

§ 160D-1315. Downtown development projects.

(a) Definition. – As used in this section, "downtown development project" or "joint development project" means a capital project, in a central business district, as that district is defined by the governing board, 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) Authorization. – If the governing board finds that it is likely to have a significant effect on the revitalization of the jurisdiction, the local government may acquire, construct, own, and operate or participate in the acquisition, construction, ownership, and operation of a joint development project or of specific facilities within such a project. The local government 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 local government and the developer or developers in the project, provided that the property interests of the local government shall be limited to facilities for a public purpose.
- (2) The responsibilities of the local government and the developer or developers for construction of the project.
- (3) The responsibilities of the local government 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) Eligible Property. – A joint development project may be constructed on property acquired by the developer or developers, on property directly acquired by the local government, or on property acquired by the local government while exercising the powers, duties, and responsibilities of a redevelopment commission pursuant to G.S. 160A-505 or G.S. 160D-1311.

(d) Conveyance of Property Rights. – In connection with a joint development project, the local government may convey interests in property owned by it, including air rights over public facilities, as follows:

- (1) If the property was acquired while the local government was exercising the powers, duties, and responsibilities of a redevelopment commission, the local government may convey property interests pursuant to the "Urban Redevelopment Law" or any local modification thereof.
- (2) If the property was acquired by the local government directly, the local government may convey property interests pursuant to G.S. 160D-1312, 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 local government may convey a leasehold interest for a period not to exceed 99 years, using the procedures of subdivision (1) or (2) of this subsection, as applicable.

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

private developers in connection with a joint development project shall not be considered local government funds for purposes of this subsection.

(f) Operation. – The local government may contract for the operation of any public facility or facilities included in a joint 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 local government.

(g) Grant Funds. – To assist in the financing of its share of a joint development project, the local government may apply for, accept, and expend grant funds from the federal or state governments. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d).)