pursuant to Ms. Runyon's recommendation. The motion carried 4 - 0.

Ms. Runyon requested the approval of a Memorandum of Understanding with the Pikeville Housing Authority regarding the use of the green space that will be created through the acquisition of the properties in Phase VI. The agreement provides for the property to be utilized as green space for the residents of the low/moderate income housing created in Phases II and IV, Kentucky Avenue. Ms. Runyon explained the city will continue to own and maintain the property. While the city is not required to create a park, CDBG guidelines require for the property to remain as green space for a minimum of five years. Commissioner Combs made the motion to authorize the execution of the agreement contingent upon the city attorney's satisfactory review of the agreement. Commissioner Davis seconded the motion. The motion carried 4 - 0.

The City has committed local funds to the first five phases of the Pikeville Redevelopment Project. To improve the city's application scoring, it was recommended by Ms. Runyon and the Project Director that the Commission commit \$100,000.00 to Phase VI. It was explained the city could proceed with the preliminary work of obtaining surveys, conducting title searches, and appraisals for the 12 properties in the project area. Since these services would be paid with local dollars, procurement procedures aren't necessary. Should CDBG funds be awarded, the city can extend offers to purchase at the time the funds are released. This will allow for the city to meet the requirement of expending 60% of the grant funds in order to apply for Phase VII funding. It was estimated the cost of the preliminary work should not exceed \$15,000.00. Commissioner Justice made the motion to commit \$100,000.00 of local funds to the Phase VI Redevelopment Project. Commissioner Davis seconded the motion. The motion carried 4 - 0.

C. UTILITY RELOCATION PROJECT: Main Street Program Executive Director, Glendia Sawyers presented the following three invoices for approval of payment:

1. Summit Engineering: An invoice totaling \$1,254.00 from Summit Engineering for engineering services for Phase I of the Utility Relocation Project was presented for approval of payment.

2. Summit Engineering: Presented for approval of payment was an invoice on behalf of Summit Engineering for engineering services in the amount of \$14,350.00 for Phase II of the Utility Relocation Project, and

3. Mountain Enterprises: Pay Request #3 was presented to the Commission for approval of payment on behalf of Mountain Enterprises for work completed on Phase II of the Utility Relocation Project in the amount of \$405,784.10.

Ms. Sawyers advised that all bills had been approved for payment by the Main Street Board during their previous meeting. Commissioner Justice made the motion, seconded by Commissioner Davis to approve payment of the invoices as presented. The motion carried 4 - 0.



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Ms. Sawyers advised the Christmas Parade will be held on December 7th at 1:00 p.m. There are currently 97 entries in the parade.

Ms. Sawyers announced her resignation as Main Street Executive Director effective December 31, 2002.

Ms. Sawyers advised that facade funds through the Renaissance KY will not be available until the State of Kentucky has an approved budget. She advised the city would be eligible to apply for funds for the installation of awnings on the parking structure. The funds require a local match on a 50:50 basis.

### AGENDA ITEM V.

### OLD BUSINESS

A. CITY ENGINEER'S REPORTS: Jack Sykes and Chris Chrisman were present and representing Summit Engineering, city engineers. A verbal status report was given for the following projects:

1. Kentucky Avenue Townhouses - Phase II: Chris Chrisman advised the engineers are continuing to work with Goggans Construction in the completion of the first 13 units. The Kentucky Housing Corporation inspector has identified 2 or 3 minor items to complete prior to issuance of a certificate of occupancy. Mr. Chrisman advised the items were presented because of new code requirements that were not in use when the plans were bid. He reported that he is negotiating to have the project reviewed under the former code. Mr. Sykes advised the biggest area to be completed is the outside dress work. This item isn't complete due largely to weather conditions. Mr. Chrisman told the Commission that Goggans Construction will likely request a change order to rectify the items not completed pursuant to the new code. The contractor projects completion of the next 17 units by the end of the year with the remainder to be completed by the end of February.

Bids for construction of Phase IV of the townhouse project (20 units) were opened. The low bidder was Patriot Construction at \$1,299,000. According to Mr. Chrisman, the consultant is comfortable there will be sufficient funding available to award the project. There will be a coordination meeting between Mountain Enterprises, Patriot Construction, Kentucky Housing Corporation, Will Linder & Associates, the engineers, and city representatives to schedule construction of the townhouses. The meeting will be held at City Hall on December 11, 2002, at 11 a.m. The Commission was invited to attend.

