

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE BILL 985

Short Title: Sale of Blount Street Property. (Public)

Sponsors: Representatives Ross, Munford, Miner, B. Allen (Primary Sponsors); and L. Allen.

Referred to: Rules, Calendar, and Operations of the House.

April 9, 2003

A BILL TO BE ENTITLED
AN ACT REGARDING THE SALE OF STATE-OWNED PROPERTY IN THE
BLOUNT STREET HISTORIC DISTRICT.

Whereas, the North Carolina Capital Planning Commission adopted a master plan for the State government complex in Raleigh; and

Whereas, recommendations in the master plan for the Blount Street Historic District include: (i) the introduction of residential land uses, (ii) infill along Blount Street with structures equal to the quality of existing structures, (iii) the systematic removal of most State offices from the existing structures, and (iv) the adaptive reuse for private residences of structures previously used for State office space; and

Whereas, implementation of the master plan will result in (i) the moving of State offices to more efficient structures, (ii) the preservation of historical structures and the historic district, and (iii) the revitalization of the area consistent with the principles of smart growth development; and

Whereas, the adaptation of property in this area to mixed residential and business use should be accomplished by the private sector and not by State government; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a) Modification of the Capital Area Master Plan to provide for the sale of certain properties. – Prior to May 1, 2004, the Department of Administration and the Capital Planning Commission shall modify the Capital Area Master Plan for State Government to provide for the sale to private or public entities of State-owned properties within and adjacent to the Blount Street Historic District, an area bordered by North Person Street, Jones Street, North Wilmington Street, and Peace Street, except for the Governor's Mansion, the Archives and History Building, the Bath Building, and the Leonidas Lafayette Polk House, which shall be excluded from the sales provisions hereof. The Department of Administration is authorized to sell any such property pursuant to Chapter 146 of the General Statutes and such sale shall take place at the

1 time the Department determines that a property is no longer needed for State purposes
2 and that it is in the best interest of the State to sell that property.

3 **SECTION 1.(b)** Preservation or conservation agreements required on all
4 sales. – The sale of property in this area shall be subject to preservation or conservation
5 agreements as defined in G.S. 121-35 that ensure that the use of the property is
6 consistent with the historic and architectural character of the district. The Historic
7 Preservation Foundation of North Carolina, Inc. shall be a party to all preservation or
8 conservation agreements entered into pursuant to this act. The Historic Preservation
9 Foundation of North Carolina, Inc. is authorized to enforce such agreements in
10 accordance with G.S. 121-39.

11 **SECTION 1.(c)** Procedures for the sale of properties. – Due to (i) the
12 significant architectural, archaeological, artistic, cultural, or historical associations of
13 these properties, (ii) the properties' relationship to other property that is significant for
14 architectural, archaeological, artistic, cultural, or historical associations, and (iii) the
15 requirement that a preservation agreement or conservation agreement as defined in G.S.
16 121-35 is placed in the deed conveying said property from the State, these properties
17 shall be sold by private negotiation and sale, and all such sales shall be approved by the
18 State Property Office.

19 When a property available for sale:

20 (1) Is not to be sold as a private residence and used as a private residence,
21 advertisement of the availability of that property for sale shall occur at least 45 days
22 prior to any private negotiations for the sale of that property. Also, an announcement of
23 the terms of the proposed sale and an opportunity for public comment on the proposed
24 sale shall occur at least 45 days prior to the sale.

25 (2) Is to be sold as a private residence and used as a private residence,
26 advertisement of the availability of that property for sale shall occur at least 45 days
27 prior to any private negotiations for the sale of that property. The property may then be
28 sold without a 45-day public comment period.

29 The Department of Administration shall use the services of the Historic
30 Preservation Foundation of North Carolina, Inc. to assist it in the administration of this
31 act.

32 **SECTION 1.(d)** Funds to implement the sales process.—Of the funds
33 available to the Department of Administration, the Department may use up to three
34 hundred thousand dollars (\$300,000) to implement the provisions of this act.

35 **SECTION 2.** Use of the net proceeds of sales. – The net proceeds of any
36 sale made in accordance with this act shall be handled in the following priority order:

37 (1) The funds shall be used in accordance with the provisions of any trust
38 or other instrument of title under which title to the real property was
39 acquired by the State. The term "net proceeds" means the gross
40 amount received from the sale of any such property less any expenses
41 incurred incident to that sale, subject to regulations adopted by the
42 Governor and approved by the Council of State.

- 1 (2) The funds shall be used to reimburse the Department of
2 Administration for any funds expended pursuant to section 1(d) of this
3 act.
4 (3) The funds shall be used for the relocation and rental costs for displaced
5 State offices that are relocated to leased space.
6 (3) The funds shall be used to construct or purchase replacement office
7 and parking facilities rather than leasing space.
8 (4) The next ten million dollars (\$10,000,000) of the funds shall be placed
9 in a special trust fund in the Department of State Treasurer, hereinafter
10 to be held in trust and used solely for the upkeep, repair, and
11 maintenance of State-owned properties not to be sold hereunder and
12 located within the Blount Street Historic District. The State Treasurer,
13 as custodian of the special trust fund, shall authorize the use of interest
14 earned by the special trust fund only for such purposes approved by
15 the Governor and the Secretary of Cultural Resources. The State
16 Treasurer shall authorize the use of the principal only as authorized by
17 the General Assembly and approved by the Governor and the
18 Secretary of Cultural Resources.
19 (5) The remainder of the funds shall be deposited in the General Fund.

