

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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1

HOUSE BILL 943*

Short Title: Global TransPark Development Zone.

(Public)

Sponsors: Representatives Baddour, Alphin, Arnold, Bowen, Braswell, D. Brown, Creech, Fitch, Mavretic, McLawhorn, Mercer, J. Preston, Rogers, Smith, Wainwright; Bowman, Cummings, Gottovi, Russell, Stamey, and Wright.

Referred to: Judiciary III.

April 14, 1993

A BILL TO BE ENTITLED

1
2 AN ACT TO AUTHORIZE COUNTIES THAT WILL DERIVE ECONOMIC
3 BENEFITS FROM THE NORTH CAROLINA GLOBAL TRANSPARK TO
4 FORM A GLOBAL TRANSPARK DEVELOPMENT ZONE TO PROMOTE
5 ECONOMIC DEVELOPMENT OF, AND TO ENCOURAGE
6 INFRASTRUCTURE CONSTRUCTION IN, THE COUNTIES OF THE ZONE.

7 Whereas, the State of North Carolina, acting through the North Carolina Air
8 Cargo Airport Authority, now known as the North Carolina Global TransPark
9 Authority, has designated the Kinston Regional Jetport as the location of the cargo
10 airport and the air transportation complex to be developed; and

11 Whereas, the Global TransPark Complex, an approximately four to six
12 thousand acre site surrounding the existing jetport, will contain a modern airport large
13 enough to handle the largest aircraft and will be dedicated to the rapid movement of
14 freight and passengers by air with intermodal connecting links with rail, highway, and
15 water transportation facilities; and

16 Whereas, the Global TransPark Complex will be surrounded by a large area,
17 to be known as the North Carolina Global TransPark, which will include commercial
18 and industrial sites providing attractive locations for businesses and industries of
19 differing sizes and varying kinds; and

20 Whereas, the General Assembly anticipates that the North Carolina Global
21 TransPark will stimulate economic growth and the creation of job opportunities in a
22 wide area in Eastern North Carolina; and

1 Whereas, to promote the economic development of, and construction of
2 infrastructure projects within, the North Carolina Global TransPark and the counties of
3 North Carolina that will derive economic benefits from the Global TransPark, the
4 General Assembly desires to authorize counties that will derive economic benefits from
5 the Global TransPark to form an economic development district, to be known as the
6 Global TransPark Development Zone, and a body to govern the district, to be known as
7 the Global TransPark Development Commission; and

8 Whereas, the General Assembly desires to authorize the Global TransPark
9 Development Zone to levy a temporary, 1% sales tax within the Zone for a six-month
10 period, to generate funds to be used by the Global TransPark Development Commission
11 for economic development projects to retain or attract, and infrastructure construction
12 projects to support, businesses and industries that are located, or may be located, in the
13 Zone; and

14 Whereas, the counties that form the Zone can most effectively meet their own
15 needs in carrying out development and infrastructure projects related to the
16 development of the North Carolina Global TransPark by cooperative efforts,
17 coordinated planning, and concerted actions through the Global TransPark Development
18 Zone; Now, therefore,

19 The General Assembly of North Carolina enacts:

20 Section 1. Chapter 158 of the General Statutes is amended by adding a new
21 Article to read:

22 **"ARTICLE 4.**

23 **"GLOBAL TRANSPARK DEVELOPMENT ZONE.**

24 **"§ 158-30. Title.**

25 This Article shall be known as the 'Global TransPark Development Zone Act'.

26 **"§ 158-31. Purpose.**

27 The purpose of this Article is to allow counties that find they have the potential to
28 derive economic benefits from the North Carolina Global TransPark to create a special
29 economic development district, to be known as the Global TransPark Development
30 Zone. The General Assembly finds that the entire State will benefit from the creation of
31 the Zone; any county may become a member of the Zone as provided in this Article.
32 The General Assembly finds that the following counties, which are in close proximity to
33 the North Carolina Global TransPark, have requested the creation of the Zone and
34 believe that they will derive direct economic benefits from the Global TransPark:
35 Craven, Duplin, Edgecombe, Greene, Jones, Lenoir, Nash, Onslow, Pitt, Wayne, and
36 Wilson.

