

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 235
HOUSE BILL 566

AN ACT TO AUTHORIZE THE CITY OF FAYETTEVILLE TO EXERCISE
CERTAIN LAND ACQUISITION AND DISPOSAL PROCEDURES.

The General Assembly of North Carolina enacts:

Section 1. The Charter of the City of Fayetteville, Chapter 557, Session Laws of 1979, as amended, is amended by adding a new Article to Chapter VIII to read:

"Article 7. Economic Development.

"Sec. 8.20. Definition. In this Article economic development project means an economic capital development project within a certain defined area or areas of the City as established by the City Council, comprised of one or more buildings or other improvements and including any public and/or private facilities. Said project may include programs or facilities for improving downtown redevelopment, 'pocket of poverty' or other Federal or State assistance programs which the City Council determines to be in need of economic capital development or revitalization.

"Sec. 8.21. Authorization. (a) In addition to any other authority granted by law, the City of Fayetteville may accept grants, expend funds, make grants or loans, acquire property and participate in capital economic development projects which the City Council determines will enhance the economic development and revitalization of the City in accordance with the authority granted herein. Such project may include both public and/or private buildings or facilities financed in whole or in part by Federal or State grants (including but not limited to Urban Development Action Grants) and may include any capital expenditures which the City Council finds necessary to comply with conditions in any Federal or State grant agreements and which the City Council finds will complement the project and improve the public tax base and general economy of the City. By way of illustration, but not limitation, such a project may include the construction or renovation of any one or combination of the following projects:

- (1) Privately owned hotel.
- (2) Privately owned office building.
- (3) Housing.
- (4) Parking facilities.
- (5) Industrial buildings.
- (6) Site improvements.
- (7) Privately owned commercial buildings, including warehouses.

Such project may be partially financed with City funds received from Federal or State sources and being granted or loaned to the private owner for said construction or renovation; in addition, other City funds from any sources may be used for acquisition,

construction, leasing and/or operation of facilities by the City for the general public and for capital improvements to public facilities which will support and enhance the private facilities and the general economy of the City.

(b) When the City Council finds that it will promote the economic development or revitalization in the City, the City may acquire, construct, and operate or participate in the acquisition, construction, ownership and operation of an economic development project or of specific buildings or facilities within such a project and may comply with any State or Federal government grant requirements in connection therewith. The City may enter into binding contracts with one or more private parties or governmental units with respect to acquiring, constructing, owning or operating such a project. Such a contract may, among other provisions, specify the responsibilities of the City and the developer or developers and operators or owners of the project, including the financing of the project. Such a contract may be entered into before the acquisition of any real property necessary to the project by the City or the developer or other parties.

"Sec. 8.22. Property acquisition. An economic development project may be constructed on property acquired by the developer or developers, or on property directly acquired by the City, or on property acquired by the Redevelopment Commission or its successors while exercising the powers, duties and responsibilities pursuant to Article 22, Chapter 160A of the General Statutes.

"Sec. 8.23. Property disposition. In connection with an economic 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 under Article 22, Chapter 160A, of the General Statutes, the property interests may be conveyed in accordance with special or general law. For these purposes:

a. G.S. 160A-514(e) is amended by adding the following new subdivision:

'(5) After a public hearing advertised in accordance with the provisions of G.S. 160A- 513(e) and subject to the approval of the governing body of the municipality, the Commission may determine that in the best interest of the municipality certain property should be developed for one purpose only, which purpose shall be designated. The Commission shall advertise such property and designated purpose, and shall invite redevelopment proposals by public notice, by publication once a week for two consecutive weeks in a newspaper having general circulation in the municipality, and shall make available all pertinent information to any persons interested in undertaking a purchase of such property and the redevelopment of such property or any part thereof. Any property sold in accordance with this subsection shall be sold at public auction to the highest bidder for cash at a price not less than the fair market value thereof, as fixed by the Commission. All conveyances made under the authority of this subsection shall

contain restrictive covenants limiting the use of property so conveyed to the designated purpose for which the conveyance is made.'

