

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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**SENATE BILL 347
Rules and Operations of the Senate Committee Substitute Adopted 4/24/01
House Committee Substitute Favorable 5/9/01**

Short Title: Use of State Prop./Blount St. Historic Dist.

(Public)

Sponsors:

Referred to:

March 6, 2001

A BILL TO BE ENTITLED

1 AN ACT REGARDING THE USE OF STATE-OWNED PROPERTY IN THE
2 BLOUNT STREET HISTORIC DISTRICT.
3

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

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

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

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

18 The General Assembly of North Carolina enacts:

19 **SECTION 1.(a)** Modification of the Capital Area Master Plan to Provide for
20 the Sale of Certain Properties. – Prior to 1 May 2002, the Department of Administration
21 and the Capital Planning Commission shall modify the Capital Area Master Plan for
22 State Government to provide for the sale to private or public entities of State-owned
23 properties within the area bordered by North Person Street, Lane Street, North
24 Wilmington Street, and Peace Street, except (i) those properties that front on North
25 Wilmington Street and that lie between the southern historic property line of the historic
26 Merrimon House and Lane Street, (ii) the Bailey-Tucker House on East Lane Street, and
27 (iii) the Leonidas Lafayette Polk House on Blount Street. Sales shall take place at such

1 times as the Department determines that land is no longer needed for State purposes and
2 that it is in the best interest of the State that the land be sold.

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. All sales of
7 property in this area that include houses and associated outbuildings constructed before
8 1950 shall be subject to agreements that restrict the use of the property to residential
9 uses, private homes, bed and breakfast homes, or bed and breakfast inns. The Historic
10 Preservation Foundation of North Carolina, Inc., is authorized to enforce these
11 agreements in accordance with G.S. 121-39.

12 **SECTION 1.(c)** Procedures for the Sale of Properties. –

- 13 (1) Advertisement of the availability of property for sale shall occur at
14 least 45 days prior to any negotiations for the sale of the property.
- 15 (2) Properties that include houses and associated outbuildings constructed
16 before 1950 shall be sold by public sale.
- 17 (3) Properties other than those properties that include houses and
18 associated outbuildings constructed before 1950 shall be sold by
19 private negotiation and sale because of (i) the significant architectural,
20 archaeological, artistic, cultural, or historical associations of these
21 properties; (ii) the properties' relationship to other property that is
22 significant for architectural, archaeological, artistic, cultural, or
23 historical associations; and (iii) the requirement that a preservation
24 agreement or conservation agreement, as defined in G.S. 121-35, is
25 placed in the deed conveying the property from the State. An
26 announcement of the terms of a proposed sale of such property and an
27 opportunity for public comment on the proposed sale shall occur at
28 least 45 days prior to the sale.
- 29 (4) The Department of Administration shall use the services of the
30 Historic Preservation Foundation of North Carolina, Inc., to assist it in
31 the administration of this act.

32 **SECTION 2.** Use of the Net Proceeds of Sales. – The net proceeds of any
33 sale made in accordance with this act shall be handled in the following priority order:

- 34 (1) The funds shall be used in accordance with the provisions of any trust
35 or other instrument of title under which title to the real property was
36 acquired. The term "net proceeds" means the gross amount received
37 from the sale of these properties less any expenses incurred incident to
38 that sale, subject to regulations adopted by the Governor and approved
39 by the Council of State.
- 40 (2) The next ten million dollars (\$10,000,000) of the funds shall be placed
41 in the Executive Mansion Trust Fund established by G.S. 143B-80.2,
42 as enacted by Section 3 of this act.

1 (3) The remainder of the funds shall be deposited in the General Fund.

2 **SECTION 3.** Part 10 of Article 2 of Chapter 143B of the General Statutes is
3 amended by adding a new section to read:

4 "**§ 143B-80.2. Executive Mansion Trust Fund.**

5 The Executive Mansion Trust Fund is established as a special trust fund in the
6 Department of State Treasurer. The Fund shall be held in trust and used solely for the
7 upkeep, repair, and maintenance of the Executive Mansion. The State Treasurer, as
8 custodian of the Fund, shall authorize the use of interest earned by the Fund only for
9 purposes approved by the Executive Mansion Fine Arts Committee as provided in G.S.
10 143B-79(8). The State Treasurer shall authorize the use of the principal of the Fund
11 only as authorized by the General Assembly and approved by the Executive Mansion
12 Fine Arts Committee as provided in G.S. 143B-79(8)."

13 **SECTION 4.(a)** Establishment of the Blount Street Historic District
14 Oversight Committee. – The Blount Street Historic District Oversight Committee is
15 established in the Office of the Governor.

