



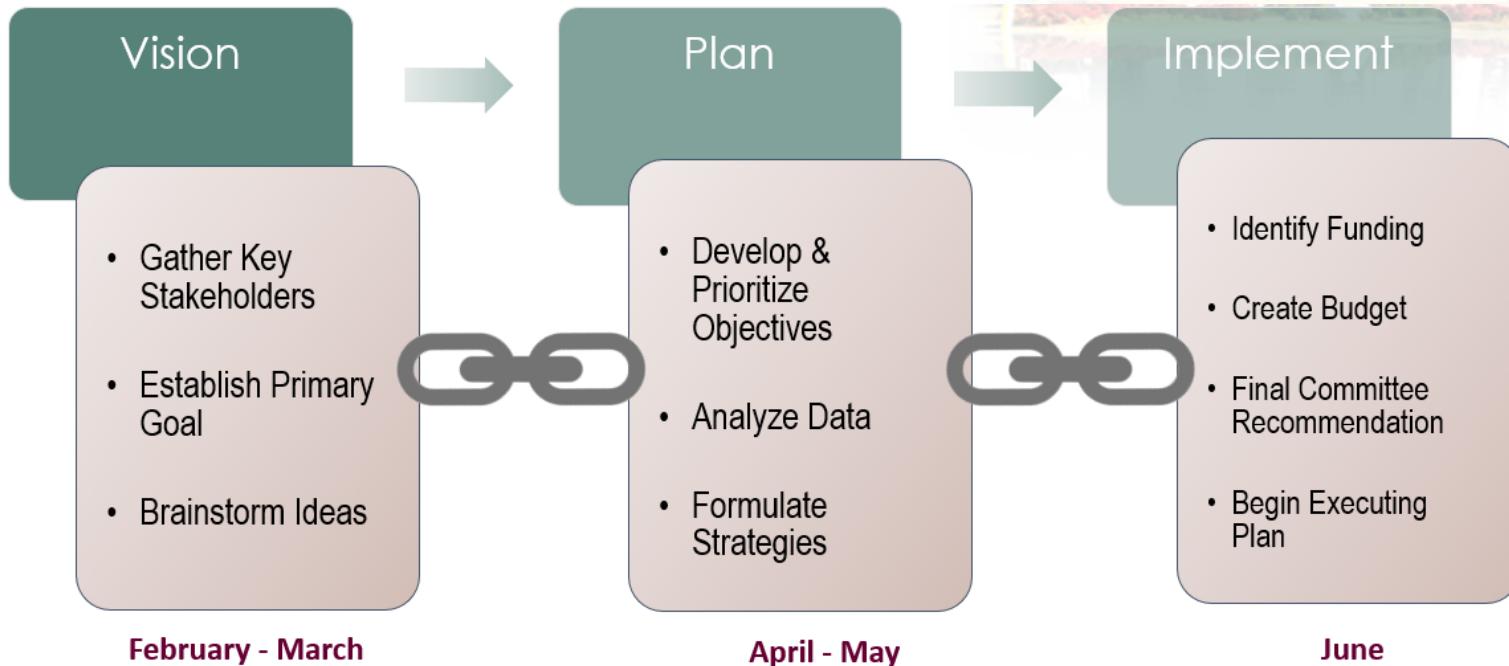
# HISTORIC COURTHOUSE ADAPTIVE REUSE

Presentation by the UNC School of Government  
Development Finance Initiative

July 22, 2021

**Lincoln County Board of Commissioners  
Lincolnton City Council  
Joint Meeting**

# Strategic Plan Process



# Courthouse Reuse Committee Recommendation Synopsis

- Explore all options to achieve a mixed-use redevelopment of the building and public open space on the green.
- Consider the possibility of a Public-Private Partnership with developer.
- Preserve historic character as much as possible.
- Engage UNC School of Government in order to better understand redevelopment framework.

