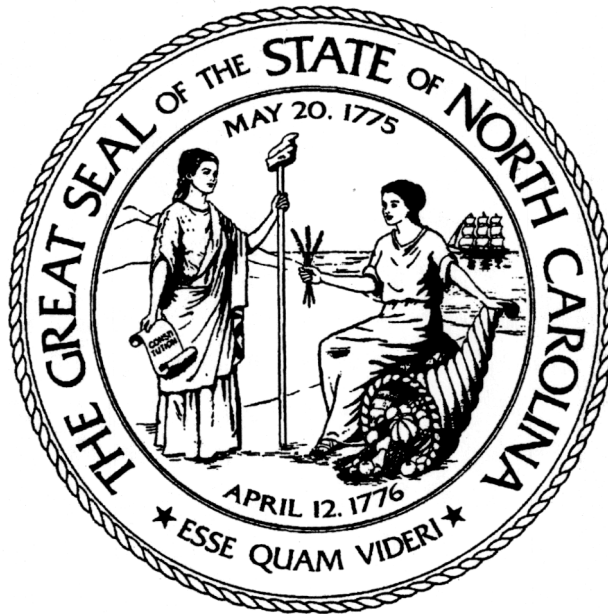


**North Carolina  
Dorothea Dix Property Study Commission**



**Interim Report to the  
Joint Legislative Commission on Governmental  
Operations of the 2003 General Assembly**

**April 20, 2004**

**North Carolina**  
**Dorothea Dix Property Study Commission**


April 20, 2004

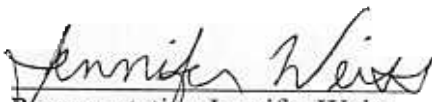
To:           The Joint Legislative Commission on Governmental Operations

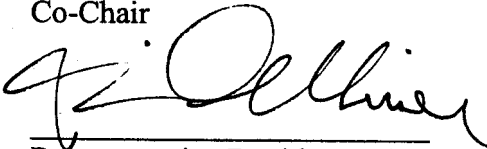
Attached is the interim report from the Dorothea Dix Property Study Commission. The Commission submits this report pursuant to North Carolina Session Law 2003-314, which states that, "the Commission shall make recommendations on the options for the sale of the property to the Joint Legislative Commission on Governmental Operations before the sale of any or all parts of the property."

The Dorothea Dix Property Study Commission submits to you the findings and recommendations stemming from its work following the adjournment of the 2003 Session of the 2003 General Assembly.

Respectfully submitted,

  
\_\_\_\_\_  
Senator Eric M. Reeves  
Co-Chair

  
\_\_\_\_\_  
Representative Jennifer Weiss  
Co-Chair

  
\_\_\_\_\_  
Representative David M. Miner  
Co-Chair

# **Dorothea Dix Property Study Commission**

## **2003 – 2004 Membership List**

### **President Pro Tempore's Appointments**

Senator Eric M. Reeves, Co-Chair

Mayor Charles Meeker

Mr. Joseph Huberman

Mrs. Barbara Goodmon

### **Speaker's Appointments**

Representative Jennifer Weiss, Co-Chair

Representative David M. Miner, Co-Chair

Representative Paul Stam

Representative Deborah K. Ross

### **Ex Officio**

Secretary Carmen Hooker-Odom  
Department of Health and Human Services

### **Commission Staff**

Jim Klingler, Fiscal Research Division  
Kory Goldsmith, Research Division

### **Commission Clerk**

Margie Penven

**Dorothea Dix Property Study Commission  
Interim Report**

**TABLE OF CONTENTS**

Transmittal Letter.....	.ii
Membership List .....	.....iii
Preface....	.2
Executive Summary .....	.....3
Commission Proceedings.....	.....5
Commission Recommendations.....	.....14

**Appendices**

Session Law 2003-314 Establishing the Commission .....	.....Appendix A
Scope of Work and Schedule of the Commission .....	.....Appendix B
Statutes Governing Proceeds from Real Property .....	.....Appendix C
▪ Procedure for the Disposition of Land	
▪ Allocation of Sale Proceeds	
▪ Allocation of funds generated by disposition of State Property – Earmarking of Funds	
Solicited Statements from Mental Health Advocacy Groups .....	.....Appendix D
▪ Statement from NAMI of North Carolina	
▪ Statement from the Wake County Chapter of NAMI	
Commission Public Hearing on February 9, 2004 – Summary .....	.....Appendix E
Statement from the Raleigh Downtown Alliance .....	.....Appendix F
Planning Documents from the City of Raleigh.....	.....Appendix G
▪ Presentation on the City's Comprehensive Plan	
▪ City's Proposal for a new Master Plan	
Planning Documents from the State .....	.....Appendix H
▪ DHHS Agencies and Staff on the Dix Campus	
▪ Summary of DHHS Located in Wake County	
▪ Capital Expenditures for Dorothea Dix Hospital Campus	
▪ State Master Plan for the Dix Campus	



**Dorothea Dix Property Study Commission  
Interim Report**

**PREFACE**

The Dorothea Dix Property Study Commission was established in Session Law 2003-314 and charged with studying the potential sale of the state-owned Dorothea Dix Campus in Raleigh, NC to non-governmental entities. The Commission consists of nine-members. Of these members, the Speakers of the House of Representatives appoint four, and the President Pro Tempore of the Senate appoints four. The Secretary of the Department of Health and Human Services serves as an ex-officio, non-voting member.

The Commission met during the legislative interim between the conclusion of the 2003 Session of the 2003 General Assembly and the convening of the 2004 Session of the 2003 General Assembly. The Commission met five times over the course of the legislative interim and focused its attention on: (1) appropriate land-uses for the Dorothea Dix Campus, if the land were disposed, and (2) allocation of proceeds generated from the disposition of the land. As directed in Session Law, the Commission is submitting this interim report to the Joint Legislative Commission on Governmental Operations.

## **EXECUTIVE SUMMARY**

During the 2003 Session, the General Assembly authorized financing for the construction of a new state-operated psychiatric hospital. In addition to authorizing the financing, S.L. 2003-314 determined that the new hospital would be located in Granville County, replacing John Umstead Psychiatric Hospital in Granville County and Dorothea Dix Psychiatric Hospital in Wake County. Construction is scheduled to finish in March 2007.

Anticipating the closure of Dorothea Dix Hospital and the potential for the disposal of hospital lands, the General Assembly created the Dorothea Dix Property Study Commission (the Commission). The purpose of the Commission is to examine the possible sale of the property to private interests. The work of the Commission focused on two main issues: (1) development and use of the land after the Dix Campus is disposed, and (2) the allocation of proceeds generated from the disposal of the Dix Campus.

### **Recommendations of the Dorothea Dix Property Study Commission**

#### **Recommendation #1:**

The State and the City of Raleigh (the City) shall develop a new Master Plan for the Dorothea Dix Campus. The cost of the planning process should be shared between the State and the City.

The Commission recognizes that the 1995 Master Plan for the Dorothea Dix Campus has been made, in part, inapplicable. Any future development or disposition of the property should consider State needs and local considerations. Therefore, the proposed new Master Plan should examine, among other things, options for land conservation, mixed-use development, and anticipated State office-space needs.

In order to enhance communication and feedback regarding the planning process, a subcommittee shall be established to oversee the development of the Master Plan. The committee shall consist of five members: three shall be appointed by the cochairmen of the Dorothea Dix Property Study Commission; one shall be appointed by the Raleigh City Council; and one shall be appointed by the Wake County Board of County Commissioners.

The State and the City shall submit the Master Plan to the Dorothea Dix Property Study Commission no later than April 1, 2005. The Commission shall review the Master Plan and shall make recommendations to the 2005 General Assembly.

**Dorothea Dix Property Study Commission  
Interim Report**

**Recommendation #2:**

All proceeds generated from the sale, lease, or other disposition of the Dorothea Dix property shall be deposited in the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs. These proceeds shall only be used to provide additional funding for non-recurring or capital expenditures for community-based projects.

**Recommendation #3:**

The Dorothea Dix Property Study Commission will continue its work, as authorized under S.L. 2003-314, Sec. 3.4(a), in order to oversee, receive, examine, and make recommendations regarding the proposed Master Plan developed by the State and the City of Raleigh. The Commission's work would end upon its submission of a final report.

## COMMISSION PROCEEDINGS

### February 6, 2004

The Dorothea Dix Hospital Property Study Commission met at 9:00 a.m. on February 6, 2004, in Room 1124 of the State Legislative Building with Representative David Miner, Co-Chair, presiding.

Jim Klingler, Commission Staff, discussed the charge of the Commission and its schedule. **Appendix B.** The Commission's charge is based on a hypothetical—the potential sale of the Dix Hospital property. The Commission would not to be concerned with or make a recommendation as to whether the property *should* be sold.

Mr. Joe Henderson, Director of the State Property Office, provided an overview of the State Property Office's role in managing state-owned land and the process by which the State disposes of land. State Property Office (SPO) maintains the records of all state property and makes recommendations to the Governor and Council of State regarding acquisitions, dispositions, and reallocations of state property. SPO leases for the Department of Health and Human Services (DHHS) approximately 430,000 square feet of space in Raleigh. In addition to that, DHHS has about 200,000 square feet in the Government Center, which DHHS would like to consolidate to the Dix campus. There are 1000 to 1100 employees who will remain even after the hospital closes.

The process for disposing of state property is that SPO works with the agency to which the property is allocated to determine what portions are no longer needed for that agency's mission. If some portion or all of the land were deemed surplus, then SPO would survey other state agencies for interest or need in the property. If the property is surplus to state needs, then SPO would develop a plan to dispose of the property either by sale or lease. Since the Dix property is in Wake County, the Capital Planning Commission would be involved in that process. After the Capital Planning Commission, sale or lease of the property would be reported to the Joint Legislative Commission on Governmental Operations, and then the sale or lease would be subject to the approval of the Governor and Council of State. There are no hindrances or deed restrictions preventing the reallocation or disposition of this property.

There are a number of buildings that have some historic designation or value, including the Spring Hill House. Regarding environmental issues, there is a former landfill along Western Boulevard. The State, in cooperation with the City of Raleigh and the Capital Area Soccer League, built soccer fields over the landfill.

Mr. Lanier Cansler, Deputy Secretary of DHHS presented information regarding DHHS operations on the Dix Campus. Currently there were 1150 employees from various divisions on the Dix Campus, including employees from Facility Services, Medicaid/Medical Assistance, Office of the Secretary, Vocational Rehabilitation, and Information Resource Management Operations. In actual usable space on the campus,

## **Dorothea Dix Property Study Commission Interim Report**

DHHS has about 724,000 square feet of net space or over a million square feet of total space counting the mechanical and such. In addition, the Department has 1,486 employees using 476,000 square feet of lease space throughout Wake County at a cost of \$5.3 million a year. DHHS also has over 1,000 employees in state buildings downtown. DHHS does not currently have a lease budget to house any displaced workers from the Dix Campus. **Appendix H**

According to SPO the State leases two million square feet of space in Raleigh. In a recent estimate, the Department of Corrections will require more than 400,000 square feet to consolidate and move that agency. SPO asserted there were a number of State needs for the Dix property in addition to the needs of DHHS.

