

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1997**

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**SENATE BILL 1398**

State Government, Local Government, and Personnel Committee Substitute Adopted  
8/6/98

Short Title: RDU Construction Bid Exemptions.

(Local)

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Sponsors:

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Referred to:

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May 27, 1998

**A BILL TO BE ENTITLED**

**AN ACT TO AMEND CHAPTER 168 OF THE 1939 PUBLIC-LOCAL LAWS, AS PREVIOUSLY AMENDED, WHICH ENABLED THE ESTABLISHMENT OF THE RALEIGH-DURHAM AIRPORT AUTHORITY, TO ALLOW THE AUTHORITY TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES.**

The General Assembly of North Carolina enacts:

Section 1. Subsection (f) of Section 7 of Chapter 168 of the Public-Local Laws of 1939, as amended by Chapter 1096 of the 1955 Session Laws, and Chapter 755 of the Session Laws of 1959, is further amended by adding a new subdivision to read:

"(1) Special User Projects. To contract with persons, firms, or corporations for special user projects as defined and described in this subdivision.

Special user projects are projects that are undertaken for the use and benefit of one or more private entities who will lease the facilities from the Authority upon terms and conditions that will

1 make the private entities solely responsible for the repayment of  
2 all notes, bonds, debts, or other costs incurred in the financing,  
3 acquisition, development, or construction of the project.

4 A special user project shall include all of the following:

- 5 a. The acquisition of equipment, the development of land  
6 belonging to the Authority, the construction of buildings  
7 or other structures belonging to the Authority on land  
8 belonging to the Authority.
- 9 b. The issuance of the Authority's special facility revenue  
10 bonds or other debt instruments, as authorized in Article 5  
11 of Chapter 159 of the General Statutes, in an amount not  
12 less than four million dollars (\$4,000,000) by the Local  
13 Government Commission, the proceeds of which shall be  
14 used to pay the costs of the special user project and which  
15 bonds or other debt instruments shall be repayable solely  
16 from the rents, fees, charges, payments, or other revenues  
17 payable to the Authority by the special user or from the  
18 funds, collateral, and undertakings of private parties that  
19 are either assigned or pledged by those parties.
- 20 c. The use of the property acquired, developed, or  
21 constructed shall be limited to airline, aircraft, aviation  
22 support, air passenger, aircraft maintenance and repair,  
23 other airport related purposes, but may include  
24 appurtenances and incidental facilities such as driveways,  
25 sidewalks, parking facilities, utilities, warehouses, loading  
26 facilities, administrative and other office facilities, and  
27 other improvements necessary or convenient for the  
28 operation of these facilities.

29 Notwithstanding any other provision of law, the Authority may  
30 agree that all contracts relating to the acquisition, design, construction,  
31 installation, or equipping of the special user project shall be solicited,  
32 negotiated, awarded, and executed by the private parties for which the  
33 Authority is financing the special user project or any agents of the  
34 private parties subject only to approval by the Authority, as the  
35 Authority may require. The Authority may, out of the proceeds of  
36 bonds or other debt instruments, make advances to or reimburse the  
37 private parties or their agents for all or a portion of the costs incurred in  
38 connection with the contracts. For all contracts related to special user  
39 projects, the Authority shall be exempt from the requirements of Article  
40 8 of Chapter 143 of the General Statutes."

41 Section 2. This act is effective when it becomes law and expires on January 1,  
42 2003. All contracts executed under the authority of this act and any bonds or other debt  
43 instruments issued pursuant to this act prior to the expiration date of this act shall remain

- 1 effective until the contracts are completed or the bonds or other debt instruments are
- 2 retired.