

**CITY COUNCIL
SPECIAL MEETING
June 29, 1999**

CALL TO ORDER BY THE MAYOR

The special meeting of the City Council of Mount Holly was called to order at 7:00 P.M. by Mayor McLean. The following were present:

Mayor Frank McLean
Mayor Pro-Tem Phyllis Harris
Councilman Michael Helms
Councilman Jim Hope
Councilman Bryan Hough
Councilman Bobby Black
City Attorney Kemp Michael
City Manager David Kraus

INVOCATION

The invocation was led by Councilman Bryan Hough.

EMERGENCY MEETING

City Attorney Kemp Michael said that emergency meetings are allowed under state law if certain criteria is met, so the reason for the meeting should be stated for the record.

Motion: Councilman Helms read and **MOVED** to adopt Res. #6-29-99A (copy attached) giving the reason for the emergency meeting, seconded by Councilwoman Harris.

Vote: five ayes, zero nays. **CARRIED**.

Steve Schreiner, representing Crescent Resources, was recognized by the Mayor.

City Manager David Kraus stated that the newspapers were notified by fax and by telephone.

ANNEXATION OF STONE WATER BAY SUBDIVISION

Mayor McLean stated that this same day the City had been notified that the owner of Water's Edge Subdivision property had given an option to a public trust and the City of Gastonia to purchase its property. If exercised, the development would not be done.

City Attorney Michael said he had several phone calls from council persons inquiring about the impact the failure to develop Water's Edge would have on Stone Water Bay's annexation and development. He said he did not have a recommendation that evening as it was too soon and there is not enough information provided yet. He gave the Council its options for that evening. He stated that the effective date of annexation on Stone Water Bay is June 30, 1999. The Institute of Government says the statute allows amendment or revocation of annexation prior to the effective date.

Mayor McLean said there is question of the impact of no tax revenue from Waters Edge on our cost estimates. Councilman Hope asked how many homes are planned for Stone Water Bay and the estimated value. City Manager Kraus said the values are \$300,000 to \$350,000 in Stone Water Bay; the average in Waters Edge was \$200,000 to \$225,000. The cost estimates he had prepared were based on Waters Edge being developed. Councilman Hope said that the citizens of Mount Holly should not be jeopardized in that they pay for any development out there. He suggested the annexation date be moved up so we can get the proper information needed to make a decision on whether to continue or not.

Councilman Hope said he spoke with a Gastonia councilman and asked him how long they had been negotiating this option. Councilman Hope felt the City of Mount Holly was undermined since we had six public hearings and they never showed up at any of them. He asked the Gastonia councilman about the reality of Gastonia buying the property since the price is over nine million dollars, and he said he was not sure but that they were very serious about it. Councilman Hope said that although the Waters Edge property is already annexed, the Council needs to re-evaluate our position.

Councilman Helms stated that we have already annexed up to Highway 16, and we are already required to provide fire and police in that area. Stone Water Bay is just across Highway 16 from there. Also, there will be other developments that will occur up in that vicinity that are not on the lake, and this will help offset the cost. Councilman Hope said that fire and police services to vacant land is different than for 450 homes. Councilman Helms asked if the letter of credit by Provident Development on Waters Edge has to be returned. City Attorney Michael said it does not. Mr. Michael said the installation of water and sewer lines is assured by letter of credit, and the annexation agreement is a binding contract on Provident and anyone to whom they sell or convey the land, which requires them to purchase and install the lines with the City paying for the upsizing of the lines only. Councilman Helms agreed that we need to put off the annexation date on Stone Water Bay to get new calculated.

Councilman Hough asked what is the term of the option. City Manager Kraus said he was told it must be exercised by the end of July. Councilman Black asked how much time Mr. Kraus and staff needs to crunch numbers. Mr. Kraus said he could run figures off the computer that evening if they wanted. Councilman Black asked if Gastonia buys the property, is Mount Holly already going to be in the red on services we are obligated to provide by the annexation. Mr. Kraus said that presently we cover to the water tower. Beyond that Council has authorized negotiations for an agreement with Lucia-Riverbend VFD to cover more area. Councilman Hough asked what would pay for the additional fire station if Stone Water Bay was not in the picture. Mr. Kraus said it would likely come from our reserve account. Councilman Hough asked about police coverage. Mr. Kraus said we may still need a fourth district because we may still have to protect the area if it is made into a park.

Councilman Hope asked Mr. Schreiner what the projected build out on Stone Water Bay would be. Mr. Schreiner said conservatively five to seven years, averaging 50 lots per year.

Councilman Black asked what day Council can meet again after they get Mr. Kraus's new cost estimates. Various dates in July were discussed.

Councilman Helms asked Mr. Schreiner if Mount Holly did not annex Stone Water Bay and did not provide water and sewer, would they still develop? Mr. Schreiner said yes, it would still be a viable project. Mayor McLean asked what effect a 30 day delay would have on them. Mr. Schreiner said it will delay the applications with the State and would hamper their ability to go on the market in November.

Motion: Councilman Hope **MOVED** to adopt Res. #6-29-99B to amend the effective date for annexation of Stone Water Bay to July 30, 1999, at 12:01 PM, seconded by Councilwoman Harris.

Vote: all in favor. **CARRIED**.

Councilman Hough asked Mr. Kraus to prepare figures with annexing Stone Water Bay and also without. Councilman Hope said he would like to see the 50 lot per year projection used in the estimates. Councilman Hough said a garbage truck was put in the budget and he wanted to know if it would be enough or will another be necessary.

Mayor McLean asked Mr. Schreiner if he would like to make any statements. Mr. Schreiner said he respects the position the Council is having to take, and that it is a business decision. He said that naturally they do not like it, but he understands why it is being done. He said he would be glad to provide figures from Overlook Subdivision if that would be helpful.

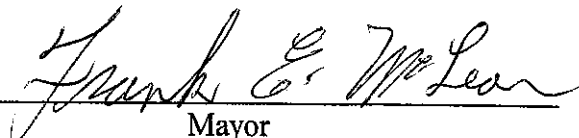
Mayor McLean said he was canceling a meeting he had called for Friday as it is not longer necessary.

Mayor McLean announced that the old Alsace Mill owned by the Friedls is having the Ambassador from Austria at a flag ceremony on Friday at 11:00 AM, and he plans to bring them to City Hall after that, and he will be presenting the key to the city to the ambassador. Council concurred that Mr. Kraus should offer lunch being provided in the Archives Room.

ADJOURN

There being no further business before the Council, the meeting was adjourned upon motion duly made, seconded and carried.

City Clerk



Mayor