Mr. Jim Klingler, Commission Staff, went over North Carolina General Statutes 146.29.1 and 146-30. G.S. 146.29.1 addresses price restrictions for the sale, lease or rental of state-owned real property. G.S. 146-30 addresses statutory requirements for the handling of proceeds from the sale, lease, or rental of state-owned real property. **Appendix C.**

The Commission engaged in general discussion regarding the allocation of any proceeds from the disposition of the Dix Campus. Mr. Klingler, at the request of the Commission Chairs, discussed the historical connection between Dix Campus and the mental health system. One option for consideration is depositing proceeds in the Mental Health Trust Fund (G.S. 143-15D). Representative Deborah Ross stated that putting the proceeds directly into the General Fund would not take advantage of the opportunity to plan for the highest and best use of the proceeds. Representative Ross asked that staff provide any information about past experiences with earmarking funds from the sale of state property. **Appendix C.**

Citing transition issues with downsizing the State's psychiatric hospitals, Representative Jennifer Weiss stated that the Commission should recognize the needs for mental health services and the lack of funding. If there were proceeds down the road, she thought the Commission needed to take good, hard look at those issues. Mayor Charles Meeker, City of Raleigh, said the first priority for the funds should be the mental health needs in Wake County and other needs served by Dix Hospital.

Representative Paul Stam expressed concern that any proceeds earmarked to the mental health system would be lost in the overall budget given the size of the overall mental health budget. Representative Stam stated that the Commission should explore earmarking options that target very specific needs such as capital projects that require non-recurring expenditures. Professor Will Hooker, sitting in for Commission Member Joseph Huberman, stated that the Dix Campus should be turned into a large urban park.

Mrs. Martha Higginbotham who serves on the Board of Directors for the National Alliance for the Mentally Ill of North Carolina said all proceeds from the sale of the Dix property should be placed in the Mental Health Trust Fund and not reverted to the General Fund. In addition, she said there needed to be more cooperation between the mental health system and the criminal justice system. **Appendix D.** Mrs. Ann Akland,

**Dorothea Dix Property Study Commission  
Interim Report**

President of the Wake County Chapter of the National Alliance for the Mentally Ill supported the recommendation of the State Auditor that the proceeds should go to a special Dorothea Dix Mental Health Transfer Account. NAMI – Wake County supports preserving the historical and natural character of the property and that a museum honoring Dorothea Dix be created on the land. **Appendix D.**

**February 9, 2004**

The Dorothea Dix Hospital Property Study Commission held a public hearing at 6:00 p.m. on February 9, 2004, in the Legislative Building Auditorium to hear the concerns of the public regarding the disposition of the Dorothea Dix Hospital Property in Raleigh. Co-Chair Representative Jennifer Weiss presided. Please refer to the summary of the public hearing. **Appendix E.**

**February 23, 2004**

The Dorothea Dix Hospital Property Study Commission met at 11:00 a.m. on February 23, 2004, in Room 1027 of the State Legislative Building with Senator Eric Reeves, Co-Chair, presiding.

Mr. George Chapman, Planning Director, City of Raleigh, presented information about the City of Raleigh's Comprehensive Plan and the Dix Campus. According to Mr. Chapman, Dix campus is an integral part of the City of the Raleigh, not only as a part of the economy and social structure, but also as a physical presence. The Dix property is part of the downtown regional center, an area where the City of Raleigh is trying to encourage the most significant kinds of mixed-use developments in the entire City. Mr. Chapman said decisions made about the future of the Dix property must take into account the objective of building up this center of commerce, center of residence, and center of activity in the City.

Mr. Chapman discussed a number of planning projects the City has engaged in around the Dix property. These projects include: the Caraleigh Neighborhood Plan, which is the area just to the east of the Dix property; the Livable Streets Plan, a broad concept for the regeneration of downtown; the Kirby Bilyeu neighborhood, which Mr. Chapman said is integral to the Dix property; the Southern Gateway Plan, which focuses on the entrances into downtown along the Wilmington Street/Salisbury Street corridors; and the Downtown West Gateway Plan, which is the area specifically between Boylan Heights and the core of the downtown. Incorporated in the City's efforts for the West Gateway Plan are the planned rail transit project, the Intermodal Transportation Center, and redevelopment of the Warehouse District.

Mr. Chapman said the future of that property really began to change fifteen years ago when the first proposals for the Centennial Campus were on the table and a thousand acres of that property became the Centennial Campus. He said there had been substantial planning and actual development activity on the Centennial Campus of North Carolina State University, and what had happened there would affect the future of the remaining Dorothea Dix Property. The City's plans reflected existing plans for North Carolina State University and the State for using the Dix land. **Appendix G.**

**Dorothea Dix Property Study Commission  
Interim Report**

Ms. Margaret Mullen, President and CEO of the Downtown Raleigh Alliance, discussed the relationship between downtown revitalization and the Dix Campus. She said the City has undertaken downtown revitalization to create new jobs and more tax revenue. In the past two decades, most state capital cities have pursued downtown revitalization, and through the Livable Streets process, Raleigh is now engaged in this effort. Emerging from this effort is the notion that Raleigh should be a central entertainment district in addition to a central business district. Providing care for the mentally ill cannot be separated from the revitalization effort. If care and services are not adequately provided for all people in need, they would be on the streets of downtown Raleigh negatively impacting business. The Commission should dedicate proceeds to the delivery of mental health services if the services would not otherwise be available.

Ms. Mullen said the Commission should consider how development at the Dix Campus might compete or compliment other land uses in the region. Office vacancy in Research Triangle Park presently is 33-percent, 10-percent in downtown Raleigh, and higher in North Raleigh. The development of Office on the Dix property would be a competing use, not a complementary use. The biggest single need for downtown Raleigh is additional housing, especially housing for low and moderate incomes—both rental and for sale—with neighborhood support services. Most of the 27,000 people working in downtown Raleigh could not afford to live close to downtown. **Appendix F.**

Mr. Terry Hatcher, DHHS Property and Construction Office, addressed the Dix Campus Master Plan.

The goals for creating a Master Plan for the Dorothea Dix Hospital property included the consolidation of DHHS on the campus, provision for a psychiatric hospital, reservation of land for future development, preservation of historically significant structures and elements, preservation of landscape character, provision for a training center, and development of linkages to surrounding areas.

Mr. Hatcher discussed the land use concept plan. On the east side of the railroad track, the land is divided into three primary areas, where most of the hospital buildings and office buildings are located. This is referred to as the DHR Office Development area. At the top is the Open Space Preserve, and down below the Open Space Preserve is the Special Development area.

Mr. Hatcher directed the Commission's attention to the existing buildings on the east side of the tracks and the 1995 proposal for new buildings. Healing Place now occupies the site of the proposed psychiatric hospital. Other proposals include a conference training center, a utility plant, central maintenance warehouse, and some parking decks, assuming an increased density in the office areas on the west side of the tracks. Also shown was the need to extend the Blair Drive Extension, tying it to Centennial Parkway all across Western Boulevard to Hunt Drive. **Appendix H.**

## **Dorothea Dix Property Study Commission Interim Report**

Ms. Juanita Shearer-Swink, Project Manager with the Triangle Transit Authority, discussed TTA's Regional Rail Transit Plan as it relates to the Dix Campus. The Regional Transit Plan was developed in partnership with the local governments principally in Wake County, the City of Raleigh, the Town of Cary, State Government and members of the public to provide regional connectivity along the North Carolina railroad corridor and NCSX rail corridor. The anticipated date of service is 2007 or 2008, depending on the federal funding. The Downtown Raleigh Station will be located in the vicinity of Hargett Street. The Government Center Station will be located between Harrington Street and Capital Boulevard. Rail service during the peak hours will be every fifteen minutes during the week and every thirty minutes off-peak and on weekends.

Relating to the Dorothea Dix property, there is a freight railway line called the Fuquay Line that passes through the Dix and Centennial Campus properties. The Fuquay Line is an active freight line currently in use. The Fuquay Line is one of the many corridors that the Capital Area Metropolitan Planning Organization identified as part of their Transportation Plan 2025 in terms of long-term transportation opportunities. Also, NCSU is developing a people mover system, and it is anticipated to intersect directly with the TTA NCSU Station and move through campus to the Centennial Campus area. Ms. Shearer-Swink suggested that the Commission explore a possible alignment and extension of the people mover to the Dix property.

In terms of a commuter rail system, Ms. Shearer-Swink said the development of a transit rail line along the Fuquay Line is uncertain without further study and planning. So in short term, she said there are two downtown stations and linkages to those stations could be made by "rubber tire" connection from the Dix property.

Mr. Eric Lamb, Manager of the Transportation Services Division, City of Raleigh, presented information regarding road network improvements around the Dix Campus. The existing Thoroughfare Plan, developed with the NC Department of Transportation is essentially a twenty-year blueprint based on the Dix Campus remaining as is. If there were significant changes to the land use pattern, the City of Raleigh would need to revisit the entire thoroughfare plan in that area. The Raleigh Comprehensive Plan provided a more detailed hierarchy of the streets than the Thoroughfare Plan. Mr. Lamb discussed several potential road improvement projects in the vicinity of Dix. Currently Western Boulevard is a medium divided, four-lane facility. According to the City, Western Boulevard will be expanded to six lanes to address anticipated traffic. The Pullen Road Extension, north of Bilyeu would need to be completed depending on development of the Catholic Dioceses property. Development of the Morgan Street Connector, which would connect Centennial Parkway with Morgan Street, depended on what happened with the Spring Hill Campus as well as the Dorothea Dix Campus. Mr. Lamb said there were engineering issues with the railway between Governor Morehead and Central Prison, resulting in challenges for tying the connector back into Morgan Street. If the Dix property were to be developed out, the City would consider expanding Lake Wheeler Road to a multi-lane facility—either five-lane, curb and gutter sections or four lanes with



## **Dorothea Dix Property Study Commission Interim Report**

a raised medium. Along Lake Wheeler Road, there is a high concentration of residential development along the east side and would need to be widened on the Dorothea Dix side.

Mayor Meeker said it appeared that the best way to sell the property was to have an updated master plan done, have the land rezoned pursuant to that master plan, and then finally go ahead and sell off those pieces to developers, turn the land into open space, or pursue some other use. According to Mayor Meeker, this method will result in the highest quality development and the highest value for the State. The master plan would likely take six to eight months, and everybody would need to be involved. The City is willing to take the lead with the plan with participation of State agencies, but the plan would ultimately be approved by the State. He said he would understand if the State wanted to take the lead itself. The City would likely do the plan the same way it did the Livable Streets program—partly with its staff and partly with a consultant (which would require a fairly small amount of money). The Master Plan would be brought back to the State for approval or revision, then the City would rezone necessary land to conform with the Master Plan, after which land sales could be made if that was the State's intent.

Representative Stam said that he thought sale proceeds should go to capital uses since the money would be coming from capital. He said he thought the City should handle regulatory land use, and market interests should drive the development.

Mrs. Goodmon asked whether NCSU had first option on the Dix property, and Senator Reeves said that was not his understanding.

Professor Hooker said he supported a new Master Plan as a first step and then a small area plan prior to doing actual sitings.

Representative Weiss said several people at the public hearing had advocated leasing the Dix property over selling it outright, and she thought that should be looked into. In addition, she said she was concerned about the people who would have no place to go when Dix Hospital was closed, especially the elderly. She said she wanted sale proceeds to go into the Mental Health Trust Fund but not supplant the existing DHHS funding.