## If we engage UNC (DFI) for services...

- Committee Data and Research provided to UNC (DFI)
- County Staff to collaborate with UNC (DFI) on project continuously throughout
- County to provide conduit between local stakeholders and developer or other partners
- Full service from top to bottom



UNC  
SCHOOL OF  
GOVERNMENT

Lincoln County, NC

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# Development Finance Initiative (DFI)

## UNC-Chapel Hill School of Government

Rory Dowling, *Development Advisor*

July 22<sup>nd</sup>, 2021

# UNC School of Government

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- Largest university-based local government training, advisory, and research organization in the U.S.
- Serves 12,000+ public officials each year through courses, webinars, and specialized conferences, publications, calls, and emails.
- Values: Nonpartisan, policy-neutral, responsive.



# Why DFI?

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- Local governments are engaged in private sector development activities (proactive & reactive)
- Statutes authorize activities, but real estate development expertise typically not on staff
- Request assistance from School of Government
- LGFCU seed funding



# Development Finance Initiative

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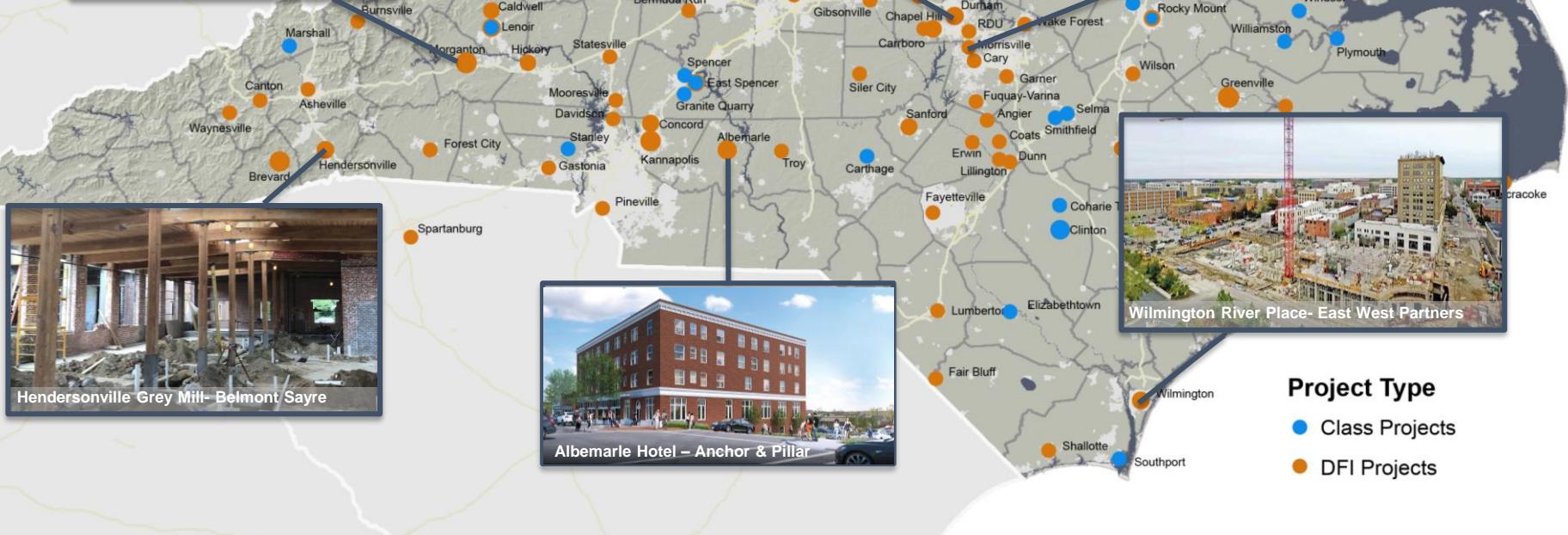
The Development Finance Initiative (DFI) is a program of UNC Chapel Hill's School of Government and collaborates with communities in NC to attract private investment for transformative projects by providing special finance and real estate development expertise.