37 The purpose of the Global TransPark Development Zone is to promote the
38 development of the North Carolina Global TransPark and to promote and encourage
39 economic development within the territorial jurisdiction of the Zone by fostering or
40 sponsoring development projects to provide land, buildings, facilities, programs,
41 information and data systems, and infrastructure requirements for business and industry
42 in the North Carolina Global TransPark outside of the Global TransPark Complex, and
43 elsewhere in the Zone.

44 **"§ 158-32. Definitions.**

1 The following definitions apply in this Article:

- 2 (1) Authority. – The North Carolina Global TransPark Authority, formerly
3 known as the North Carolina Air Cargo Airport Authority, created
4 under Chapter 63A of the General Statutes.
- 5 (2) Commission. – The Global TransPark Development Commission, the
6 governing body of the Global TransPark Development Zone.
- 7 (3) Global TransPark Complex. – The approximately four to six thousand
8 acre site designated by the Authority for a cargo airport and related
9 facilities in Lenoir County. The site will contain a modern airport
10 large enough to handle the largest aircraft and will be dedicated to the
11 rapid movement of freight and passengers by air with intermodal
12 connecting links with rail, highway, and water transportation facilities.
- 13 (4) North Carolina Global TransPark. – A large area surrounding and
14 including the Global TransPark Complex, which will contain
15 commercial and industrial sites providing attractive locations for
16 business and industry of differing sizes and varying kinds.
- 17 (5) Unit of local government. – A local subdivision or unit of government
18 or a local public corporate entity, including any type of special district
19 or public authority.
- 20 (6) Zone. – The Global TransPark Development Zone, an economic
21 development district created pursuant to this Article.

22 **§ 158-33. Creation of Global TransPark Development Zone.**

23 (a) Resolution to Create Zone. – Any three or more counties that find they have
24 the potential to derive economic benefits from the North Carolina Global TransPark
25 may create the Global TransPark Development Zone as provided in this section. In
26 order to create the Zone, the governing bodies of the counties creating the Zone must
27 first adopt, on or before July 7, 1993, substantially similar resolutions stating their intent
28 to organize the Zone pursuant to this Article. Each resolution shall include articles of
29 incorporation for the Zone which shall set forth the following:

- 30 (1) The name of the Zone, which shall be the 'Global TransPark
31 Development Zone'.
- 32 (2) A statement that the Zone is organized under this Article.
- 33 (3) The names of the organizing counties known to the county adopting
34 the resolution.

35 (b) Public Hearing. – Each resolution may be adopted only after a public hearing
36 on the question, notice of which hearing has been given by publication at least once not
37 less than 10 days before the date set for the hearing, in a newspaper having a general
38 circulation in the county. The notice shall contain a brief statement of the substance of
39 the proposed resolution, set forth the proposed articles of incorporation of the Zone, and
40 state the time and place of the public hearing to be held on the resolution. No other
41 publication or notice of the resolution is required.

42 (c) Incorporation of Zone. – Each county that adopts a resolution as provided in
43 this section shall file a certified copy of the resolution with the Secretary of State on or
44 before July 12, 1993, together with proof of publication of notice of the hearing on the

1 resolution. Each resolution must contain the county clerk's attestation that it was
2 adopted by the board of commissioners. If the Secretary of State finds that the
3 resolutions, including the articles of incorporation, conform to the provisions of this
4 Article and that notices of the hearings were properly published, the Secretary of State
5 shall file the resolutions and proofs of publication and shall issue a certificate of
6 incorporation for the Zone under the seal of the State. The Secretary of State shall
7 record the certificate of incorporation in an appropriate book of record in the Secretary
8 of State's office.

9 (d) Effect of Incorporation. – The issuance of the certificate of incorporation by
10 the Secretary of State shall constitute the Global TransPark Development Zone a public
11 body and body politic and corporate of the State. The certificate of incorporation shall
12 be conclusive evidence that the Zone has been duly created and established under this
13 Article.

14 **"§ 158-34. Territorial jurisdiction of Zone.**

15 The territorial jurisdiction of the Zone created pursuant to this Article shall be
16 coterminous with the boundaries of the counties participating in the Zone.