### **March 15, 2004**

The Dorothea Dix Hospital Property Study Commission met at 9:00 a.m. on March 15, 2004, in Room 1027 of the State Legislative Building with Representative Jennifer Weiss, Co-Chair, presiding.

Representative Jennifer Weiss called the meeting to order and welcomed members and guests. She called the members' attention to the draft recommendations offered for consideration. She said the recommendations resulted from the chairs getting together with staff to try to pull together the ideas raised in the Commission meetings. She asked for input and suggestions on the draft items.

**Recommendation 1:** The State, in conjunction with the City of Raleigh, should develop a Master Plan for the Dorothea Dix Campus. The cost of the planning process should be

**Dorothea Dix Property Study Commission  
Interim Report**

shared between the State and the City of Raleigh. The General Assembly should make an appropriation for the purpose of developing the new Master Plan.

Mayor Charles Meeker said the City of Raleigh Planning Department would work with the State Property Office on the Master Plan, which would involve reaching out to people in the communities as well as stake holders. The City has supplied a memo proposing a process for the Master Plan that includes issues to be studied, a projected schedule, and the cost of a consultant. However, the City would do the plan however the State Property Office and the Commission wanted. The Mayor suggested splitting the cost of the consultant equally between the City and the State. In terms of a schedule, he said a year was projected but he thought it might be done in a shorter timeframe if the Commission provided guidance. **Appendix G.**

Representative Deborah Ross suggested that the Commission anticipate the cost of the Master Plan would be at least \$200,000, based on her experiences with the Blount Street project. According to Mayor Meeker, the City's proposal assumes that staff time for the City and the State would be absorbed by their respective budgets, and he thought \$150,000 would be enough to secure a consulting firm.

Representative Paul Stam recommended that the Master Plan be completed in eight to ten months and presented during the Long Session. According to Mr. Jim Klingler, Commission staff, an appropriation for the consultant would be available July 1, 2004 at the earliest. Representative Weiss agreed that the time should be less than one year. If the State chose to act with respect to the Dix property, the Commission's work could be incorporated. Mayor Meeker suggested a completion date of April 1, 2005. Representative Ross raised a concern regarding the State Property Office's ability to provide staff to this planning project and recommended that an April deadline should not be tied to heavy reliance on existing State Property Office staff. Representative Weiss expressed an interest in hiring a high-quality North Carolina consulting firm if possible.

Representative Ross requested that the Commission's recommendation include an environmental protection or conservation strategy within the Master Plan. Representative Weiss said she thought conservation issues would be included in the Master Plan. The Commission came to agreement that conservation would be an integral component of a Master Plan and that the City's proposal explicitly states that conservation be part of the plan. Representative Ross expressed concern that the State not remain silent on the conservation issue and that the Commission's recommendation should include a statement. The Commission agreed to include conservation as a stated component of the recommended Master Plan.

Representative David Miner recommended that an oversight body be created to receive information and provide input during the Master Planning process. This subcommittee of the Dix Property Study Commission should be composed of elected officials from the General Assembly, the Wake County Board of Commissioners, and the City of Raleigh Council. Representative Miner suggested six members, and the State, County, and City

**Dorothea Dix Property Study Commission**  
**Interim Report**

would each supply two. Representative Weiss expressed that at least one of the General Assembly members should be from the Dorothea Dix Property Study Commission.

Recommendation 2: All proceeds generated from the disposal of the Dorothea Dix property should be deposited in the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs.

Representative Ross raised concern about the term "disposal" and whether it included both sale and leases of real property. Representative Weiss recommended explicitly stating sale or lease in the recommendation to capture both types of transactions. Representative Stam stated that as a real estate attorney, he believed that "disposal" broadly captured sales and leases, as well as other forms of land transactions. Kory Goldsmith, Commission staff, stated that "disposal" is a more broad term and includes such property transactions as installment purchase contracts.

Representative Stam expressed concern that as compared to the overall budget for the mental health system, any proceeds generated from the disposal of the Dix Campus would be quite small, maybe one or two-percent of the annual mental health system budget. For these proceeds to have the greatest impact, they would need to be targeted for uses that were more specified than the requirements placed on the Mental Health Trust Fund. Representative Stam recommended that the proceeds be earmarked for 1) non-recurring projects, given the non-recurring source of the proceeds; 2) capital projects, given the capital source of the original asset; and 3) that any projects funded from these proceeds be community-base, since nothing precludes the State from using the Mental Health Trust Fund for projects at the state institutions.

Mr. Terry Hatcher, Director of Property and Construction, DHHS, expressed concern over the "non-recurring" requirement for the proceeds. If the entire Dix Campus were sold, DHHS will need to find lease space for roughly 1200 employees at an approximate cost of \$5 million annually. A non-recurring expenditure restriction on these funds would prevent the use of the proceeds to cover the cost of housing these displaced employees. Mr. Hatcher cautioned the Commission about the impact of additional restrictions on the Mental Health Trust Fund.

Recommendation 3: The Dorothea Dix Property Study Commission will continue its work, as authorized under S.L. 2003-314 Sec. 3.4(a), in order to receive, examine, and make recommendations regarding the proposed Master Plan developed by the State and the City of Raleigh. The Commission's work would end upon its submission of a final report.

Representative Weiss said when the chairs met they thought it was critical to the work of the Commission that they stay together long enough to see through the planning process. Representative Miner stated that the recommendation allows the Commission to continue to be involved in the process during the development and conclusion of the Master Plan. Representative Stam asked when the Commission would end under current law. Mrs. Goldsmith said there was no end date.

## **COMMISSION RECOMMENDATIONS**

### **Recommendation #1:**

The State and the City of Raleigh ("City") shall develop a new Master Plan for the Dorothea Dix Campus. The cost of the planning process should be shared between the State and the City.

The Commission recognizes that the 1995 Master Plan for the Dorothea Dix Campus has been made, in part, inapplicable. Any future development or disposition of the property should consider State needs and local considerations. Therefore, the proposed new Master Plan should examine, among other things, options for land conservation, mixed-use development, and anticipated State office-space needs.

In order to enhance communication and feedback regarding the planning process, a subcommittee shall be established to oversee the development of the Master Plan. The committee shall consist of five members: three shall be appointed by the cochairmen of the Dorothea Dix Property Study Commission; one shall be appointed by the Raleigh City Council; and one shall be appointed by the Wake County Board of County Commissioners.

The State and the City shall submit the Master Plan to the Dorothea Dix Property Study Commission no later than April 1, 2005. The Commission shall review the Master Plan and shall make recommendations to the 2005 General Assembly.

### **Explanation**

In 1995, the State completed work on a Master Plan of state-owned property in the capital region. The Master Plan section for the Dorothea Dix Campus assumed ongoing hospital operations on the campus. The Master Plan also assumed the DHHS would continue to be the primary agency on the campus, occupying lower-density office space. The Master Plan also considered the potential expansion of NC State University's Centennial Campus onto the existing Dix property.

The Dorothea Dix Property Study Commission has been charged with examining and making recommendations regarding the potential sale of the Dix property to private interests. In order to make informed recommendations about appropriate land-use options for the Dix Campus, the Commission believes that a new Master Plan must be developed. The Commission feels that a Master Plan created in conjunction with the City of Raleigh will identify development densities and uses that are complimentary to the surrounding area and representative of the real estate market. The Commission also believes that the Master Plan will provide the State with the information necessary to determine the market value of the property and better forecast potential proceeds. The Commission recognizes the lack of office space for state agencies in the Raleigh region. The Commission also recognizes that the State may look to the Dix campus as a means to increase office capacity and reduce the number of state agencies relying on

**Dorothea Dix Property Study Commission**  
**Interim Report**

leased office space. As a result, the Commission is recommending that the need for office space by the State be incorporated into the Master Planning process.

Although environmental protection and conservation would be part of any Master Planning process, the Commission felt it was important for the State to highlight conservation as a priority in developing a Master Plan. Officials from both the City and the State identified a number of environmental features on the Dix property requiring attention. Among these features is the old landfill along Western Boulevard, a stream valley also along Western Boulevard, a number of drainage basins, and acres of open space. The Commission felt specific attention should be paid to this issue.

The City has expressed interest in engaging in the Master Planning process and sharing the cost burden of the project. The City is prepared to contribute its staff to the project and pay half of the cost to hire a consulting firm.

The Commission may not convene during the development of the Master Plan, but the Commission believes that the Master Plan process should include input from elected officials. As a result, the Commission is recommending that a subcommittee of the Commission be formed to advise the development of the Master Plan. This subcommittee would be composed of policy-makers from the State, the County, and the City and would be responsible for receiving information and providing input.

**Recommendation #2:**

All proceeds generated from the sale, lease, or other disposition of the Dorothea Dix property shall be deposited in the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs, establish in G.S. 143-15(D). These proceeds shall only be used to provide additional funding for non-recurring capital expenditures for community-based projects.

***Explanation***

A consistent theme heard by the Commission from advocacy groups, members of the public, and officials from the State and local governments, is that the public mental health, developmental disabilities, and substance abuse service system should benefit from any proceeds generated from the sale of the Dix property. The Commission recognizes that Dorothea Dix Psychiatric Hospital and the surrounding campus has been an asset to the mental health community in excess of 150 years. This historical relationship between the property and the mental health system should be honored. The Commission also recognizes that as the State and local communities proceed through mental health system reform and the number of state-owned inpatients psychiatric beds are reduced, resources must be made available in the community to expand the service capacity.

The Commission believes that all proceeds generated from the disposal of the Dix property should be deposited in the Mental Health Trust Fund for the purpose of increasing community capacity of mental health, developmental disability, and substance abuse services.

**Dorothea Dix Property Study Commission**  
**Interim Report**

In addition, the Commission is concerned that the provisions governing the Mental Health Trust Fund are not restrictive enough to maximize the impact of proceeds generated from the disposition of the Dix property. As a result, the Commission is recommending that these proceeds be earmarked for non-recurring or capital expenditures that are community-based. The Commission has three reasons for the recommended earmarking. First, considering that revenues generated from the disposal of Dix property will likely be of a non-recurring nature, these funds should be used for non-recurring projects. Second, the sale of a capital asset will reduce the overall capital stock in the mental health system. These proceeds could have a significant impact if they are specifically targeted at needed capital facilities throughout the State. Third, the statutes governing the Mental Health Trust Fund do not prevent the Administration from funding one-time or short-term projects in the state institutions. The Commission feels that any proceeds should be directed towards expanding community capacity and not directed towards institutional projects.

**Recommendation #3:**

The Dorothea Dix Property Study Commission will continue its work, as authorized under S.L. 2003-314, Sec. 3.4(a), in order to oversee, receive, examine, and make recommendations regarding the proposed Master Plan developed by the State and the City of Raleigh. The Commission's work would end upon its submission of a final report.

***Explanation***

In order to complete its charge and offer informed recommendations about the sale of the Dix property to non-governmental entities, the Commission will need to examine the Master Plan (described in Recommendation #1). Currently, the authorizing legislation directs the Commission to complete its work upon submission of its final report to the Joint Legislative Commission on Governmental Operations. The Commission believes that this last recommendation is consistent with the original legislative charge. The Commission plans to submit its final report after it has had an opportunity to analyze the new Master Plan.

