

Workshop Meeting



To: Town Council

From: Travis Morgan

Date: 9/28/2020

Re: **Industrial Drive Road Acceptance** (*Informational Item*)

BACKGROUND:

The Distribution Street project was a conditionally approved plan for Lance distribution. The original subdivision had 5 lots but lot 1 and 2 have been combined so there are 4 buildable lots currently.

PROPOSAL:

Sean McDonnell on behalf of Beacon would like to have the Town accept Distribution Street as a Town road and assume maintenance. Distribution Street is a new road created with the industrial subdivision for the Lance project. There are 4 current buildable lots on the street, of those only two have been built (50%). Beacon has sold off the other lots and has no timeframe upon completion of construction.

STAFF SUMMARY:

Our ordinance does not provide or specify any percent less than complete or 100% buildout before road acceptance is eligible. Normal procedure (such as when Pulte took over John Wieland homes) is for the new development to take over the existing bonds. Tracking down and proving damage to the road would be a burden to town staff to prove, especially if both remaining parcels develop at the same time (each property would blame the other for any damage in my experience).

See second page Beacon request.

FROM BEACON:

Reasons for a work session with Town Council:

1. The ordinance on road bonding (maintenance) is written such that the road will have to be maintained by the developer of the road or the Property Owners Association (POA) until such time as the last remaining lot is developed in a subdivision.
2. The Pineville Distribution Park has two of four lots developed currently. The remaining lots are owned by
 - a. Lakemont (original owner)
 - b. Concord California Associates
3. The lots could be long term investments by each of the owners with no way to know when and if the lots ever get developed. Therefore there is no foreseeable conclusion to starting the maintenance bond for the road to be turned over to the Town of Pineville.
4. The general public has access to the road for use; however, the POA or the construction bond holder is at risk for damage that could be caused by anyone.
5. The Town of Pineville, at the same time as the bond holder (Likely the POA in this case since InterCon Building Corp the general contractor is currently the bond holder) is insuring the road against damage that could happen by others, is collecting both ad valorem taxes from the owners of the lots and personal property taxes on the developed property within the park. Further the land for the road has been deeded to the Town of Pineville.
6. Pineville Distribution Street is 100% complete and has been inspected by the AHJ throughout the construction process.
7. We understand that the main concern is road damage by construction traffic or road failure until construction is complete and Pineville accepts the road. The aesthetic damage is most likely in this case since the road has been in place for over a year and is 100% completed.

Potential Solution:

Is there a compromise with the following:

1. The Town of Pineville accepts the road now starting the maintenance bond – 2 year timing.
2. Any development project is already required to obtain a permit for construction. Added to the normal permit process, the applicant would have to meet with the Town of Pineville to inspect the road and its condition prior to any new construction work taking place. The applicant would then have to meet with the Town to inspect the road after completion to obtain either a TCO or CO.
3. Any damages to the road would be first covered by the applicant or, if the applicant did not repair the damage, the damages would be covered under a security of some kind obtained by the applicant. For example, a bond that provides for the appropriate funds to complete the work if not done by the applicant.