16 **SECTION 4.(b)** Membership of the Committee. –

17 (1) The Committee shall consist of six members appointed as follows:

- 18 a. Two members appointed by the Governor, one of whom shall
19 be a person with experience in urban planning;
- 20 b. Two members appointed by the General Assembly upon the
21 recommendation of the President Pro Tempore of the Senate,
22 one of whom shall be a person with experience in historic
23 preservation; and
- 24 c. Two members appointed by the General Assembly upon the
25 recommendation of the Speaker of the House of
26 Representatives, one of whom shall be a resident of Historic
27 Oakwood in Raleigh.

28 (2) In making initial appointments to the Committee, the appointing
29 officers shall designate one appointee to serve for a term of four years
30 ending 1 July 2005 and one a term of six years ending 1 July 2007.
31 Subsequent terms shall be for four years. A member shall continue to
32 serve until the member's successor is appointed. A vacancy shall be
33 filled for the remainder of the term by the officer who made the
34 original appointment.

35 (3) In making all appointments, the appointing officer shall consider the
36 unique historic and architectural nature of the area and shall appoint
37 people who are dedicated to preserving it.

38 (4) The Governor shall appoint a member of the Committee to serve as
39 Chair.

40 (5) The office of member of the Committee may be held concurrently with
41 any other elected or appointed office, as authorized by Article VI,
42 Section 9 of the Constitution of North Carolina.

1 (6) The Governor may remove any member of the Committee for
2 misfeasance, malfeasance, or nonfeasance as provided in G.S.
3 143B-13.

4 (7) A majority of the Committee shall constitute a quorum for the
5 transaction of business.

6 (8) The Committee shall terminate upon a finding by the Governor that
7 this act has been fully implemented.

8 **SECTION 4.(c)** Purpose of the Committee. – The purpose of the Committee
9 shall be to monitor the implementation of this act.

10 **SECTION 5.** Implementation plan for this act. – Prior to 1 September 2001,
11 the Department of Administration shall submit to the Blount Street Historic District
12 Oversight Committee a plan for the implementation of this act and a schedule for
13 implementation of the plan. The plan shall provide for the sale of any property that is
14 vacant for more than three months. The plan shall also provide for the sale of property
15 in separate parcels.

16 **SECTION 6.** G.S. 143B-79 reads as rewritten:

17 "**§ 143B-79.** Executive Mansion Fine Arts Committee – creation, powers and duties.

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

20 (1) To advise the Secretary of Cultural Resources on the preservation and
21 maintenance of the Executive Mansion located at 200 North Blount
22 Street, Raleigh, North Carolina;

23 (2) To encourage gifts and objects of art, furniture and articles of
24 historical value for furnishing the Executive Mansion, and advise the
25 Secretary of Cultural Resources on major changes in the furnishings of
26 the Mansion;

27 (3) To make recommendations to the Secretary of Cultural Resources
28 concerning major renovations necessary to preserve and maintain the
29 structure;

30 (4) To aid the Secretary of Cultural Resources in keeping a complete list
31 of all gifts and articles received together with their history and value;

32 (4a) To advise the Secretary of Cultural Resources on the use of funds from
33 the special trust fund held in trust by the State Treasurer for the
34 upkeep, repair, and maintenance of the Executive Mansion. These
35 funds shall not be expended without the approval of the Committee;

36 (5) No gifts or articles shall be accepted for the Executive Mansion
37 without the approval of the Committee;

38 (6) The Committee shall advise the Secretary of Cultural Resources upon
39 any matter the Secretary may refer to it; and

40 (7) The Committee may dispose of property held in the Executive
41 Mansion after consultation with a review committee comprised of one
42 person from the Executive Mansion Fine Arts Committee, appointed

1 by its chairman; one person from the Department of Administration
2 appointed by the Secretary of Administration; and two qualified
3 professionals from the Department of Cultural Resources, Division of
4 Archives and History, appointed by the Secretary of Cultural
5 Resources. Upon request of the Executive Mansion Fine Arts
6 Committee, the review committee will view proposed items for
7 disposition and make a recommendation to the North Carolina
8 Historical Commission who will make a final decision. The Historical
9 Commission must consider whether the disposition is in the best
10 interest of the State of North Carolina. If such property is sold, (i) if
11 the records with regard to the property reflect that it was acquired by
12 the State by gift or devise the net proceeds of each such sale shall be
13 deposited in the State Treasury to the credit of the Executive Mansion,
14 Special Fund, and shall be used only for the purchase, conservation,
15 restoration or repair of other property for use in the Executive Mansion
16 and; (ii) if the records with regard to the property reflect that the
17 property was acquired by the State by purchase with appropriated
18 funds or do not show the manner of acquisition, the net proceeds of
19 such sale shall be deposited in the General Fund."

20 **SECTION 7.** Nothing in this act shall be construed to limit the right of a
21 nonprofit corporation to purchase properties that are subject to the provisions of this act
22 or to use tax-exempt financing for such purchase.

23 **SECTION 8.** This act is effective when it becomes law.