## **APPENDIX A**

### **Session Law 2003-314 Establishing the Commission**

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

SESSION LAW 2003-314  
HOUSE BILL 684

AN ACT TO PROVIDE FOR FINANCING THE CONSTRUCTION OF A NEW  
PSYCHIATRIC HOSPITAL TO BE LOCATED IN BUTNER.

The General Assembly of North Carolina enacts:

**PART 1. STATE PSYCHIATRIC HOSPITAL FINANCE ACT**

**SECTION 1.** Chapter 142 of the General Statutes is amended by adding a new Article to read:

"Article 9.

"State Psychiatric Hospital Finance Act.

"§ 142-80. Short title.

This Article may be cited as the State Psychiatric Hospital Finance Act.

"§ 142-81. Definitions.

The following definitions apply in this Article:

- (1) Bonded indebtedness. – Limited obligation bonds and bond anticipation notes, including refunding bonds and notes, authorized to be issued under this Article.
- (2) Bonds or notes. – Limited obligation bonds and notes authorized to be issued under this Article.
- (3) Capital facility. – Any one or more of the following:
  - a. Any one or more buildings, utilities, structures, or other facilities or property developments, including streets and landscaping, and the acquisition of equipment, machinery, and furnishings in connection with these items.
  - b. Additions, extensions, enlargements, renovations, and improvements to existing buildings, utilities, structures, or other facilities or property developments, including streets and landscaping.
  - c. Land or an interest in land.
  - d. Other infrastructure.
  - e. Furniture, fixtures, equipment, vehicles, machinery, and similar items.
- (4) Certificates of participation. – Certificates or other instruments delivered by a special corporation evidencing the assignment of proportionate undivided interests in rights to receive payments pursuant to a financing contract.
- (5) Certificates of participation indebtedness. – Financing contract indebtedness incurred by the State under a plan of finance in which a special corporation obtains funds to pay the cost of a capital facility to be financed through the delivery by the special corporation of certificates of participation.
- (6) Cost. – Any of the following in financing the cost of capital facilities as authorized by this Article:
  - a. The cost of constructing, reconstructing, renovating, repairing, enlarging, acquiring, and improving capital facilities, including the acquisition of land, rights-of-way, easements, franchises,



- equipment, machinery, furnishings, and other interests in real or personal property acquired or used in connection with a capital facility.
- b. The cost of engineering, architectural, and other consulting services.
  - c. The cost of providing personnel to ensure effective management of capital facilities.
  - d. Finance charges, reserves for debt service, other types of reserves required pursuant to the terms of any special indebtedness or related documents, and interest before and during construction or acquisition of a capital facility and, if considered advisable by the State Treasurer, for a period not exceeding two years after the estimated date of completion of construction or acquisition.
  - e. Administrative expenses and charges.
  - f. The cost of bond insurance, investment contracts, credit enhancement facilities and liquidity facilities, interest rate swap agreements or other derivative products, financial and legal consultants, and related costs of the incurrence or issuance of special indebtedness.
  - g. The cost of reimbursing the State, a State agency, or a special corporation for any payments made for any cost described in this subdivision.
  - h. Any other costs and expenses necessary or incidental to the purposes of this Article.
- (7) Credit facility. – An agreement that:
- a. Is entered into by the State with a bank, savings and loan association, or other banking institution, an insurance company, reinsurance company, surety company or other insurance institution, a corporation, investment banking firm or other investment institution, or any financial institution or other similar provider of a credit facility, which provider may be located within or without the United States of America; and
  - b. Provides for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest with respect to any special indebtedness payable on demand or tender by the owner in consideration of the State's agreeing to repay the provider of the credit facility in accordance with the terms and provisions of the agreement.
- (8) Department of Administration. – The North Carolina Department of Administration created by Article 36 of Chapter 143 of the General Statutes, or if the Department is abolished or otherwise divested of its functions under this Article, the public body succeeding it in its principal functions or upon which are conferred by law the rights, powers, and duties given by this Article to the Department.
- (9) Financing contract. – A contract entered into pursuant to this Article to finance capital facilities and constituting a lease-purchase contract, installment purchase contract, or other similar type of installment financing contract. The term does not include, however, a contract that meets any one of the following conditions:
- a. It constitutes an operating lease under generally accepted accounting principles.

- b. It provides for the payment under the contract over its full term, including periods that may be added to the original term through the exercise of options to renew or extend, of an aggregate principal amount of not in excess of five thousand dollars (\$5,000) or any greater amount that may be established by the Council of State if the Council of State determines (i) the aggregate amount to be paid under these contracts will not have a significant impact on the State budgetary process or the economy of the State and (ii) the change will lessen the administrative burden on the State.
- c. It is executed and provides for the making of all payments under the contract, including payment to be made during any period that may be added to the original term through the exercise of options to renew or extend, in the same fiscal year.

Financing contract indebtedness. – Indebtedness incurred pursuant to a financing contract, including certificates of participation indebtedness.  
Fiscal period. – A fiscal biennium or a fiscal year of the fiscal biennium.

Fiscal year. – The fiscal year of the State beginning on July 1 of one calendar year and ending on June 30 of the next calendar year.

Limited obligation bond. – A limited obligation bond issued pursuant to G.S. 142-88 and payable and secured as provided in G.S. 142-89.

Par formula. – A provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne or provided for by any special indebtedness, including any of the following:

- a. A provision providing for an adjustment so that the purchase price of special indebtedness in the open market would be as close to par as possible.
- b. A provision providing for an adjustment based upon a percentage or percentages of a prime rate or base rate, which percentages may vary or be applied for different periods of time.
- c. Any provision that the State Treasurer determines is consistent with this Article and will not materially and adversely affect the financial position of the State and the marketing of special indebtedness at a reasonable interest cost to the State.

Person. An individual, a firm, a partnership, an association, a corporation, a limited liability company, or any other organization or group acting as a unit.

Special corporation. – Either of the following.

- a. A nonprofit corporation created under Chapter 55A of the General Statutes for the purpose of facilitating the incurrence of certificates of participation indebtedness by the State under this Article.
- b. A private corporation or other entity issuing certificates of participation pursuant to this Article.

Special indebtedness. – Financing contract indebtedness and bonded indebtedness issued or incurred pursuant to this Article.

State. – The State of North Carolina, including any State agency.

State agency. – Any agency, institution, board, commission, bureau, council, department, division, officer, or employee of the State. The term does not include counties, municipal corporations, political subdivisions, local boards of education, or other local public bodies.



- (20) State Treasurer. – The incumbent Treasurer, from time to time, of the State.

**"§ 142-82. Authorization of special indebtedness; General Assembly approval.**

The State may incur or issue special indebtedness subject to the terms and conditions provided in this Article for the purpose of financing the cost of a State psychiatric hospital that meet one of the following conditions:

- (1) The General Assembly has enacted legislation describing the capital facility and authorizing its financing by the incurrence or issuance of special indebtedness up to a specific maximum amount.
- (2) The General Assembly has enacted legislation authorizing the incurrence or issuance of special indebtedness up to a specific maximum amount for a specific category of capital facilities and the capital facility meets all of the conditions set in that legislation.

**"§ 142-83. Procedure for incurrence or issuance of special indebtedness.**

(a) Notice and Certificate. – Whenever the State or a State agency intends to use special indebtedness to finance capital facilities, it shall notify the Department of Administration. If the Department of Administration intends for the State to use special indebtedness to finance the capital facilities, it shall provide written notice to the State Treasurer advising the State Treasurer of its intent. The State Treasurer may require a preliminary conference with the Department of Administration to consider the proposed financing.

After the filing of the notice and after any preliminary conference, the State Treasurer shall consult with the Office of State Budget and Management as to the revenues expected by that Office to be available to pay all sums to come due on the special indebtedness during its term. If, after consulting with the Office of State Budget and Management, the State Treasurer determines by written certificate that it may be desirable to use special indebtedness to finance the capital facilities, the Department of Administration shall request the Council of State to give its preliminary approval of the use of special indebtedness to finance the capital facilities. The Department of Administration must promptly file copies of the notice and certificate required by this subsection with the Governor and the Council of State.

(b) Preliminary Approval. – The Council of State, upon receipt of the notice and certificate required by subsection (a) of this section, shall adopt a resolution granting or denying preliminary approval of the financing. A resolution granting preliminary approval may include any other terms, conditions, and restrictions the Council of State considers appropriate and not inconsistent with the provisions of this Article.

(c) Final Approval. – Before any special indebtedness may be incurred or issued pursuant to this Article, the Council of State must authorize the indebtedness by resolution, either as part of or separate from the resolution required by subsection (b) of this section. The resolution must do all of the following:

- (1) Authorize the providing of a particular capital facility or, in general terms, the types or classifications of capital facilities to be provided.
- (2) Set the aggregate principal amount or maximum principal amount of the special indebtedness authorized.
- (3) Set the maturity or maximum maturity of the special indebtedness authorized.
- (4) Set the rate, rates, or maximum rate of interest, which may be fixed or vary over a period of time, of the special indebtedness authorized.
- (5) Include any other conditions or matters not inconsistent with the provisions of this Article in the discretion of the Council of State, which may include the adoption or approvals as may be authorized in G.S. 142-88 and G.S. 142-89.

(d) Oversight by Treasurer. – No special indebtedness shall be incurred or issued without the prior written approval of the State Treasurer as provided in this subsection, which is in addition to the certificate given by the State Treasurer pursuant to subsection



(a) of this section. In determining whether to approve the proposed financing, the State Treasurer may consider any factors the State Treasurer considers relevant in order to find and determine all of the following:

- (1) The amounts to become due under the special indebtedness, including the interest component or rate, are adequate and not excessive for the purpose proposed.
- (2) The increase, if any, in State revenues, including taxes, necessary to pay the sums to become due under the special indebtedness is not excessive.  
The special indebtedness can be incurred or issued on terms desirable to the State.

(e) Designation of Facilities If the Council of State authorized in general terms the types or classifications of capital facilities to be financed, then the particular capital facilities and the principal amount of special indebtedness to be incurred or issued for each particular capital facility shall be determined by the Department of Administration after considering any factors it considers relevant in order to determine that the particular capital facility to be provided is desirable for the efficient operation of the State and its agencies and is in the best interests of the State.

(f) Type of Debt and Security. – In the absence of a determination by the Council of State, the State Treasurer, after consultation with the Department of Administration, shall determine the specific security offered and whether the special indebtedness to be issued or incurred shall be financing contract indebtedness, certificates of participation indebtedness, bonded indebtedness, or some combination of these.

(g) Administration. – The State Treasurer, after consultation with the Department of Administration, shall develop appropriate documents for use under this Article. The State Treasurer shall employ and designate the financial consultants, fiduciaries and other agents, underwriters, and bond attorneys to be associated with the incurrence or issuance of special indebtedness pursuant to this Article.

(h) Report to Joint Legislative Commission. After all the requirements for approval and oversight provided in this section have been met, and at least five days before the issuance or incurrence of the special indebtedness, the State Treasurer must report to the Joint Legislative Commission on Governmental Operations. This report must include the details of the proposed special indebtedness, including the capital facilities to be financed by the indebtedness, the amount of the proposed indebtedness, the type of indebtedness to be issued or incurred, and any other information required by the Commission.