## **Subject Matter Experts:**

- Real estate development
- Public and private finance
- P3 structuring
- Community & economic development law
- Land use & market analysis
- Public engagement

# DFI Project Examples



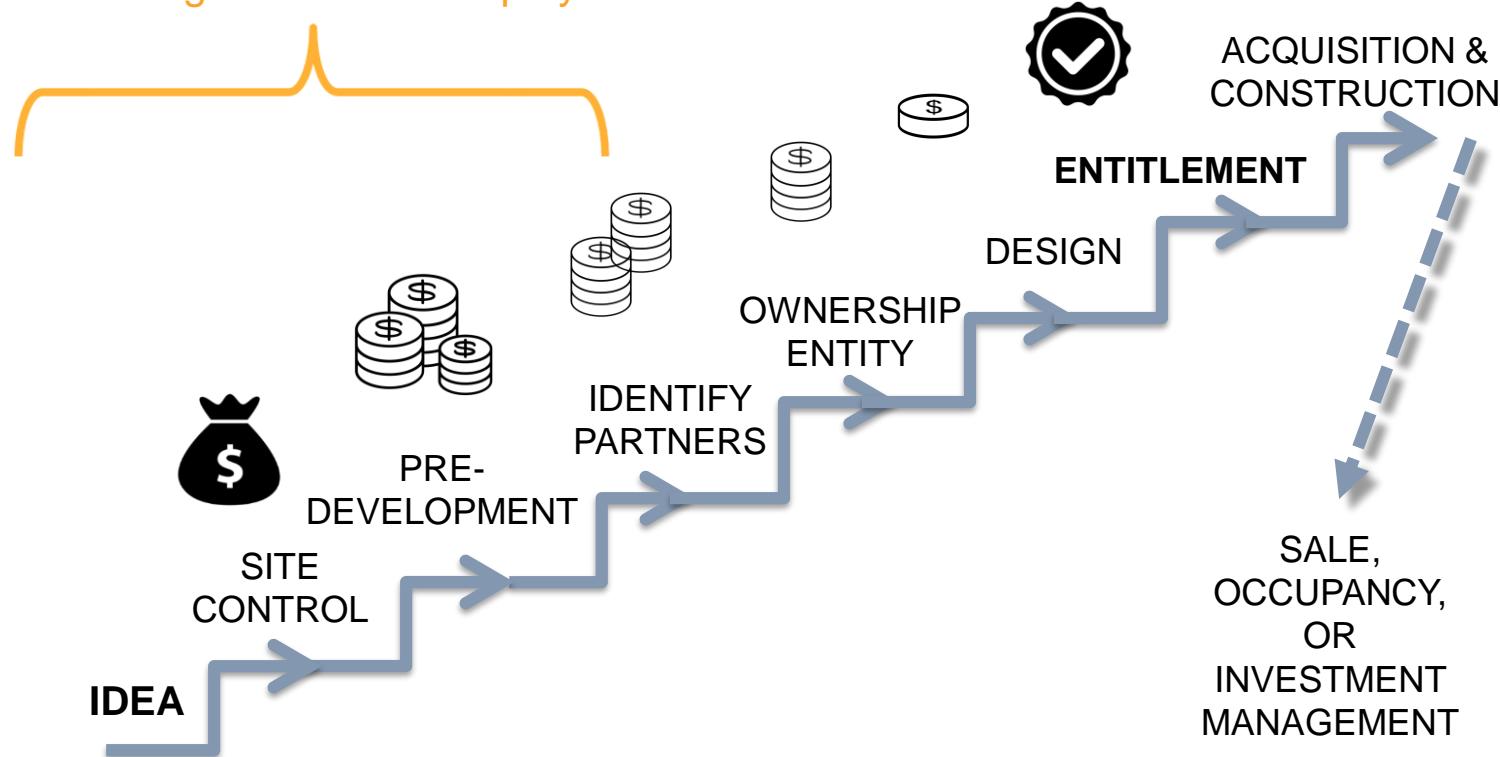
## Project Type

● Class Projects

● DFI Projects

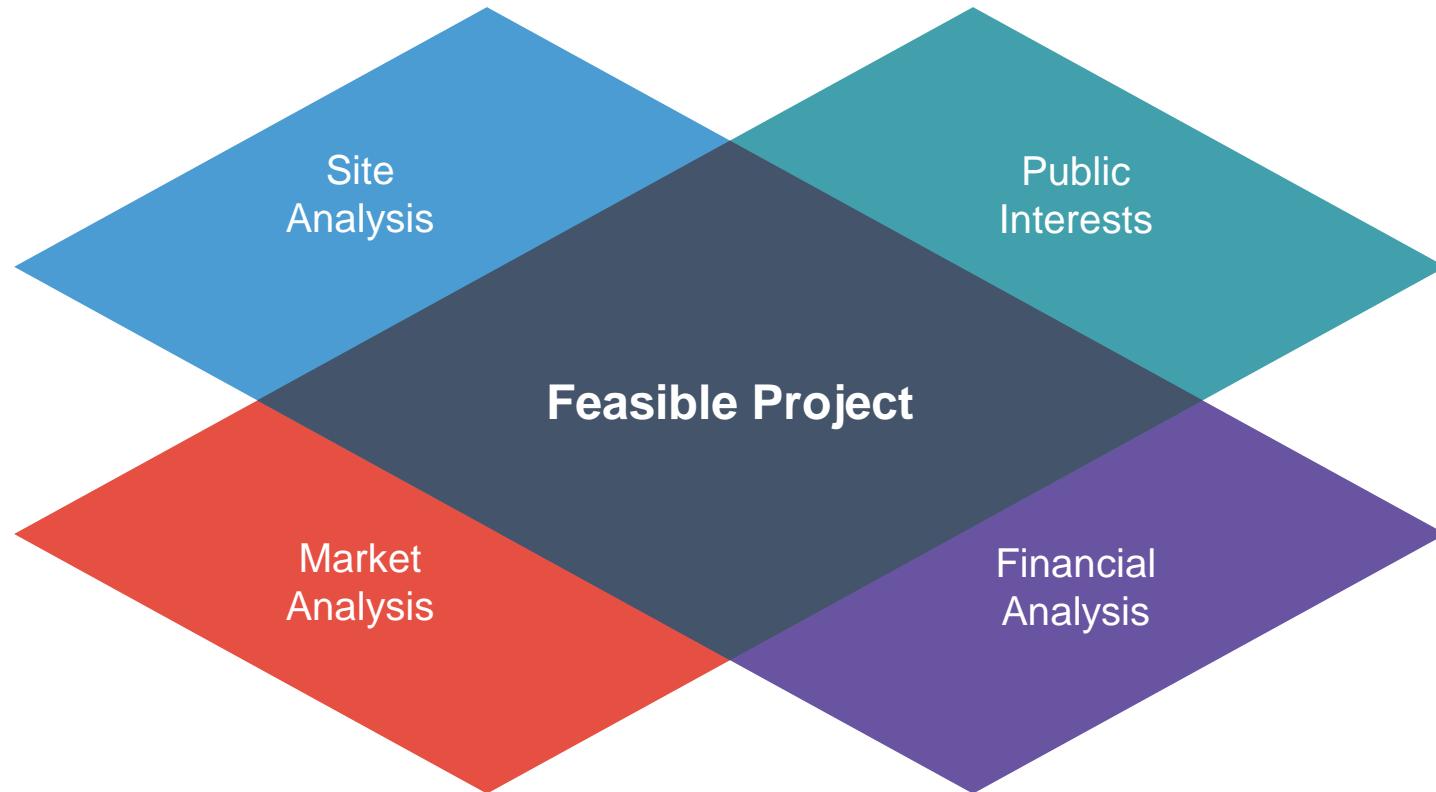
# Private Development Process

Where local government can play a role

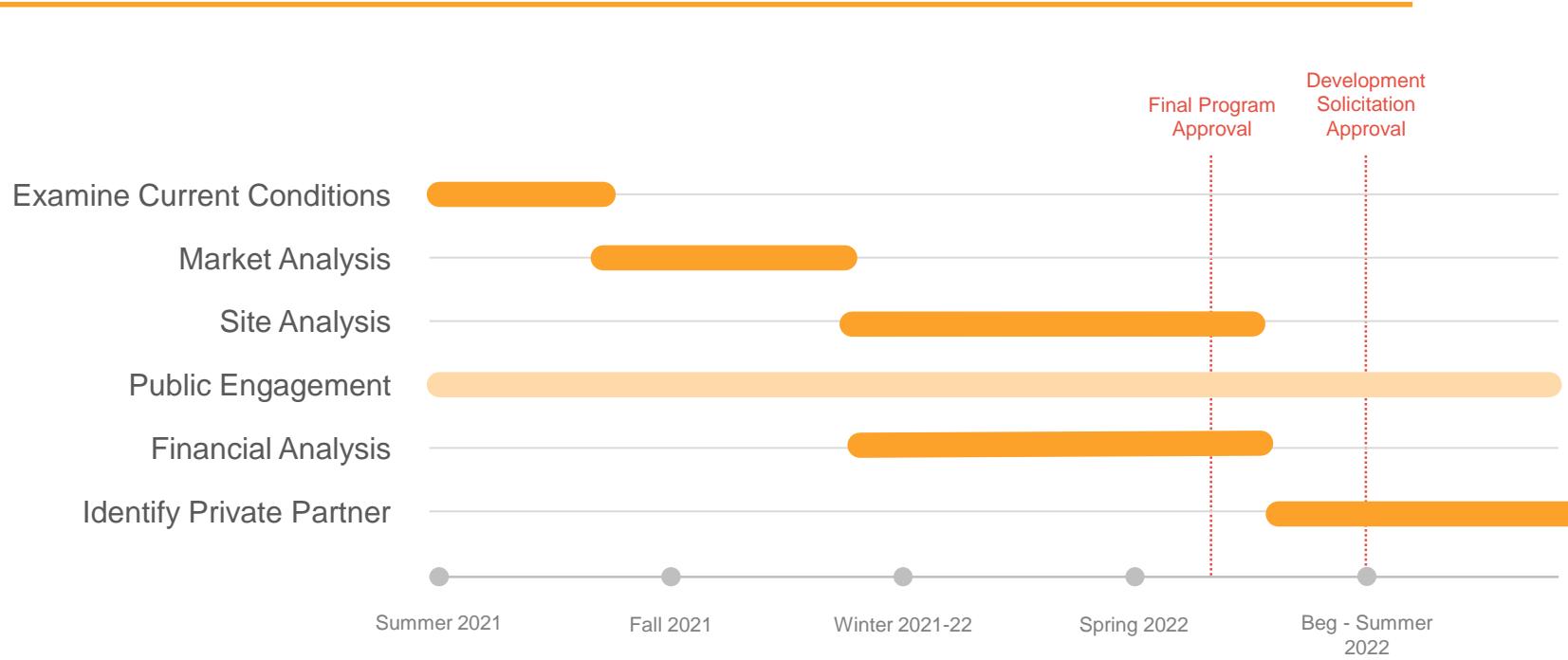


# Pre-Development Process

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# Typical Pre-Development Timeline