17 **"§ 158-35. Commission membership, officers, compensation.**

18 (a) Commission Membership. – The governing body of the Zone is the Global
19 TransPark Development Commission. The members of the Commission must be
20 residents of the Zone and shall be appointed as follows:

21 (1) The board of commissioners of each county participating in the Zone
22 shall appoint three members, one of whom shall be a member of the
23 board of commissioners.

24 (2) The Authority shall appoint one member.

25 (3) Four nonvoting members shall be appointed as follows:

26 a. One appointed by the Chancellor of East Carolina University to
27 represent the University.

28 b. One appointed by a majority vote of the presidents of the
29 community colleges located in the Zone, to represent the
30 community colleges.

31 c. One appointed by the chair of the State Ports Authority, to
32 represent the sea ports of the State.

33 d. One member of the board of directors of the Global TransPark
34 Foundation, Inc., appointed by the board.

35 Each appointing body shall, to the extent practical, ensure a balanced membership of
36 the Commission by appointing qualified women and representatives of minority races.

37 (b) Terms. – Members of the Commission shall serve for staggered four-year
38 terms. The members appointed by the Chancellor of East Carolina University and by
39 the chair of the State Ports Authority shall serve an initial term of two years. Each
40 board of commissioners shall designate one of its appointees to serve an initial term of
41 four years, one to serve an initial term of two years, and one to serve an initial term to
42 be determined at the first meeting of the Commission. One-half of the appointees
43 designated to serve an undetermined initial term shall serve an initial term of two years.

1 as determined by lot at the first meeting of the Commission. Initial terms begin upon
2 approval by the Secretary of State of the articles of incorporation.

3 (c) Removal; Vacancies. – A member of the Commission may be removed with
4 or without cause by the appointing body. Appointments to fill vacancies shall be made
5 for the remainder of the unexpired term by the respective appointing authority. All
6 members shall serve until their successors are appointed and qualified, unless removed
7 from office.

8 (d) Dual Office Holding. – Service on the Commission may be in addition to any
9 other office a person is entitled to hold.

10 (e) Officers. – The Commission shall annually elect from its membership a
11 chairperson and a vice-chairperson, and shall annually elect a secretary and a treasurer.
12 After the Commission has been duly organized and its officers elected as provided in
13 this section, the secretary of the Commission shall certify to the Secretary of State the
14 names and addresses of the officers as well as the address of the principal office of the
15 Commission.

16 (f) Compensation. – The members of the Commission shall receive no
17 compensation other than travel, subsistence, and reasonable per diem expenses
18 determined by the Commission for attendance at Commission meetings and other
19 official Zone functions.

20 **"§ 158-36. Voting.**

21 A majority of the Commission members shall constitute a quorum for the transaction
22 of business. Each member of the Commission shall have one vote. The Commission
23 may transact business only by majority vote of the members present and voting.

24 **"§ 158-37. Powers of the Zone.**

25 (a) The general powers of the Zone include the following:

- 26 (1) The powers of a corporate body, including the power to sue and be
27 sued and to adopt and use a common seal.
- 28 (2) To adopt bylaws and resolutions in accordance with this Article for its
29 organization and internal management.
- 30 (3) To employ persons as necessary and to fix their compensation within
31 the limit of available funds.
- 32 (4) With the approval of the unit of local government's chief
33 administrative official, to use officers, employees, agents, and facilities
34 of a unit of local government for purposes and upon terms agreed upon
35 with the unit of local government.
- 36 (5) To make contracts, deeds, leases with or without option to purchase,
37 conveyances, and other instruments, including contracts with the
38 United States, the State of North Carolina, and units of local
39 government.
- 40 (6) To acquire, lease as lessee with or without option to purchase, hold,
41 own, and use any franchise or property or any interest in a franchise or
42 property, within the limit of available funds.

