

Guiding Principles for Evaluating Town-Owned Properties

(Town Properties Task Force, April 2017)

Should the Town Dispose of Property?

- Consider disposal if the property has no significant public value, results in high costs to the Town, or private ownership would bring new value to the community.
- Disposal/repurposing decisions should take into account current and anticipated future Town facilities and infrastructure needs.
- Do not dispose of Town properties solely for cash, except when proceeds will be invested to support strategic initiatives or when no “public use” is appropriate. Disposition should always further the Town’s strategic goals.
- A public benefit can be gained by land-banking publically-owned properties until such time as they may be needed, even if no use is anticipated for such properties at the present time.
- Property disposition shall be guided by Town Council-adopted community plans, and shall focus first on uses not likely to occur through dynamics of the private real estate market alone.
- Make properties available at below market rates, as low as \$1, for uses that support public interests such as affordable housing. In such cases, the acquirer must demonstrate that it needs this in-kind subsidy.
- Utilize independent financial analysis to make informed decisions.
- Consider the full economic value—sale proceeds plus projected property and sales tax revenues—in making disposition decisions.
- Actively seek out and consider input from stakeholder groups. Maximize opportunities to collaborate with other public organizations to share resources and facilities.
- The Town should not accept donations of real property unless there is a significant public benefit.

If Disposal Makes Sense, How Should the Town Proceed?

- Disposition will be in accordance with North Carolina General Statutes, meaning that *most* property sales will go through a public request for proposals or upset bid process. Certain uses, such as affordable housing, may allow for private negotiated sale.
- Insofar as possible, the Town should use long-term leases (50+ years) rather than outright sales in order to preserve control over uses and allow the possibility of reversion to the Town in the future.
- Consider land swaps/trades.
- The Town shall establish a disposition process that screens potential purchasers to ensure that they are qualified (track record) to carry out the development proposed. Even then, Town should reserve a right of reversion/re-purchase if buyer does not deliver the proposed use within certain period of time from acquisition.
- The Town should have the flexibility to acquire adjacent property in order to maximize the financial or programmatic value of Town-owned sites prior to disposition.