# Lincoln County Courthouse: Redevelopment Considerations

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- County can undergo the pre-development process, select and convey property to a private developer pursuant to its authority under NC GS 158-7.1
  - Property can be subject to certain covenants, conditions and restrictions
- Private developer can utilize historic tax credits (federal and state)
- County can offer additional public participation options to increase project feasibility (infrastructure, lease, loan, etc.)



# DFI Case Study: Cherry Hotel (Wilson, NC)



LOCAL NEWS

## Wilson approves redevelopment for downtown hotel



Listen to this article now

01:12

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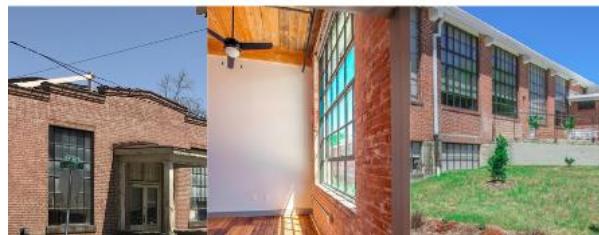
**WILSON, N.C.** — The historic Cherry Hotel on Nash Street in downtown Wilson is getting a \$19.9 million facelift. Once complete in mid-2021, the Cherry Hotel will include 100 guest rooms supported by a reception area, bar, dining, two-story