**"§ 142-84. Security; other requirements.**

(a) Security. – In order to secure (i) lease or installment payments to be made to the lessor, seller, or other person advancing moneys or providing financing under a financing contract, (ii) payment of the principal of and interest on bonded indebtedness, or (iii) payment obligations of the State to the provider of bond insurance, a credit facility, a liquidity facility, or a derivative agreement, special indebtedness may create any combination of the following:

- (1) A lien on or security interest in one or more, all, or any part of the capital facilities to be financed by the special indebtedness.  
If the special indebtedness is to finance construction of improvements on real property, a lien on or security interest in all or any part of the land on which the improvements are to be located.  
If the special indebtedness is to finance renovations or improvements to existing facilities or the installation of fixtures in existing facilities, a lien on or security interest in one or more, all, or any part of the facilities.

(b) Value of Security; Multiple Liens. – The estimated value of the property subject to the lien or security interest need not bear any particular relationship to the

principal amount of the special indebtedness or other obligation it secures. This Article does not limit the right of the State to grant multiple liens or security interests in a capital facility or other property to the extent not otherwise limited by the terms of any special indebtedness.

(c) Governor's Budget. – Documentation relating to any special indebtedness may include provisions requesting the Governor to submit in the Governor's budget proposal or any amendments or supplements to the budget proposed appropriations necessary to make the payments required by the special indebtedness.

(d) Source of Repayment. – The payment of amounts payable by the State under special indebtedness or any related documents during any fiscal period shall be limited to funds appropriated for that purpose by the General Assembly in its discretion.

(e) No Deficiency Judgment or Pledge. – No deficiency judgment may be rendered against the State in any action for breach of any obligation under special indebtedness or any related documents. The taxing power of the State is not and may not be pledged directly or indirectly to secure any moneys due under special indebtedness or any related documents. In the event that the General Assembly does not appropriate sums sufficient to make payments required under any special indebtedness or any related documents, the net proceeds received from the sale or other disposition of the property subject to the lien or security interest shall be applied to satisfy these payment obligations in accordance with the deed of trust, security agreement, or other documentation relating to the lien or security interest. These net proceeds are appropriated for the purpose of making these payments. Any net proceeds in excess of the amount required to satisfy the obligations of the State under any special indebtedness or any related documents shall be paid to the State Treasurer for deposit to the General Fund.

(f) Nonsubstitution Clause. – A financing contract, issue of bonded indebtedness, or other related document shall not contain a nonsubstitution clause that restricts the right of the State to (i) continue to provide a service or conduct an activity or (ii) replace or provide a substitute for any capital facility.

(g) Protection of Lender. – Special indebtedness may contain any provisions for protecting and enforcing the rights and remedies of the person advancing moneys or providing financing under a financing contract, the owners of bonded indebtedness, or others to whom the State is obligated under special indebtedness or any related documents as may be reasonable and proper and not in violation of law. These provisions may include covenants setting forth the duties of the State in respect of any of the following:

(1) The purposes to which the proceeds of special indebtedness may be applied.

(2) The disposition and application of the revenues of the State, including taxes.

(3) Insuring, maintaining, and other duties with respect to the capital facilities financed.

(4) The disposition of any charges and collection of any revenues and administrative charges.

(5) The terms and conditions of the issuance of additional special indebtedness.

(6) The custody, safeguarding, investment, and application of all moneys.

(h) State Property Law Exception. – Chapter 146 of the General Statutes does not apply to any transfer of the State's interest in property authorized by this Article, whether to a deed of trust trustee or other secured party as security for special indebtedness, or to a purchaser of property in connection with a foreclosure or similar conveyance of property to realize upon the security for special indebtedness following the State's default on its obligations under the special indebtedness.

"§ 142-85. Financing contract indebtedness.



(a) Treasurer Oversight. – Financing contract indebtedness shall not be incurred until all documentation providing for its incurrence has been approved by the State Treasurer, after the State Treasurer has consulted with the Department of Administration.

(b) Interest Component. – A financing contract may provide for payments under the contract to represent principal and interest components of the cost of the capital facility to be financed, as determined by the State Treasurer.

(c) Bidding. – Financing contracts may be entered into pursuant to any applicable public or competitive bidding process or any private or negotiated process, to the extent required by applicable law, and if not so required, as may be determined by the Department of Administration after consulting with the State Treasurer.

(d) Party. – All financing contracts shall be executed on behalf of the State by the State Treasurer or, upon delegation by the State Treasurer after having approved the financing contract, by the Department of Administration.

(e) Credit Facility. – If the State Treasurer determines that it is in the best interest of the State, the State Treasurer may arrange for the delivery of a credit facility to secure payment under any financing contract. The State Treasurer may also provide that payments by the State representing the interest component of the payments to be made under a financing contract may be calculated based upon a fixed or a variable rate of interest.

(f) Terms and Conditions. – All other conditions set forth elsewhere in this Article with respect to financing contract indebtedness shall also be satisfied prior to incurring any financing contract indebtedness. To the extent applicable as conclusively determined by the State Treasurer, the provisions of G.S. 142-89, 142-90, and 142-91 apply to financing contract indebtedness.

**"§ 142-86. Additional requirements for certificates of participation indebtedness.**

(a) Treasurer Oversight. – A financing contract shall not be used in connection with the delivery of certificates of participation by a special corporation until all documentation providing for its use has been approved by the State Treasurer, after the State Treasurer has consulted with the Department of Administration. All documentation providing for the delivery and sale of certificates of participation must be approved by the State Treasurer.

(b) Procedure. – The special corporation, if used, shall request the approval of the State Treasurer in writing and shall furnish any information and documentation relating to the delivery and sale of the certificates of participation requested by the State Treasurer. In determining whether to approve the financing in the documentation, the State Treasurer shall consider the factors set forth in G.S. 142-84(d), as well as the effect of the proposed financing upon any scheduled or proposed sale of debt obligations by the State or a unit of local government in the State.

(c) Terms; Interest. – Certificates of participation may be sold by the State Treasurer in the manner, either at public or private sale, and for any price or prices that the State Treasurer determines to be in the best interest of the State and to effect the purposes of this Article, except that the terms of the sale must also be approved by the special corporation. Interest payable with respect to certificates of participation shall accrue at the rate or rates determined by the State Treasurer with the approval of the special corporation.

(d) Trust Agreement. – Certificates of participation may be delivered pursuant to a trust agreement or similar instrument with a corporate trustee approved by the State Treasurer, and the provisions of G.S. 142-89(h) apply to the trust agreement or similar instrument to the extent applicable.

(e) Other Conditions. – All other conditions set forth elsewhere in this Article with respect to certificates of participation indebtedness, including the conditions set forth in G.S. 142-86, must be satisfied before any certificates of participation indebtedness is incurred.

**"§ 142-87. Bonded indebtedness.**



The State Treasurer is authorized, by and with the consent of the Council of State as provided in this Article, to issue and sell at one time or from time to time bonds of the State to be designated "State of North Carolina Limited Obligation Bonds, Series \_\_\_\_\_" or notes of the State as provided in this Article, for the purpose of providing funds, with any other available funds, for the uses authorized in this Article.

**"§ 142-88. Issuance of limited obligation bonds and notes.**

(a) Terms and Conditions. – Bonds or notes may bear any dates, may be serial or term bonds or notes, or any combination of these, may mature in any amounts and at any times, not exceeding 40 years from their dates, may be payable at any places, either within or without the United States, in any coin or currency of the United States that at the time of payment is legal tender for payment of public and private debts, may bear interest at any rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at any prices, including a price greater than the face amount of the bonds or notes, and under any terms and conditions, all as may be determined by the State Treasurer, by and with the consent of the Council of State.

(b) Signatures; Form and Denomination; Registration. – Bonds or notes may be issued in certificated or uncertificated form. If issued in certificated form, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer, or shall bear the State Treasurer's facsimile signature, and shall bear the great seal of the State or a facsimile of the seal impressed or imprinted on them. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. If any officer whose signature or facsimile signature appears on bonds or notes issued under this Article ceases to be that officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery of the bonds or notes. Bonds or notes issued under this Article may bear the facsimile signatures of persons, who at the actual time of the execution of the bonds or notes were the proper officers to sign any bond or note although at the date of the bond or note those persons may not have been officers.

The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as prescribed by the State Treasurer in conformity with this Article.

(c) Manner of Sale; Expenses. – Subject to the approval by the Council of State as to the manner in which bonds or notes will be offered for sale, whether at public or private sale, whether within or without the United States, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase or otherwise, the State Treasurer is authorized to sell bonds or notes at one time or from time to time at any rates of interest, which may vary from time to time, and at any prices, including a price less than the face amount of the bonds or notes, as the State Treasurer may determine. All expenses incurred in the preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available moneys.

(d) Application of Proceeds. – The proceeds of any bonds or notes shall be used solely for the purposes for which the bonds or notes were issued and shall be disbursed in the manner and under the restrictions, if any, that the Council of State may provide in the resolution authorizing the issuance of, or in any trust agreement securing, the bonds or notes.

Any additional moneys that may be received by means of a grant or grants from the United States or any agency or department thereof or from any other source to aid in financing the cost of a capital facility may be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this Article.



(e) Notes; Repayment. – By and with the consent of the Council of State, the State Treasurer is authorized to borrow money and to execute and issue notes of the State for the same, but only in any of the following circumstances and under the following conditions:

- (1) For anticipating the sale of bonds, the issuance of which the Council of State has approved if the State Treasurer considers it advisable to postpone the issuance of the bonds.
- (2) For the payment of interest on or any installment of principal of any bonds then outstanding if there are not sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due.
- (3) For the renewal of any loan evidenced by notes authorized in this Article.
- (4) For the purposes authorized in this Article.
- (5) For refunding bonds or notes or financing contract indebtedness as authorized in this Article.

Funds derived from the sale of limited obligation bonds or notes may be used in the payment of any bond anticipation notes issued under this Article. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which have been used in paying interest on or principal of the bonds.

(f) Refunding Bonds and Notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes for the purpose of refunding special indebtedness and to pay the cost of issuance of the refunding bonds or notes. The refunding bonds and notes may be combined with any other issues of State bonds and notes issued pursuant to this Article. Refunding bonds or notes may be issued at any time prior to the final maturity of the debt or obligation to be refunded. The proceeds from the sale of any refunding bonds or notes shall be applied to the immediate payment and retirement of the obligations being refunded or, if not required for the immediate payment of the obligations being refunded, the proceeds shall be deposited in trust to provide for the payment and retirement of the obligations being refunded and to pay any expenses incurred in connection with the refunding. Money in a trust fund may be invested in (i) direct obligations of the United States government, (ii) obligations the principal of and interest on which are guaranteed by the United States government, (iii) to the extent then permitted by law, obligations of any agency or instrumentality of the United States government, or (iv) certificates of deposit issued by a bank or trust company located in the State if the certificates are secured by a pledge of any of the obligations described in (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. This section does not limit the duration of any deposit in trust for the retirement of obligations being refunded but that have not matured and are not presently redeemable, or if presently redeemable, have not been called for redemption.

(g) Security. – Payment of the principal of and the interest on bonds and notes shall be secured as provided in G.S. 142-85.