- 1 (7) To transfer, lease as lessor with or without option to purchase,
2 exchange, or otherwise dispose of any franchise or property or any
3 interest in a franchise or property, within the limit of available funds.
- 4 (8) To surrender to the State of North Carolina any property no longer
5 required by the Zone.
- 6 (b) The economic development powers of the Zone include the following, to the
7 extent appropriate to carry out its purposes as provided in this Article:
- 8 (1) To levy a temporary sales and use tax within the Zone, as provided in
9 G.S. 158-42.
- 10 (2) To acquire, construct, improve, maintain, repair, operate, or administer
11 any component part of a public infrastructure system or facility within
12 the Zone, directly or by contract with a third party.
- 13 (3) Except as otherwise provided in this Article, to exercise the powers
14 granted to a local government for development by G.S. 158-7.1 and
15 the powers granted to certain local governments for development in
16 G.S. 158-7.1(d1), except the power to levy a property tax.
- 17 (4) To make grants and loans to support economic development projects
18 authorized by this Article within the Zone.
- 19 (5) With the approval of every county participating in the Zone, to
20 coordinate and regulate the procedures necessary for businesses
21 quickly and efficiently to obtain permits and approvals required from
22 units of local government within the Zone.
- 23 (6) To contract with units of local government within the Zone to
24 administer the issuance of permits and approvals required of
25 businesses.
- 26 (7) To provide employee training programs to prepare workers for
27 employment in the Zone.
- 28 (8) To gather and maintain information of an economic, a business, or a
29 commercial character that would be useful to businesses within the
30 Zone.
- 31 (9) To prepare specific site studies to assess the appropriateness of any
32 area within the Zone for use or development by a business and to
33 provide opportunities for businesses to examine sites.
- 34 (10) To exercise the powers of a regional planning commission as provided
35 in G.S. 153A-395 and a regional economic development commission
36 as provided in G.S. 158-13, but the Zone does not have the authority to
37 establish land-use zoning in any county.
- 38 (11) To carry out the purposes of a consolidation and governmental study
39 commission as provided in Article 20 of Chapter 153A of the General
40 Statutes.
- 41 (12) To enter in a reasonable manner land, water, or premises within the
42 Zone to make surveys, soundings, drillings, or examinations. Such an
43 entry shall not constitute trespass, but the Zone shall be liable for
44 actual damages resulting from such an entry.

1 (13) To do all other things necessary or appropriate to carry out its purposes
2 as provided in this Article.

3 **"§ 158-38. Fiscal accountability.**

4 The Zone is a public authority subject to the provisions of Chapter 159 of the
5 General Statutes.

6 **"§ 158-39. Funds.**

7 The establishment and operation of the Zone are governmental functions and
8 constitute a public purpose. The State of North Carolina and any unit of local
9 government may appropriate or otherwise provide funds to support the establishment
10 and operation of the Zone. The State of North Carolina and any unit of local
11 government may also dedicate, sell, convey, donate, or lease any of their interests in
12 property to the Zone. The Zone may apply for grants from the State of North Carolina,
13 the United States, or any department, agency, or instrumentality of the State or the
14 United States. Any department of State government may allocate to the Zone any funds
15 the use of which is not restricted by law.

16 **"§ 158-40. Tax exemption.**

17 The property of the Zone, its activities, and its income are exempt from tax. This tax
18 exemption does not apply to the lease, or other arrangement that amounts to a leasehold
19 interest, of Zone property to a private party, or to the income of the lessee, unless the
20 property is leased solely for the purpose of the Zone, in which case the activities of the
21 lessee are considered the activities of the Zone.

22 **"§ 158-41. Withdrawal; termination.**

23 (a) Withdrawal. – A county participating in the Zone may, by resolution,
24 withdraw from the Zone. A resolution withdrawing from the Zone may not become
25 effective before the end of the fiscal year in which it is adopted. Upon adoption of a
26 resolution withdrawing from the Zone, the board of commissioners of the county shall
27 provide a copy of the resolution to the Secretary of State, the Commission, the
28 Authority, and every other county participating in the Zone. Withdrawal does not
29 entitle a county to early distribution of its beneficial interest in Zone assets, but a county
30 that has withdrawn retains its right to any distributions that may be made to
31 participating counties on the same basis as if it had not withdrawn.

