

**MINUTES OF
SPECIAL CALLED CITY COMMISSION MEETING
WEDNESDAY, FEBRUARY 2 2011, 3:00 P.M.
CITY HALL, PIGEON FORGE, TENNESSEE**

Mayor Whaley called the meeting to order with the following in attendance: Vice Mayor McClure, Commissioner Brackins, Commissioner Robinson, Commissioner Wear, City Manager Teaster, City Recorder Clabo, City Attorney Gass, members of the press and interested citizens.

Mayor Whaley opened the meeting and Vice Mayor McClure led in the pledge of allegiance.

REGULAR MEETING

Discussion and consideration of a settlement agreement with Riverwalk Park LLC was presented for approval. City Attorney Gass explained that this settlement would bring to a conclusion the litigation. Gass stated that the settlement would be contingent upon the following: 1) The sale and closing of tract 3 for \$3 million on or before February 28, 2011 and a sales contract on tract 4A for \$5 million with \$75,000 non-refundable deposit on or before February 28, 2011; 2) The City will release the 6 acres that was reserved for the event center in the court order simultaneous to the closing of tract 3; 3) The City's commitment on the City of Pigeon Forge Event Center; a) The Event Center will be at least 200,000 square foot under roof, b) The City will share its plans, consulting reports, renderings, etc. with Riverwalk Park, LLC for its use in marketing the development, c) Announce the Event Center by June 15, 2011, d) Construction will start within 9 months from closing of the 10 acre parcel, e) Complete construction within 2 years from the start of construction; 4) City to build Jake Thomas Extension; a) Complete phase 1 of the road construction by March 1, 2014 including criteria where the City would start the roads sooner if a purchaser required the roads and would generate a certain amount of the tax revenue, b) Phase 1 of the road construction would consist of 2 lanes with appropriate ingress and egress turn lanes, c) The City will build all four lanes by the completion date in 4a if new developments create demand for the additional road capacity; 5) City to build Pigeon Falls Lane; a) Complete phase 1 of the road construction by March 1, 2014 including criteria where the City would start the roads sooner if a purchaser required the roads and would generate a certain amount of the tax revenue, b) Phase 1 of the road construction would consist of 2 lanes with appropriate ingress and egress turn lanes, c) The City will build all four lanes by the completion date in 4a if new developments create demand for the additional road capacity.

Mayor Whaley asked about the additional road capacity. City Attorney Gass said that it would probably have to be determined by an engineering study. Commissioner Robinson asked to read a statement and include as part of minutes (see Attachment A). Following lengthy discussion and on a motion by Commissioner Wear, second by Vice

Mayor McClure, it was approved to accept settlement agreement as presented. Commissioner Robinson voted no.

Discussion and consideration of a Letter of Intent (LOI) and to authorize the Mayor to enter into a lease agreement with Pigeon River Land Partners LLC regarding the Events Center was presented for approval. City Attorney Gass discussed the LOI and described the components of the agreement including leasing tract 3 which encompasses approximately 9.87 acres on which an events center will be constructed at a size of approximately 250,000 square feet for a term of 27 years at which time the land and infrastructure can be purchased for \$1. Gass noted that upon execution of the definitive agreement, the City shall pay the landlord a deposit of \$3,100,000. The deposit will be refunded upon conversion of landlord's construction financing to permanent financing; provided, however, that this repayment may take the form of a rent reduction if repayment in immediately available funds would render permanent financing unavailable. Gass highlighted each section of the document. Commissioner Robinson asked why Belle Island would be considered with this agreement. Assistant City Manager Brackins said that this would tie-in with the lease payments. If the City puts in a city road through Belle Island, the rent payment would decrease. City Attorney Gass noted that bond council would still have to determine that the definitive agreement is enforceable and if definitive agreement is not signed by February 28, 2011, the agreement voids except for number 13 and 17 in the LOI which would survive the termination agreement. Gass said that one item that needed to be removed from the agreement was in item number 17; catering services should not be included with concessions. It needs to be struck through in agreement. Following lengthy discussion and on a motion by Commissioner Wear, second by Commissioner Brackins, it was approved to accept the LOI as presented. Commissioner Robinson voted no.

Having no other further business, the meeting was duly adjourned at 3:55 p.m.

APPROVED: _____
MAYOR

ATTEST: _____
CITY RECORDER