(h) Trust Agreement. – In the discretion of the State Treasurer, any bonds and notes issued under this Article may be secured by a trust agreement or similar instrument between the State and a corporate trustee or by a resolution of the Council of State providing for the appointment of a corporate trustee. The corporate trustee may be, in either case, any trust company or bank that has the powers of a trust company within or without the State. The trust agreement or similar instrument or resolution, hereinafter referred to as "the trust", may provide for security and pledges and assignments that are permitted under this Article and may provide for the granting of a lien or security interest as authorized by G.S. 142-85. The trust may contain any provisions for protecting and enforcing the rights and remedies of the owners of any bonds or notes issued under the trust that are reasonable and not in violation of law, including



covenants setting forth the duties of the State with respect to the purposes for which bond or note proceeds may be applied, the disposition and application of the revenues or assets of the State, the duties of the State with respect to the capital facilities financed, the disposition of any charges and collection of any revenues and administrative charges, the terms and conditions of the issuance of additional bonds and notes, and the custody, safeguarding, investment, and application of all moneys. All bonds and notes issued under this Article pursuant to the same trust shall be equally and ratably secured as provided in the trust, without priority by reasons of number, dates of bonds or notes, execution, or delivery, in accordance with the provisions of this Article and of the trust. The trust may, however, provide that bonds or notes issued pursuant to the trust shall, to the extent and in the manner prescribed in the trust, be subordinated and junior in standing, with respect to the payment of principal and interest and to the security of the payment, to any other bonds or notes issued pursuant to the trust. It is lawful for any bank or trust company that may act as depository of the proceeds of bonds or notes, revenues, or any other money under this Article to furnish any indemnifying bonds or to pledge any securities that may be required by the State Treasurer. The trust may set out the rights and remedies of the owners of any bonds or notes and of any trustee, and may restrict the individual rights of action by the owners. In addition to the foregoing, the trust may contain any other provisions the State Treasurer considers appropriate for the security of the owners of any bonds or notes. Expenses incurred in carrying out the provisions of the trust may be treated as a part of the cost of any capital facility or as an administrative charge and may be paid from the proceeds of the bonds or notes or from any other available funds.

**"§ 142-89. Variable rate demand bonds and notes and financing contract indebtedness.**

(a) In fixing the details of special indebtedness, the State Treasurer may make the special indebtedness subject to any of the following conditions:

- (1) It is payable from time to time on demand or tender for purchase by the owner thereof, if a credit facility supports the special indebtedness, unless the State Treasurer specifically determines that a credit facility is not required upon a determination by the State Treasurer that the absence of a credit facility will not materially and adversely affect the financial position of the State or the marketing of the bonds or notes or financing contract indebtedness at a reasonable interest cost to the State.

It is additionally supported by a credit facility.

It is subject to redemption or mandatory tender for purchase prior to maturity.

It bears interest at a rate or rates that may be fixed or may vary over any period of time, as may be provided in the proceedings providing for the issuance or incurrence of the special indebtedness, including any variations that may be permitted pursuant to a par formula.

- (5) It is the subject of a remarketing agreement under which an attempt is made to remarket special indebtedness to new purchasers before its presentment for payment to the provider of the credit facility or to the State.

(b) If the aggregate principal amount payable by the State under a credit facility is in excess of the aggregate principal amount of special indebtedness secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium or for any other reason, then the amount of authorized but unissued bonds or notes and financing contract indebtedness during the term of the credit facility shall not be less than the amount of the excess, unless the payment of the excess is otherwise provided for by agreement of the State executed by the State Treasurer.

**"§ 142-90. Other agreements.**

The State Treasurer may authorize, execute, obtain, or otherwise provide for bond insurance, investment contracts, credit and liquidity facilities, credit enhancement facilities, interest rate swap agreements and other derivative products, and any other related instruments and matters the State Treasurer determines are desirable in connection with the issuance of special indebtedness. The State Treasurer is authorized to employ and designate any financial consultants, underwriters, fiduciaries, and bond attorneys to be associated with any incurrence or issuance of special indebtedness under this Article as the State Treasurer considers appropriate.

**"§ 142-91. Tax exemption.**

Special indebtedness shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting estate, inheritance, and gift taxes; income taxes on the gain from the transfer of the indebtedness; and franchise taxes. The interest component of any payments made by the State under special indebtedness, including the interest component of any certificates of participation, is not subject to taxation as to income.

**"§ 142-92. Investment eligibility**

Special indebtedness are securities or obligations in which all of the following may invest, including capital in their control or belonging to them: public officers, agencies, and public bodies of the State and its political subdivisions; insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, and other financial institutions engaged in business in the State; and executors, administrators, trustees, and other fiduciaries. Special indebtedness are securities or obligations that may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision is now or may later be authorized by law.

**"§ 142-93. Procurement.**

The provisions of Articles 3, 3B, 3C, 3D, and 8 of Chapter 143 of the General Statutes and any other laws or rules of the State that relate to the acquisition and construction of State property apply to the financing through the use of special indebtedness pursuant to this Article. This section does not apply to the construction and lease-purchase, including leases with an option to purchase at the end of the lease term for a nominal sum, of State office buildings pursuant to proposals submitted before the effective date of this Article in response to requests for proposals, to the extent any of those proposals, as they may be supplemented or amended, are approved by the Department of Administration and any of these leases or lease-purchase agreements are approved by the Council of State in accordance with G.S. 143-341(4)d2."

**SECTION 1.2.** G.S. 143-341(4) is amended by adding a new sub-subdivision to read:

**"d2.** To purchase or finance the purchase of buildings, utilities, structures, or other facilities or property developments, including streets and landscaping, the acquisition of land, equipment, machinery, and furnishings in connection therewith; additions, extensions, enlargements, renovations and improvements to existing buildings, utilities, structures, or other facilities or property developments, including streets and landscaping; land or any interest in land; other infrastructure; furniture, fixtures, equipment, vehicles, machinery, and similar items; or any combination of the foregoing, through installment purchase, lease-purchase, or other similar type installment financing agreements in the manner and to the extent provided in Article 9 of Chapter 142 of the General Statutes. Any contract entered into or any proceeding instituted contrary to the

provisions of this paragraph is voidable in the discretion of the Council of State."

## **PART 2. PSYCHIATRIC HOSPITAL CONSTRUCTION**

**SECTION 2.1.** Construction of Psychiatric Hospital. – In accordance with G.S. 142-83, as enacted by this act, this section authorizes the issuance or incurrence of financing contract indebtedness in a maximum aggregate principal amount of one hundred ten million dollars (\$110,000,000) to finance the cost of the project described in this Part, subject to the limitations described in this Part. The financing contract indebtedness shall not be incurred prior to July 1, 2004.

**SECTION 2.2.** The Project. – The project shall consist of the acquisition, construction, and equipping of an approximately 450,000 square foot, 432-bed new psychiatric hospital to be located in Butner.

**SECTION 2.3.** Authorization of Financing Contracts. – The State, with the prior approval of the State Treasurer and the Council of State, as provided in Article 9 of Chapter 142 of the General Statutes as enacted by this act, is authorized to execute and deliver one or more financing contracts in order to provide funds to the State to be used, together with other available funds, to pay the cost of the project, in an aggregate principal amount not to exceed one hundred ten million dollars (\$110,000,000). The State Treasurer may, in the Treasurer's sole discretion, require one or more reports satisfactory to the Treasurer evidencing the savings expected to be realized from the closure of existing psychiatric hospitals that are to be replaced by the project and the feasibility of the financing of the project.

## **PART 3. GENERAL PROVISIONS FOR PSYCHIATRIC HOSPITAL**

**SECTION 3.1.** The Secretary of Health and Human Services shall maintain all existing educational and research programs in psychiatry and psychology conducted at Dorothea Dix Hospital and John Umstead Hospital by the University of North Carolina School of Medicine and by the Psychology Department within the College of Arts and Sciences at the University of North Carolina at Chapel Hill, unless the programs are otherwise modified by the University of North Carolina School of Medicine or the College of Arts and Sciences. The University of North Carolina School of Medicine shall retain authority over all educational and research programs in psychiatry and the University of North Carolina College of Arts and Sciences shall retain authority over all educational and research programs in psychology conducted at these hospitals and at any new State psychiatric hospital. The Secretary shall consult with the University of North Carolina School of Medicine in programmatic, operational, and facility planning of the new psychiatric hospital to ensure appropriate patient treatment and continuation of educational and research programs conducted by the University of North Carolina School of Medicine. In addition, the Secretary shall consult with the University of North Carolina College of Arts and Sciences to ensure appropriate continuation of educational and research programs conducted by the University of North Carolina College of Arts and Sciences.

**SECTION 3.2.** Part 3 of Article 8 of Chapter 153A of the General Statutes is amended by adding the following new section to read:

### **"§ 153A-178. Disposition of county property for a State psychiatric hospital.**

When the Secretary of Health and Human Services selects a county for the location of a new State psychiatric hospital as authorized by law, the county selected for the location of the new State psychiatric hospital is authorized under the general law to acquire real and personal property and convey it to the State under G.S. 160A-274 or other applicable law for use as a psychiatric hospital. The county may acquire the property by eminent domain, and the power under this section is supplementary to any other power the county may have to take property by eminent domain."

**SECTION 3.3.** G.S. 143-15.3D is amended by adding the following new subsection to read:

"(c) Notwithstanding G.S. 143-18, any nonrecurring savings in State appropriations realized from the closure of any State psychiatric hospitals that are in

excess of the cost of operating and maintaining a new State psychiatric hospital shall not revert to the General Fund but shall be placed in the Trust Fund and shall be used for the purposes authorized in this section. Notwithstanding G.S. 143-18, recurring savings realized from the closure of any State psychiatric hospitals shall not revert to the General Fund but shall be used for the payment of debt service on financing contract indebtedness authorized pursuant to Article 9 of Chapter 142 of the General Statutes for the construction of a new State psychiatric hospital. Any remainder not needed for this debt service shall be credited to the Department of Health and Human Services to be used only for the purposes of subsections (b)(2) and (b)(3) of this section."

**SECTION 3.4.(a) Dorothea Dix Hospital Property Study Commission.** – If any of the State-owned real property encompassing the Dorothea Dix Hospital campus is no longer needed by Dorothea Dix Hospital and is not transferred to another State agency or agencies before the sale of any or all of the property to a nongovernmental entity, options for this sale shall be considered by the Dorothea Dix Hospital Property Study Commission. The Commission shall make recommendations on the options for sale of the property to the Joint Legislative Commission on Governmental Operations before any sale of any or all parts of the property.

**SECTION 3.4.(b) Creation and Membership.** – The Dorothea Dix Hospital Property Study Commission is created. The Commission shall consist of nine members, four appointed by the President Pro Tempore of the Senate and four appointed by the Speaker of the House of Representatives. The Secretary of Health and Human Services shall serve as an ex officio member of the Commission.

#### **PART 4. GENERAL PROVISIONS**

**SECTION 4.1. Interpretation of Act. (a) Additional Method.** – This act provides an additional and alternative method for the doing of the things authorized by this act and shall be regarded as supplemental and additional to powers conferred by other laws. Except where expressly provided, this act shall not be regarded as in derogation of any powers now existing. The authority granted in this act is in addition to other laws now or hereinafter enacted authorizing the State to issue or incur indebtedness.

**SECTION 4.1.(b) Statutory References.** – References in this act to specific sections or Chapters of the General Statutes are intended to be references to those sections or Chapters as they may be amended from time to time by the General Assembly.