32 (b) Termination. – The Commission may dissolve the Zone and terminate its
33 existence at any time. If the Zone is dissolved and terminated or is otherwise unable to
34 expend the tax proceeds received pursuant to G.S. 158-42, the Commission shall
35 liquidate the assets of the Zone to the extent possible and distribute all Zone assets to
36 the counties of the Zone in proportion to the amount of tax collected in each county. In
37 calculating the amount to be refunded to each county, the Zone shall first allocate
38 amounts loaned and not yet repaid as follows:

39 (1) Amounts loaned for a project in a county will be allocated to that
40 county to the extent of its beneficial ownership of the principal of the
41 trust account created under G.S. 158-42 and the county will become
42 the owner of the right to repayment of the amount loaned to the extent
43 of its beneficial ownership of the principal of the trust account created
44 under G.S. 158-42.

1 (2) Amounts not allocated pursuant to subdivision (1) shall be allocated
2 among the remaining counties in proportion to the amount of tax
3 collected in each county under G.S. 158-42, and the remaining
4 counties shall become the owners of the right to repayment of the
5 amounts loaned in proportion to the amount of tax collected in each
6 county under G.S. 158-42.

7 Notes and other instruments representing the right to repayment shall, upon
8 dissolution of the Zone, be held and collected by the State Treasurer, who shall disburse
9 the collections to the counties as provided in this subsection.

10 The Commission shall distribute those assets that it is unable to liquidate among the
11 Zone counties insofar as practical on an equitable basis, as determined by the
12 Commission. Upon termination, the State of North Carolina shall succeed to any
13 remaining rights, obligations, and liabilities of the Zone not assigned to the Zone
14 counties.

15 **"§ 158-42. Temporary Zone sales and use tax.**

16 (a) Zone May Levy Tax. – The Zone may levy a one percent (1%) local sales and
17 use tax in addition to any other State and local sales and use taxes levied pursuant to
18 law. Except as provided in this section, the adoption, levy, collection, distribution,
19 administration, and repeal of the tax shall be in accordance with Article 39 of Chapter
20 105 of the General Statutes. In applying the provisions of Article 39 of Chapter 105 of
21 the General Statutes to this section, references to 'this Article' mean G.S. 158-42,
22 references to a county mean the Zone, and references to a board of county
23 commissioners mean the Commission.

24 (b) Procedure for Levy. – G.S. 105-465 and G.S. 105-466(a) do not apply to this
25 section. The public hearing on the levy of the tax must be held on or before August 11,
26 1993. A resolution levying the tax authorized by this section must be adopted on or
27 before August 18, 1993.

28 (c) Effective Dates of Tax. – A tax levied under this section shall become
29 effective October 1, 1993, and shall expire March 31, 1994. The expiration of the tax
30 does not affect the rights or liabilities of the Zone, a taxpayer, or another person arising
31 under this section before the expiration of the tax; nor does it affect the right to any
32 refund or credit of a tax that would otherwise have been available under this section
33 before the expiration of the tax.

34 (d) Distribution of Tax Proceeds. – The Secretary of Revenue shall, on a
35 quarterly basis, distribute the net proceeds of the tax levied under this section to the
36 Zone. The Secretary of Revenue shall provide the Zone with an accounting of the
37 percentage of proceeds collected in each county of the Zone in each quarter.

38 (e) Use of Tax Proceeds. – The Zone shall place the proceeds of the tax levied
39 under this section in an interest-bearing trust account. Each county shall be the
40 beneficial owner of a share of the principal of the account in proportion to the amount of
41 tax proceeds collected in that county. The Zone may use the principal and interest in
42 the trust account only for economic development projects and infrastructure
43 construction projects within the territorial jurisdiction of the Zone, but not within the

1 Global TransPark Complex. The Zone shall use the funds only for public purposes
2 authorized by this Article.

3 The Zone may not disburse the principal of the account except pursuant to a contract
4 that provides that within a reasonable time not to exceed 20 years, the Zone will recover
5 or be repaid the amount disbursed. The Zone may, in its discretion, set reasonable terms
6 and conditions for the repayment of the principal disbursed, including provisions for
7 securing the debt and the payment of interest."

8 Sec. 2. Section 1.2 of Chapter 749 of the 1991 Session Laws is repealed.

9 Sec. 3. This act is effective upon ratification.