2. Parking Structure Project: Mr. Chrisman advised the change order has been finalized for the reduction of the concrete piles and pile cap size and the addition of the previously omitted items including the brick work for the south end of the building adjacent to the Bailey property and the awnings. The deletions/additions added a net increase to the contract of \$13,000. Mr. Chrisman advised application will be made to the Main Street Program for a facade grant to pay for the awnings. Any remaining funds can be re-budgeted to pay toward the construction of the pedways. Commissioner Combs made the motion to approve change order #2 in the amount of \$13,000 as presented. Commissioner Davis seconded the motion. The motion carried 4 - 0.

Presented for approval was a revised budget for the Parking Structure Project. Total revenues for the project are \$8,657,121. Projected expenditures are \$8,315,078, leaving a contingency budget of \$342,043. Items to be funded from the contingency budget are concrete testing estimated at \$20,000; additional structural and technical engineering due to reduction of pilings and pile caps at \$16,100; plan review fees to the State at \$12,000; and paint for the aluminum window frames to match the awning at \$3,000. Commissioner Layne made the motion to approve the budget revisions and to issue a change order for the additional items. Commissioner Combs seconded the motion. The motion carried 4 - 0.

Mr. Chrisman requested approval of the color scheme and brick to be used in the Parking Structure. The Commission deferred action until the Parking Structure Committee review the choices and make



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their recommendation.

3. Utility Relocation Project - Phase III: Mr. Sykes reported he met with the funding agencies with regard to the third phase of the Utility Relocation Project on November 18th in Frankfort. Issues concerning the contracts with American Electric Power, Bell South, and Tele-Media were addressed. It was learned it will not be necessary to competitively bid the utility companies' services, however the engineering services for Phase III will have to go through the procurement process. The Main Street Program will be placing the advertisement for engineering services. Mr. Sykes reported the money for the project appears to be available.

B. CITY MANAGER'S REPORTS: Kenny Blackburn, City Manager, called the Commission's attention to a memorandum advising of board vacancies for various city agencies. Commissioner Combs made the motion to appoint Darrell Pugh to serve as a member of the Pikeville Housing Authority Board. Commissioner Justice seconded the motion. During discussion, Commissioner Combs advised that Mr. Pugh is not a city resident, however he owns rental property in the city and does have considerable experience with housing authorities and HUD. The motion carried 4 - 0.

Commissioner Combs made the motion to adopt a resolution expressing the Commission's appreciation to Big Sandy Guardrail for their donation of hydroseeding in conjunction with the pond clean-up project. Commissioner Justice seconded the motion. The motion carried 4 - 0.

The Commission heard a request from Roland Case for the installation of a flower bed around the flag pole at the Little League Field in Bob Amos Park. The City Manager advised the work is scheduled to begin this winter.

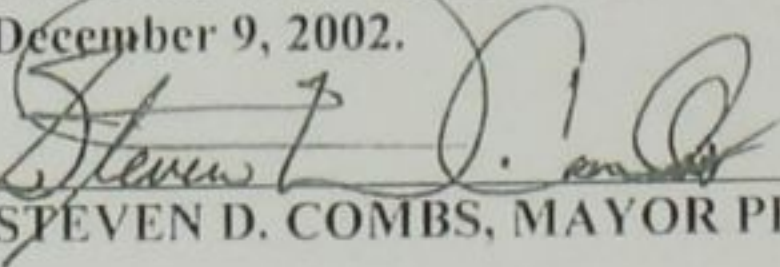
The City Manager reported that an advertisement has been placed requesting qualifications from engineers for the PRIDE project which extends the sewer service to Sunset Lane. The city will be gaining six customers from this extension of service.

The Commission thanked U.S. Filter and the Fire Department for their work on cleaning the ditchlines leading to the river fill.

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.

The Board of Commissioners for the City of Pikeville meet the second and fourth Monday of each month at 6:00 p.m. The next scheduled meeting is December 9, 2002.

APPROVED:

  
STEVEN D. COMBS, MAYOR PRO TEM

ATTEST:

  
KAREN W. HARRIS, CITY CLERK