**SECTION 4.1.(c) Liberal Construction.** – This act, being necessary for the health and welfare of the people of the State, shall be liberally construed to effect its purposes.

**SECTION 4.1.(d) Severability.** – If any provision of this act or its application to any person or circumstance is held invalid, that invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

**SECTION 4.2.** Effective Date. – This act is effective when it becomes law.  
In the General Assembly read three times and ratified this the 30<sup>th</sup> day of  
June, 2003.

s/ Beverly E. Perdue  
President of the Senate

s/ Richard T. Morgan  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 1:29 a.m. this 10<sup>th</sup> day of July, 2003

## **APPENDIX B**

### **Scope of Work and Schedule of the Commission**

**Scope of Work and Schedule of the Commission**  
**Dorothea Dix Property Study Commission**  
Regular Meeting  
February 6, 2004

**Establishment of the Study Commission**

S.L. 2003-314 (House Bill 684) creates the Dorothea Dix Property Study Commission. The Commission is charged with evaluating and making recommendations to Gov Ops regarding the sale of the Dix Property to non-governmental agencies:

"**SECTION 3.4.(a)** Dorothea Dix Hospital Property Study Commission. - If any of the State-owned real property encompassing the Dorothea Dix Hospital campus is no longer needed by Dorothea Dix Hospital and is not transferred to another State agency or agencies before the sale of any or all of the property to a nongovernmental entity, options for this sale shall be considered by the Dorothea Dix Hospital Property Study Commission. The Commission shall make recommendations on the options for sale of the property to the Joint Legislative Commission on Governmental Operations before any sale of any or all parts of the property.

**SECTION 3.4.(b)** Creation and Membership. – The Dorothea Dix Hospital Property Study Commission is created. The Commission shall consist of nine members, four appointed by the President Pro Tempore of the Senate and four appointed by the Speaker of the House of Representatives. The Secretary of Health and Human Services shall serve as an ex officio member of the Commission."

**Scope of Work**

- The Commission will analyze and make recommendations regarding the **potential sale** of the Dorothea Dix Property.
- The authorizing legislation does not ask for a recommendation on whether the property should be disposed.  
Final recommendations will be reported to the Joint Legislative Commission on Governmental Operations.
- No sale of the property can occur prior to the Final Report of this Commission.

**Meeting Schedule**

**February 6, 2004** – First Regular Meeting  
Room 1124 / Legislative Bldg. / 9:00 a.m.

**February 9, 2004** – Public Hearing  
Auditorium / Legislative Bldg. / 6:00 p.m.

**February 23, 2004** – Second Regular Meeting  
Room 1027 / Legislative Bldg. / 11:00 a.m.

**March 22, 2004** – Final Regular Meeting  
Room 1027 / Legislative Bldg. / 11:00 a.m.

**Final Report made to the April meeting of Joint Gov Ops.**

## **APPENDIX C**

### **Statutes Governing Proceeds from Real Property**



**To: Members of the Dorothea Dix Property Study Commission**  
**From: Kory J. Goldsmith, Committee Counsel, Research Division**  
**Date: February 19, 2004**  
**Re: Procedure for disposition of land.**

Disposition" includes sale or lease. Every sale or lease of State land is made by the Department of Administration under rules adopted by the Governor and approved by the Council of State.<sup>1</sup> Dispositions over \$25,000 shall not be made until after consultation with the Joint Legislative Commission on Governmental Operations.<sup>2</sup>

**Sales** can be by bid, or other methods such as listing property with a broker, request for proposals, solicitation of expressions of interest, or direct negotiations. If by advertised bid, the following procedure applies:<sup>3</sup>

- An advertisement is placed in a newspaper of general circulation, allowing 15 days for interested parties to bid.
- All bids must be forwarded to the Director of the Division of State Property (Director).
- Bids must be accompanied by a certified or cashier's check for no less than 5% of the bid.
- After initial bids have been received, all interested parties are notified of the high bid and given 10 days to increase their bid.
- A raised bid must be at least 5% higher than the last circulated high bid.
- If the bid is raised, the matter will be held open an additional 10 days for further raises. This procedure will continue until there are no further raises.
- If no increased bids are received within the 10-day period, the Director determines whether the high bid should be accepted. However, the Director has the right to reject any and all bids.
- In the case of identical bids, the Director will determine which bid shall be recommended for acceptance.
- Any bid which is for less than the advertised minimum bid figure, not accompanied by a certified or cashier's check, or does not reach the Division of State Property by the prescribed time, is automatically rejected.
- The Council of State, at its sole discretion, may reject or accept any bids or offers.
- The State of North Carolina conveys land by deed without warranty or by quitclaim deed. The State makes no representations or warranties concerning the title to the property, or the boundaries of the property, or the uses to which it may be put.
- All properties are sold for cash upon delivery of the deed. Once a high bid has been accepted, the 5% deposit is held as an earnest money deposit which the State may retain as liquidated damages if the bidder subsequently fails, refuses or is unable to close the transaction.

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<sup>1</sup> G.S. 146-27(a) and G.S. 146-29.

<sup>2</sup> G.S. 146-27(b).

<sup>3</sup> 1 NCAC 6BN.0304

## Leases

- May not exceed 99 years.<sup>4</sup>
- If term of the lease is for 3 years or less or annual rent is \$5,000 or less, the following procedure applies:<sup>5</sup>
  - The parties agree to the terms of the lease.
  - The matter is referred to the Attorney General for preparation of the lease.
  - The lease is forwarded to the Secretary of Administration for signature.
- If the term of the lease is for more than 3 years or the annual rent is for more than \$12,000, the following procedure applies:<sup>6</sup>
  - The parties agree to the terms of the lease.
  - The terms are presented to the Governor and the Council of State for Approval.
  - If the terms are approved, the matter is referred to the Attorney General for preparation of the lease.
  - Lease is sent to the Governor and the Secretary for State for signature.
- The Division of State Property may delegate authority to certain agencies to enter into leases without prior approval of the Secretary of Administration. Upon granting such authority in writing, the Property Office will include a list of rules that must be followed by the agency when handling such transactions.

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<sup>4</sup> G.S. 146-27(a)

<sup>5</sup> 1 NCAC 6B.0306(1)

<sup>6</sup> 1 NCAC 6B.0306(2)

**Allocation of Sale Proceeds**  
**Dorothea Dix Property Study Commission**  
Regular Meeting  
February 6, 2004

**Statutory Process for Receipts from Surplus Real Property**

G.S. 146-29.1 and G.S. 146-30 cover the handling of proceeds generated from the sale of surplus state property.

According to G.S. 146-29.1:

- If state-owned property is sold, leased, or rented to a **private entity** operating for a profit, then the price can be **no less than fair market value**.
- If the property is sold, lease, or rented to a **public entity**, then the land **may be sold for less than market value**. Statutes define a public entity as including a "...county, municipal corporation, local board of education, community college, special district or other political subdivision of the State and United States or any of its agencies."
- If the property is sold, leased, or rented to a private nonprofit entity, then the price may be set at less than market value. In order to accomplish this, the following must occur:
  1. Dept. of Administration must determine the public service to be provided by the nonprofit with this property.
  2. Dept. of Administration must determine that the property be used in conjunction with the nonprofit's tax-exempt purpose.
  3. The transaction must be reported to Gov-Ops 30 days prior to completion.

According to G.S. 146-30:

- **Net proceeds** from the sale of surplus property are allocated in the following priority:
  1. In accordance with any **trusts or deed restrictions**.
  2. As directed by any other **act of the General Assembly**.
  3. Deposited with the State Treasurer.
- Net proceeds are defined as the remaining proceeds after (1) the expenses incurred by the transaction are accounted for and (2) a service charge is paid to the State Land Fund. The service charge is set by the Governor and approved by Council of State, but cannot exceed 10% of the gross proceeds.

**Questions For the Commission**

1. Should the General Assembly make recommendation or intercede in the allocation of potential proceeds?
2. What issues of public interest should be addressed with any potential proceeds?

**To: Members of the Dorothea Dix Property Study Commission**  
**From: Kory J. Goldsmith, Committee Counsel, Research Division**  
**Date: February 19, 2004**  
**Re: Allocation of funds generated by disposition of State Property – Earmarking of Funds**

**General Law regarding allocation of proceeds:**

- **G.S. 146-30. Application of net proceeds.**
  - First, according to the provisions of any trust or other instrument of title whereby title to the real property was acquired; or
  - Second, as provided by any other act of the General Assembly; or
  - Third, **net proceeds** are deposited with the State Treasurer.
  - **NOTE: § 122C-185** specifically provides that the **net proceeds** from the sale, lease, rental, or other disposition of real estate owned by a mental health, developmental disability or substance abuse facility and operated by the Secretary of the DHHS shall be deposited and accounted for in accordance with G.S. 146-30.
- **G.S. 146-30(b)** defines "net proceeds" as the gross amount received from the sale, lease, rental, or other disposition of any State lands, less
  - Expenses incurred incident to that sale, lease, rental, or other disposition; and
  - A service charge to be paid into the State Land Fund.
    - 10% of first \$2,500; plus
    - 5% of remaining amount.
  - No service charge may be deducted from the proceeds of any disposition by lease, rental, or easement of State lands that are designated as part of the Centennial Campus, the Horace Williams Campus, or the Millennial Campus. All **net proceeds** of those dispositions are governed by G.S. 116-36.5.

**Statutory Exceptions to G.S. 146-30**

**§ 146-30(c)**

- Sale of land or products of land owned by or under the supervision and control of the Wildlife Resources Commission, or acquired or purchased with funds of that Commission. Net proceeds shall be paid into the Wildlife Resources Fund.
- Sale of land or timber from land owned by or under the supervision and control of the Department of Agriculture and Consumer Services shall be deposited with the State Treasurer in a capital improvement account to the credit of the Department of Agriculture and Consumer Services, to be used for such specific capital improvement projects or other purposes as are provided by transfer of funds from those accounts in the Capital Improvement Appropriations Act.

- Sale of park land owned by or under the supervision and control of the Department of Environment and Natural Resources shall be deposited with the State Treasurer in a capital improvement account to the credit of the Department of Administration to be used for the purpose of park land acquisition as provided by transfer of funds from those accounts in the Capital Improvement Appropriations Act. No other use may be made of funds in these line items without approval by the General Assembly except for incidental expenses related to the project or land acquisition.
- Sale of any portion of the land in or around the unincorporated area known as Butner on or after July 1, 1980, shall be deposited with the State Treasurer in a capital improvement account to the credit of the Hospital to provide water and sewers and to bring those streets in the unincorporated area known as Butner not on the State highway system up to standards adequate for acceptance on the system, to build industrial access roads to industries on the Butner lands, to construct new city streets on the Butner lands, extend water and sewer service on the Butner lands, and repair storm drains on the Butner lands.

**§ 116-36.1. Regulation of [UNC] institutional trust funds.**

Regulated by the UNC Board of Governors.

Deposited with the State Treasurer's Office.

Funds in trust fund accounts, and investment earnings thereon, are available for expenditure by each institution without further authorization from the General Assembly.

Funds are not subject to the provisions of the Executive Budget Act except for capital improvements projects which shall be authorized and executed in accordance with G.S. 143-18.1.