# DFI Case Study: Grey Hosiery Mill (Hendersonville, NC)

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NORTH CAROLINA MAIN STREET AWARDS  
**GREY HOSIERY MILL**  
Best Adaptive Reuse Project



# DFI Case Study: Albemarle Hotel (Albemarle, NC)



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A new project is planned for The Albemarle Hotel in downtown Albemarle. (Photo by CHRIS MILLER/staff)

▷ x **Albemarle Hotel to see new life**



By BJ Drye  
Email the author

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# Lincoln County Courthouse: Potential Next Steps

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- DFI Pre-development Process
- DFI Phase I Feasibility Analysis
- School of Gov't in-person training
  - LG role in redevelopment
  - Public participation options
  - Legal authority



# Questions? Comments?

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[www.sog.unc.edu/dfi](http://www.sog.unc.edu/dfi)

# Appendix – Property Conveyance

## STATUTORY AUTHORITY FOR CONVEYING REAL PROPERTY TO PRIVATE ENTITY

North Carolina law requires *real* property be disposed *without conditions on buyers* through one of three competitive bidding procedures—Sealed Bid (G.S. 160A-268), Upset Bid (G.S. 160A-269), or Public Auction (G.S. 160A-270)—*unless another method of conveyance is specifically authorized*.

Authority for Conveyance	Competitive Bidding Sale	Private Sale for Fair Market Value	Private Sale - Non-Monetary Consideration	Allowable Covenants/ Conditions	Notes
<b>Economic Development</b> G.S. 158-7.1	✓	✓	✓	Construct w/in 5 yrs or reverts to local govt, plus any other desired conditions	G.S. 158-7.1(d2) allows next 10 years of local government revenue to count as consideration if purchaser creates "substantial number of jobs" paying above average wage and <i>"parallel to Mready."</i>
<b>Urban Redevelopment Law</b> G.S. 160A-514(c) Boards exercise powers directly: G.S. 160A-456, G.S. 153A-376	✓			In URA consistent with approved plan, as Redev. Comm'n deems necessary	Within formally designated urban redevelopment area (URA) consistent with redev plan; conveyance must comply with Art. 12 competitive bidding procedures.
<b>Disposition for redevelopment by private developer</b> G.S. 160A-457 (cities) G.S. 153A-377 (counties)	✓	(cities only, in CD area only, in accord with CD plan)		Only cities in CD areas in accord with CD plan; any unit may in URA, G.S. 160A-514	Acquire/convey blighted or inappropriately developed property. Cities: private sale only in commun. develop. (CD) areas (to remove blight or assist low-income), price no less than "appraised value."
<b>Housing Authorities Law</b> G.S. 157-9 Boards exercise powers directly: G.S. 160A-456, G.S. 153A-376	✓	✓	✓	Covenants and restrictions to ensure housing serves LMI persons	Exempt from disposition rules, but disposal must fit within statutory authority and serve constitutional public purpose (housing project for low and moderate income (LMI) persons, G.S. 157-3(12) and 157-9.4).
<b>Conveyance to Historic Preservation Organizations</b> G.S. 160A-266(b)	✓	✓		Historic covenants, limits on further sale	Historic covenants affect appraised value, but does not allow for conveyance for less than appraised. Also G.S. 160A-400.8.
<b>Conveyance to Entities Carrying Out Public Purpose</b> G.S. 160A-279 (cities and counties only)	✓	✓	✓	Ensure recipient puts property to public use, no subsequent sale	City or county must be authorized to appropriate funds to entity. Public use must continue or return property to local govt ( <i>Brumley v. Baxter</i> , 251 N.C. 691 (1945)). No conveyance to a for-profit corporation.
<b>Downtown Dev Projects (DDP)</b> G.S. 160A-458.3 P3 for construction G.S. 143-128.1C	✓	✓		Any	Public facility part of private development. Private sale if public facility <50% total project cost/financ. P3: Must use RFQ.