

**CITY OF PIKEVILLE
BOARD OF COMMISSIONERS
SPECIAL MEETING MINUTES
February 2, 2018 AT 5:30 P.M.**

The Board of Commissioners for the City of Pikeville, Kentucky convened in a special session pursuant to call and written notice duly given in accordance with KRS 61.823, at City Hall, 243 Main Street, Pikeville, Kentucky 41501 on February 2, 2018 at 5:30 p.m.

(1) Present were the Mayor, Jimmy Carter, presiding, and Commission Members present at roll call were as follows:

COMMISSIONER: **BOB SHURTLEFF
PAT MCNAMEE
STEVE HARTSOCK
KIMBERLY MAY-DOWNEY**

MAYOR: **JAMES A. CARTER**

It having been determined that a quorum was present for the transaction of business, Mayor Carter called the meeting to order.

(2) Consider a request to adopt the minutes from the commission meeting held on January 22, 2018, as submitted, and to authorize the Mayor to sign and execute said minutes on behalf of the City of Pikeville. Commissioner McNamee made the motion to approve. Commissioner Hartsock seconded the motion. Mayor Carter called for discussion, there being none, the motion carried unanimously. 5-0.

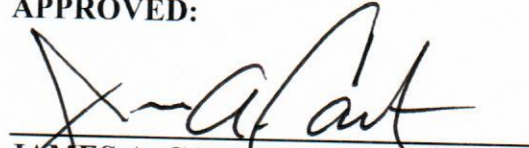
(3) Consider a request to authorize and approve a Property Sale & Development Agreement, as submitted, with Silverliner, LLC for a tract of land and speculative building at the Kentucky Enterprise Industrial Park and grant the Mayor the authority to sign and execute any and all necessary documents following completion of negotiation of the terms of the agreement by the City Manager, City Attorney and Silverliner, LLC. Commissioner McNamee made the motion to approve. Commissioner Hartsock seconded the motion. Mayor called for comments. Economic Development Director Sean Cochran explains that we have previously signed an MOA with Silverliner and we have worked on several reiterations of what the agreement would look like with them, to protect the Cities interest and at the same time giving them opportunity. We had worked out an agreement previously

which was a lease to own, and in the meantime, the owner has been working on the finances on his side, it became apparent for him to purchase rather than do this. We are moving from a lease to own to a purchase. The funds from this will go to the economic development and the IDEA board for the City so that they can be used to further economic development. Commissioner May-Downey provided City Attorney with some modifications that she thinks some of the original provisions of the lease agreement that will no longer be necessary under a purchase agreement, primarily about insurance. There may need to be a rewrite with regards to purchase back. Mr. Cochran says there has been a rewrite and we are looking at that. Mr. Cochran also explains the reason we have called the special meeting is that Chris is at a point where several financing institutions are willing to work with him. And so, what that has done, it has cost him some time with getting this project rolling. The other thing is, is our initial estimate from the engineers was 18 months, and that time has been cut in half, so there is some pressure on Chris to get some things in place. There has been a real time crunch on him getting all these pieces in place. City Manager says that any changes will be structural and will not change the intent of the document. Mr. Cochran adds that he and Chris will be meeting tomorrow to review the document and make sure everything looks fine. City Attorney addresses the sale price and escrow. He suggests as soon as they meet financing deals, we go ahead and transfer property to them and let his bank hold in escrow in our name. The thing about insurance, I left that in there is to exercise our right to repurchase. Commissioner May-Downey is concerned if we exercise our right to repurchase, we need to look at if we are standing first in line. If something happens that we do not anticipate, would we be negotiating with Silverliner or would we be negotiating with the holder of the mortgage of the property. Mr. Davis says that we would be able to purchase it back at the remaining original debt, which means we pay off the bank. Mr. Cochran says that we tried to clear that up to negotiate with the lien holder for the original amount. City Attorney says that we would still be behind the bank. And also, if he would want to sell to someone, they would still need our permission. Mr. Cochran says that this does one of two things, this preserves the requirements of the jobs, then also with Enerblu, with the suppliers I do not think the building will sit vacant. Mr. Davis said that with this the lender agreement will come with this stating that you recognize our rights come before yours. Really the way it's structured now, I do not anticipate any problems with that. Mr. Cochran says that we already have their firm commitment letter. They are getting two separate loans right around \$4,000,000.00. Mayor called for additional comments, there being none, the motion passed unanimously. 5-0.

(4) There being no further business to come before the commission, Commissioner McNamee made the motion to adjourn the meeting. Commissioner May-Downey seconded the motion. Mayor Carter called for comments, there being none, the meeting was adjourned. 5-0.

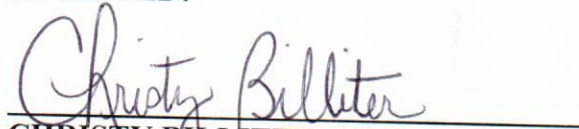
The next scheduled Regular Meeting of the City of Pikeville Board of Commissioners is February 12, 2018 at 6:00 p.m.

APPROVED:



JAMES A. CARTER, MAYOR

ATTESTED:



CHRISTY BILLITER, CITY CLERK