

**MINUTES OF THE SPECIAL JOINT MEETING OF THE LAKE LURE TOWN COUNCIL
HELD WITH THE ZONING/PLANNING BOARD ON TUESDAY, MAY 19, 2009, 9:35 A.M.,
AT THE LAKE LURE MUNICIPAL CENTER**

PRESENT: Mayor Jim Proctor
Commissioner Wayne Hyatt
Commissioner Russ Pitts
Commissioner Linda Turner

Chris Braund, Town Manager
Mike Egan, Community Development Attorney

Shannon Baldwin, Community Development Director
Amos Gilliam, Planner/Subdivision Administrator
Sheila Spicer, Zoning Administrator & Recording Secretary

Anthony "Tony" Brodfuhrer, Zoning and Planning Board Member
William "Bill" Bush, Zoning and Planning Board Member
Paula Jordan, Zoning and Planning Board Member
Donnie Samarotto, Zoning and Planning Board Member
Dick Washburn, Zoning and Planning Board Chairman

ABSENT: Commissioner Jeanine Noble

CALL TO ORDER

Mayor Proctor called the meeting to order at 9:35 a.m.

INVOCATION

Commissioner Hyatt gave the invocation. Mayor Proctor announced the recent passing of Joe Davis.

APPROVE THE AGENDA

A motion was made by Commissioner Turner to approve the agenda as presented. Commissioner Pitts seconded the motion and the vote of approval was unanimous.

DISCUSSION PERTAINING TO PERFORMANCE GUARANTEES AND SUBDIVISION REGULATIONS

Community Development Director Shannon Baldwin, distributed copies and reviewed a pamphlet dated January 16, 2008 issued by the Lake Lure Community Development Department pertaining to improvement guarantees for major subdivisions. He also distributed copies and reviewed a flow chart report detailing the development review process for major subdivision and an alternate overview with performance agreement.

Town Manager Chris Braund reminded Council members and Z/P members of his recommendations outlined in his memorandum dated February 5, 2009 addressed to Town Council

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regarding surety performance bonds for subdivision infrastructure. Mr. Braund said he had recommended that council direct the Zoning and Planning Board to review Lake Lure's regulations and process pertaining to surety bonds as performance guarantees. The review should include (minimally):

- * As a policy matter, are such guarantees in the best interest of the town?
- * What might be improved in the guarantee process to reduce any risks to the town?

Mr. Braund asked Council members and Z/P members to determine whether or not offering surety performance bonds is in the best interest of the town. Also, discuss ways to avoid the risks that other communities have already gone through.

Mayor Proctor asked if any research has been done to inquire about whether or not other municipalities accept surety performance bonds for subdivision improvement guarantees. Amos Gilliam, Planner/Subdivision Administrator, explained that he had polled other communities and he was informed although they are not comfortable with the risks associated with this method of guarantee, they do still allow them as an option. Mr. Gilliam said some communities do place a limit on the amount of improvements which can be bonded.

Community Development Attorney Mike Egan stated that he is not aware of any municipality who does not offer surety performance bonds as an option. Mr. Egan recommended that the Town establish standards for accepting surety performance bonds. He mentioned one way to reduce the risks associated with surety performance bonds is to make sure the bonding company has a good rating.

Mayor Proctor recommended that research be done in order to determine whether or not to require a certain amount of a subdivision's infrastructure be completed prior to accepting the improvement guarantee. Commissioner Pitts agreed with the Mayor's recommendation.

Commissioner Pitts recommended that research be conducted on ways to tighten the procedures for accepting improvement guarantees before considering eliminating one of the guarantee options.

Z/P Chairman Dick Washburn recommended that only a major subdivision be allowed to post an improvement guarantee for smaller phases instead of the entire project. Mr. Gilliam agreed with Mr. Wahsburn's recommendation and further stated that this would be one way to put a limit on the amount that could be bonded.

Z/P Board member Anthony Brodfuhrer mentioned that the subdivision regulations need to be revised to clarify that Town Council is the body which approves improvement guarantees instead of the Zoning and Planning Board.

Mr. Braund stated that Town Council may want the Zoning and Planning Board to review first an improvement guarantee before making a recommendation to Town Council.

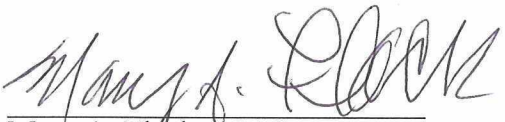
John Cloud, a member of the audience and a local developer, stated that while Mr. Gilliam is doing a good job of managing the current securities being held by the Town at this time, this has not always been the case. Mr. Cloud asked Council members to allow the guarantee option and not take it away merely because it may involve more work for town staff.

ADJOURN THE MEETING

With no further items of discussion, Commissioner Hyatt made a motion to adjourn the meeting at 10:00 a.m. Commissioner Turner seconded the motion and the vote of approval was unanimous.

ATTEST:





Mary A. Flack, MMC
Town Clerk

Mayor Jim Proctor