

GENERAL ASSEMBLY OF NORTH CAROLINA  
1987 SESSION

CHAPTER 619  
SENATE BILL 421

AN ACT TO PERMIT ALL CITIES TO PARTICIPATE IN DOWNTOWN  
DEVELOPMENT PROJECTS.

The General Assembly of North Carolina enacts:

Section 1. Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-458.3. **Downtown development projects.**—(a) In this section, 'downtown development project' means a capital project in the city's central business district, as that district is defined by the city council, comprising one or more buildings and including both public and private facilities. By way of illustration but not limitation, such a project might include a single building comprising a publicly owned parking structure and publicly owned convention center and a privately owned hotel or office building.

(b) If the city council finds that it is likely to have a significant effect on the revitalization of the central business district, the city may acquire, construct, own, and operate or participate in the acquisition, construction, ownership, and operation of a downtown development project or of specific facilities within such a project. The city may enter into binding contracts with one or more private developers with respect to acquiring, constructing, owning, or operating such a project. Such a contract may, among other provisions, specify the following:

- (1) the property interests of both the city and the developer or developers in the project, provided that the property interests of the city shall be limited to facilities for a public purpose;
- (2) the responsibilities of the city and the developer or developers for construction of the project;
- (3) the responsibilities of the city and the developer or developers with respect to financing the project.

Such a contract may be entered into before the acquisition of any real property necessary to the project.

(c) A downtown development project may be constructed on property acquired by the developer or developers, on property directly acquired by the city, or on property acquired by the city while exercising the powers, duties, and responsibilities of a redevelopment commission pursuant to G.S. 160A-505 or G.S. 160A-456.

(d) In connection with a downtown development project, the city may convey interests in property owned by it, including air rights over public facilities, as follows:

- (1) If the property was acquired while the city was exercising the powers, duties, and responsibilities of a redevelopment commission, the city

may convey property interests pursuant to the 'Urban Redevelopment Law' or any local modification thereof.

- (2) If the property was acquired by the city directly, the city may convey property interests pursuant to G.S. 160A-457, and Article 12 of Chapter 160A of the General Statutes does not apply to such dispositions.
- (3) In lieu of conveying the fee interest in air rights, the city may convey a leasehold interest for a period not to exceed 99 years, using the procedures of subparagraphs (1) or (2) of this subsection, as applicable.

(e) The contract between the city and the developer or developers may provide that the developer or developers shall be responsible for construction of the entire downtown development project. If so, the contract shall include such provisions as the city council deems sufficient to assure that the public facility or facilities included in the project meet the needs of the city and are constructed at a reasonable price. A project constructed pursuant to this paragraph is not subject to Article 8 of Chapter 143 of the General Statutes, provided that city funds constitute no more than fifty percent (50%) of the total costs of the downtown development project. Federal funds available for loan to private developers in connection with a downtown development project shall not be considered city funds for purposes of this subsection.

(f) Operation. The city may contract for the operation of any public facility or facilities included in a downtown redevelopment project by a person, partnership, firm or corporation, public or private. Such a contract shall include provisions sufficient to assure that any such facility or facilities are operated for the benefit of the citizens of the city.

(g) Grant funds. To assist in the financing of its share of a downtown development project, the city may apply for, accept and expend grant funds from the federal or State governments."

Sec. 2. This act shall not apply to the municipalities located in Buncombe County.

Sec. 3. This act is effective upon ratification but shall not affect pending litigation.

In the General Assembly read three times and ratified this the 15th day of July, 1987.