

**MINUTES OF
CITY COMMISSION WORK SESSION
THURSDAY, MARCH 3, 2011, 4:00 P.M.
CITY HALL, PIGEON FORGE, TENNESSEE**

Present were Vice Mayor McClure, Commissioner Brackins, Commissioner Robinson, Commissioner Wear, City Manager Teaster, City Recorder Clabo, City Attorney Gass, and interested parties. Mayor Whaley was absent.

Items discussed were as follows.

1. **Review and discussion of a development agreement with Pigeon River Land Partners, LLC and the City's Industrial Development Board for the construction of the city's events center and improvements at Riverwalk Village** – City Attorney Gass explained that compensation to developer would be based on a three point criteria. The criteria includes a 4 percent development fee for services; 1 ½ percent if the project is on time and under budget; and 3 ½ percent for the build out of Belle Island.

Mark Mamantov with Bass, Berry & Sims discussed how the Industrial Development Board (IDB) would work as it relates to this project. He said that it would serve as a conduit structure as the IDB would issue bonds and the City would handle payments. Mr. Mamantov stated that he believes that this fits into the TDZ statute but wants to inform the State on plans to keep them in the loop regarding the event center.

2. **Review and discussion of the issuance of bonds in the amount of \$53,420,000 for the construction of the events center** – Chris Bessler with Morgan Keegan discussed the difference in the \$45,000,000 cost for the events center compared to \$53,420,000 was due to capitalized interest. The interest can be capitalized up to three years to help while the project is being developed. Mr. Bessler noted that the Board would still have to go before bonding agencies for review and the City could take a ding by issuing new debt so it was something to be aware. There was lengthy discussion regarding amount of revenue needed to pay debt service payments.
3. **Review and discussion of a lease agreement with the City's Industrial Development Board for the events center** – Mark Mamantov began by stating that this was a financing lease. The methodology of using this approach versus going through a private lease is that this should save millions of dollars. It was noted that there will be between 8 and 15 basis points difference in financing through IDB versus issuing bonds directly by City which is basically due to providing a comfort level for the agencies. City Attorney Gass stated that the goal of the amended

agreement is for economic development. There is an incentive in the agreement for the developer to develop other properties.

4. **Review and discussion of an agreement with Pigeon River Land Partners for signage on the Parkway and infrastructure construction on Riverwalk Village** – Assistant City Manager Brackins discussed that the agreement calls for construction of public improvements including a concrete city street, greenway and bridge connecting the city’s parking lot and continuing through the Riverwalk Village, and a waterline through the property at a cost not to exceed \$5,000,000.

Following lengthy discussion on all agenda items, council agreed to put necessary items on either special called council meeting agenda or IDB agenda, as necessary.

After general discussion, the meeting was duly adjourned at 6:15 p.m.

APPROVED: _____
MAYOR

ATTEST: _____
CITY RECORDER