b. G.S. 160A-514(d) is amended by inserting the following at the end:

'Regardless of the preceding provisions, the Commission may reject the highest responsible bid and accept a lesser bid where it makes the following specific findings and where such findings are verified and approved by the governing body of the municipality after a public hearing advertised in accordance with the provisions of G.S. 160A-513:

The general public welfare and proper development of the community will be better served by the bid which was accepted than by the higher bid or bids which were rejected, for one or more of the following reasons:

- (1) The proposed use or development of the land under the successful bid will result in an assessed valuation for ad valorem taxation greater than that of the use or uses proposed by the higher bidders;
- (2) The proposed use or development of the land under the successful bid will have a substantially greater beneficial effect upon neighboring property, the project area, and the community as a whole than the use or uses proposed by the higher bidders and will tend to induce greater investment in the development of other property in the area;
- (3) The proposed use or development of the land under the successful bid will facilitate the relocation of families where required by law to a substantially greater degree than the use or uses proposed by the higher bidders.'

c. G.S. 160A-514(d) is amended by inserting the following clause between the word 'section' and the word 'provided' in line 16: 'or to a developer under the special circumstances set forth in subdivision (6) of subsection (e).'

d. G.S. 160A-514(e) is amended by adding the following new subdivision:

'(6) Convey at private sale to any other redeveloper particular properties within a redevelopment area where it finds the proposed redeveloper is the only known available, qualified and willing redeveloper for the contemplated use and makes one or more of the following findings and all such findings are verified and approved by the governing body of the municipality after a public hearing, notice of which shall be given once a week for two successive calendar weeks in a newspaper published in the municipality, said notice to be published the first time, not less than 15 days prior to the date fixed for said hearing:

- a. that the proposed use or redevelopment is necessary in order to facilitate the relocation of families where required by law;
- b. that the proposed use or redevelopment is reasonably necessary in order to assure development which will have the desired beneficial effect upon neighboring property, the project area and the community as a whole, as contemplated by the redevelopment plan;
- c. that the proposed use or redevelopment will assure that the property will not remain unused for an unduly long period and will result in a return to the local ad valorem rolls at a substantially earlier date than uses or redevelopment obtainable by other methods of disposition. Such conveyance shall be for such consideration as may be agreed upon by the Commission and the redeveloper and approved by the governing body of the municipality, which shall not be less than the fair, actual value of the property as determined by the Commission and by the governing body of the municipality, based on competent evidence.'

(2) If the property was acquired by the City directly, the City may convey property interests by (i) any procedure set forth in its City Charter, special act or the general law, or (ii) by private negotiation or sale.

"Sec. 8.24. Construction of the project. A contract between the City and the developer or developers may provide that the developer or developers shall be responsible for the construction of the entire economic development project. If so, the contract shall include such provisions as the City Council deems sufficient to assure that any public facilities included in the project meet the needs of the City and are constructed at a reasonable price. Any funds loaned by the City, pursuant to this paragraph, to a private developer, and used by said developer in the construction of a project on private property shall not be deemed an expenditure of public funds.

"Sec. 8.25. Operation. The City may contract for the operation of any public facility or facilities included in an economic development project by a person, partnership, firm or corporation, public or private. In addition, the City, upon consideration, may contract through lease or otherwise whereby it may operate privately constructed parking facilities to serve the general public. 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."

Sec. 2. Section 8.18 of the Charter, as enacted by Section 4 of Chapter 757, Session Laws of 1981, (G.S. 160A-516 amended), is removed from Article 6, Zoning, Chapter VIII, renumbered as Section 8.26 and made a part of Article 7, Economic Development, of Chapter VIII.

Sec. 3. This act shall apply only to the City of Fayetteville.

Sec. 4. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 28th day of April, 1983.