20 **SECTION 3.(a)** Establishment of the Blount Street Historic District
21 Oversight Committee. – The Blount Street Historic District Oversight Committee is
22 established in the Office of the Governor.

23 **SECTION 3.(b)** Membership of the Committee. – The Committee shall
24 consist of six members appointed as follows:

- 25 (1) Two members appointed by the Governor, one of whom shall be a
26 person with experience in urban planning;
27 (2) Two members appointed by the President Pro Tempore of the Senate,
28 one of whom shall be a person with experience in historic
29 preservation; and
30 (3) Two members appointed by the Speaker of the House of
31 Representatives, one of whom shall be a resident of Historic Oakwood
32 in Raleigh.

33 In making initial appointments to the Committee, the appointing officers shall
34 designate one appointee to serve for a term of four years ending July 1, 2007, and one a
35 term of six years ending July 1, 2009. Subsequent terms shall be for four years. A
36 member shall continue to serve until the member's successor is appointed. A vacancy
37 shall be filled for the remainder of the term by the officer who made the original
38 appointment.

39 In making all appointments, the appointing officer shall consider the unique
40 historic and architectural nature of the area and shall appoint people who are dedicated
41 to preserving it.

42 **SECTION 3.(c)** Purpose of the Committee. – The purpose of the Committee
43 shall be to monitor the implementation of this act.

1 **SECTION 4.** Implementation plan for this act. – Prior to September 1, 2003,
2 the Department of Administration shall submit to the Blount Street Historic District
3 Oversight Committee a plan for the implementation of this act and a schedule for
4 implementation of the plan. The plan shall provide for the sale of any property that is
5 vacant for more than three months. The plan may also provide for the sale of property
6 in separate parcels.

7 **SECTION 5.** G.S. 143B-79 reads as rewritten:

8 **"§ 143B-79.** Executive Mansion Fine Arts Committee – creation, powers and duties.

9 There is hereby created the Executive Mansion Fine Arts Committee. The Executive
10 Mansion Fine Arts Committee shall have the following functions and duties:

- 11 (1) To advise the Secretary of Cultural Resources on the preservation and
12 maintenance of the Executive Mansion located at 200 North Blount
13 Street, Raleigh, North Carolina;
- 14 (2) To encourage gifts and objects of art, furniture and articles of
15 historical value for furnishing the Executive Mansion, and advise the
16 Secretary of Cultural Resources on major changes in the furnishings of
17 the Mansion;
- 18 (3) To make recommendations to the Secretary of Cultural Resources
19 concerning major renovations necessary to preserve and maintain the
20 structure;
- 21 (4) To aid the Secretary of Cultural Resources in keeping a complete list
22 of all gifts and articles received together with their history and value;
- 23 (4a) To advise the Secretary of Cultural Resources on the use of funds from
24 the special trust fund held in trust by the State Treasurer for the
25 upkeep, repair, and maintenance of State-owned property located
26 within the Blount Street Historic District to the extent that such funds
27 are to be used for the upkeep, repair, and maintenance of the Executive
28 Mansion. These funds shall not be expended without the approval of
29 the Committee;
- 30 (5) No gifts or articles shall be accepted for the Executive Mansion
31 without the approval of the Committee;
- 32 (6) The Committee shall advise the Secretary of Cultural Resources upon
33 any matter the Secretary may refer to it; and
- 34 (7) The Committee may dispose of property held in the Executive
35 Mansion after consultation with a review committee comprised of one
36 person from the Executive Mansion Fine Arts Committee, appointed
37 by its chairman; one person from the Department of Administration
38 appointed by the Secretary of Administration; and two qualified
39 professionals from the Department of Cultural Resources, Division of
40 Archives and History, appointed by the Secretary of Cultural
41 Resources. Upon request of the Executive Mansion Fine Arts
42 Committee, the review committee will view proposed items for
43 disposition and make a recommendation to the North Carolina
44 Historical Commission who will make a final decision. The Historical

1 Commission must consider whether the disposition is in the best
2 interest of the State of North Carolina. If such property is sold, (i) if
3 the records with regard to the property reflect that it was acquired by
4 the State by gift or devise the net proceeds of each such sale shall be
5 deposited in the State Treasury to the credit of the Executive Mansion,
6 Special Fund, and shall be used only for the purchase, conservation,
7 restoration or repair of other property for use in the Executive Mansion
8 and; (ii) if the records with regard to the property reflect that the
9 property was acquired by the State by purchase with appropriated
10 funds or do not show the manner of acquisition, the net proceeds of
11 such sale shall be deposited in the General Fund."
12 **SECTION 6.** This act is effective when it becomes law.