Trust funds or the investment income shall not take the place of State appropriations or any part thereof, but any portion of these funds available for general institutional purposes shall be used to supplement State appropriations to the end that the institution may improve and increase its functions, may enlarge its areas of service, and may become more useful to a greater number of people.

"Trust funds" include the **net proceeds** from the disposition of any interest in real property owned by or under the supervision and control of an institution if the interest in real property had first been acquired by gift, devise, or bequest or through expenditure "trust funds".

**§ 116-36.5. Centennial Campus trust fund; Horace Williams Campus trust fund; Millennial Campuses' trust funds.**

All moneys received through development of the Centennial Campus of North Carolina State University at Raleigh, Horace Williams Campus of the University of North Carolina at Chapel Hill, or development of a Millennial Campus of a constituent institution of The University of North Carolina, from whatever source, including the **net proceeds** from the lease or rental of such real property, shall be placed in a special, continuing, and nonreverting trust fund having the sole and exclusive use for further development of the respective campuses, including their operational development. These funds shall be treated in the manner of institutional trust funds as provided in G.S.

116-36.1, and shall be deemed an additional and alternative method of funding the various campuses and not an exclusive one.

**§ 146-4. Sales of certain lands; procedure; deeds; disposition of proceeds.**

The Department of Administration may sell the vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, at public or private sale, at such times, upon such consideration, in such portions, and upon such terms as are deemed proper by the Department and approved by the Governor and Council of State. ...The **net proceeds** of all such sales of those lands shall be paid into the State Literary Fund.

**§ 146-7. Sale of timber rights; procedure; instruments conveying rights; disposition of proceeds.**

The Department of Administration may sell timber rights in the vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, at public or private sale, at such times, upon such consideration, in such portions, and upon such terms as are deemed proper by the Department and approved by the Governor and Council of State... The **net proceeds** of all sales of timber from those lands shall be paid into the State Literary Fund.

**§ 146-8. Disposition of mineral deposits in State lands under water.**

The State, acting at the request of the Department of Environment and Natural Resources, is fully authorized and empowered to sell, lease, or otherwise dispose of any and all mineral deposits belonging to the State which may be found in the bottoms of any sounds, rivers, creeks, or other waters of the State. ...

The **net proceeds** derived from the sale, lease, or other disposition of such mineral deposits shall be paid into the treasury of the State, but the same shall be used exclusively by the Department of Environment and Natural Resources in paying the costs of administration of this section and for the development and conservation of the natural resources of the State, including any advertising program which may be adopted for such purpose, all of which shall be subject to the approval of the Governor, acting by and with the advice of the Council of State.

**§ 146-9. Disposition of mineral deposits in State lands not under water.**

The Department of Administration may sell, lease, or otherwise dispose of mineral rights or deposits in the vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, not lying beneath the waters of the State... The **net proceeds** of dispositions of all such mineral rights or deposits shall be paid into the State Literary Fund.

**§ 146-14. Proceeds of dispositions of certain State lands.**

The **net proceeds** of all sales, leases, rentals, or other dispositions of the vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, and all interests and rights therein, shall be paid into the State Literary Fund, except as otherwise provided in this Chapter.

#### **§ 146-14.1. Natural Resources Easement Fund.**

The Natural Resources Easement Fund is established as a nonreverting fund within the Department of Administration. All easement purchase payment monies collected by the Secretary shall be deposited in the Fund. The Fund may be used for direct costs of administering the program. Fifty percent (50%) of the **net proceeds** in the Fund shall be transferred annually to the Marine Fisheries Commission, and fifty percent (50%) of the **net proceeds** in the Fund shall be transferred annually to the Wildlife Resources Commission, to be used by both Commissions for the sole purpose of enhancing public trust resources and increasing the public's access to and use of public trust resources, including, but not limited to, meeting the State's cost share obligations for federal Wallop-Breaux Fund projects, enhancing water resources and expanding the number of public boat ramps and other means of public waters access within the counties designated under G.S. 113A-103(2), and other public trust access purposes.

#### **Other Exceptions to G.S. 146-30**

#### **SESSION LAW 1983-761**

##### **PERSONNEL FOR SALE OF SWAMP LAND**

Sec. 170. The salaries and employee benefits of the two employees of the Department of Administration, Real Property Office who administer and assist in the sale of swamp lands belonging to the State are costs of selling the swamp lands; therefore, these costs shall be funded from the receipts of the sale of the swamp lands. The **net proceeds** of the sale of the swamp lands shall be deposited in the State Literary Fund.

Notwithstanding the provisions of Article 32 of Chapter 115C of the General Statutes, in the event and to the extent that receipts from the sale of swamp lands are insufficient to cover the costs of selling the swamp lands belonging to the State, interest on funds in the State Literary Fund and interest on loans from the State Literary Fund shall not be deposited in the State Literary Fund but shall be used to fund said costs.

#### **SESSION LAW 1985-757**

##### **SALE OF OLD HEALTH FARM**

Sec. 169. (a) The Department of Administration may sell all or any part of that certain State-owned property known as the "Old Health Farm" property located in Wake County, North Carolina, and more particularly shown and described on a map entitled "STATE OF NORTH CAROLINA OLD HEALTH FARM PROPERTY" dated July 8, 1983, prepared by John A. Edwards & Company, Consulting Engineers, Raleigh, North Carolina, based on actual survey.

(b) The Department may accomplish these sales by public auction, by receipt of sealed bids after public advertisement, or by private sale, whichever it finds to be in the best interest of the State.

(c) All sales shall be subject to the provisions of Chapter 146 of the General Statutes, as amended by Chapter 479 of the 1985 Session Laws, specifically including its requirements of consultation with the Joint Legislative Commission on Governmental Operations and approval of the Governor and Council of State.

(d) The **net proceeds** from all sales shall be used to compensate the Department of Transportation for the release of control of access on Western Boulevard

Extension adjacent to the southern boundary of the Old Health Farm Property. Any funds not required for this purpose shall be deposited in the General Fund.

#### **SESSION LAW 1989-745**

Sec. 9. The further purpose of this act is to authorize, as a capital improvements project, construction by the University of North Carolina at Chapel Hill of a Visiting Investigator Facility for its Institute of Marine Sciences on the Arendell Street property of the Institute in Morehead City. Financing of the said capital improvements project is authorized in the amount of \$106,000, to be met through sale of that house and lot located at 704 Bridges Street, Morehead City, currently held by the University of North Carolina at Chapel Hill for use by its Institute of Marine Sciences, and application of the **net proceeds** thereof to the authorized capital improvements project, along with application thereto of such other gifts, grants, receipts, self-liquidating indebtedness, or other funds, or any combination of such funds, but not including funds appropriated from the General Fund of the State, as may be available to the University of North Carolina at Chapel Hill for such purpose.

#### **SESSION LAW 1991-1044**

##### **BRUNSWICKTOWN STATE HISTORIC SITE/USE RECEIPTS**

Sec. 13. Notwithstanding Chapter 146 of the General Statutes, the **net proceeds** derived from the sale of timber or other land products owned at the Brunswicktown State Historic Site shall be deposited with the State Treasurer in a capital improvement account to the credit of the Department of Cultural Resources. The Department of Cultural Resources shall use these funds to replace the visitor center exhibits installed in 1967 at Brunswicktown, to provide additional site archaeology at Brunswicktown, and to make other improvements at the Brunswicktown State Historic Site. These funds shall remain available until June 30, 1995, and shall not revert until that time.

##### **MARINE FISHERIES USE OF LAND PROCEEDS**

Sec. 65. Any **net proceeds**, as defined in G.S. 146-30, received from the sale of approximately 6.12 acres of State land located on Bogue Sound in Carteret County, this being the property described in the deed dated February 12, 1982, and recorded in Deed Book 464, page 86, Carteret County Registry, shall be allocated to the Department of Environment, Health, and Natural Resources, Division of Marine Fisheries, for the 1992-93 fiscal year to be used:

- (1) To acquire real property for oyster shell stockpiling and dockage during hurricanes,
  - (2) To renovate or replace the unsafe pier at the Division's Morehead City office, as needed, and
  - (3) To replace the Carolina Coast Research Vessel,
- to ensure the continuation of the Division's shellfish rehabilitation and artificial reef programs and the biological sampling programs.

#### **SESSION LAW 1993-430**



Section 1. The University of North Carolina may retain the **net proceeds** from sale of the house and associated land at 1108 Chowan Avenue, Durham, formerly used as the residence of the Chancellor of North Carolina Central University.

#### **SESSION LAW 1995-711**

Section 1. The University of North Carolina is authorized to retain the **net proceeds** from sale of the house and associated land at 631 Banner Avenue, Winston-Salem, formerly used as the residence of the Chancellor of Winston-Salem State University, and to apply the **net proceeds** toward purchase of a successive residence for the Chancellor.

#### **SESSION LAW 1999-237**

##### **PROCEEDS OF TIMBER SALES MAY BE USED FOR VETERANS HOMES**

Sec. 10.3. Notwithstanding any other provision of law, the **net proceeds** derived from the sale of timber from land owned by or under the supervision and control of the Department of Administration, Division of Veterans Affairs, shall be deposited in the North Carolina Veterans Home Trust Fund and shall be used for the purposes set out in G.S. 165-48.

#### **SESSION LAW 1999-237**

##### **STONEWALL JACKSON FUNDS**

Section 29.6C. Of the funds appropriated to the Office of Juvenile Justice, the sum of three hundred thirty-seven thousand dollars (\$337,000) for the 1999-2000 fiscal year shall be used to remove, by relocation or demolition, buildings located on the grounds of the Stonewall Jackson Training School that contain hazardous asbestos materials and pose safety threats to the students and staff of the school. Notwithstanding G.S. 146-30, the Stonewall Jackson Training School in Cabarrus County may retain the **net proceeds** from the sale or lease of historic properties at the School to be used for capital improvements at the School.

#### **SESSION LAW 2001-424**

##### **SAMARKAND TIMBER SALE**

**SECTION 33.12.** The Department of Juvenile Justice and Delinquency Prevention shall harvest and sell a portion of the timber on the real property at Samarkand Youth Academy. Notwithstanding Chapter 146 of the General Statutes, G.S. 66-58, and any other provision of law, the **net proceeds** derived from the sale of the timber in an amount not to exceed two hundred fifty thousand dollars (\$250,000) shall be deposited with the State Treasurer in a capital improvement and repair and renovation account to the credit of the Department of Juvenile Justice and Delinquency Prevention. The Department shall use the funds for major repair to the streets and parking lots at the Samarkand Youth Academy and for additional street lighting and repairs of buildings at the Academy.

The remainder of the **net proceeds** from the sale of the timber at Samarkand Youth Academy, if any, shall revert to the General Fund.

#### **SESSION LAW 2003-284**

##### **SAMARKAND TIMBER SALE**

**SECTION 15.10.(a)** The Department of Juvenile Justice and Delinquency Prevention shall harvest and sell a portion of the timber on the real property at

Samarkand Youth Academy. Notwithstanding Chapter 146 of the General Statutes, G.S. 66-58, and any other provision of law, the **net proceeds** derived from the sale of the timber in an amount not to exceed two hundred fifty thousand dollars (\$250,000) shall be deposited with the State Treasurer in a capital improvement and repair and renovation account to the credit of the Department of Juvenile Justice and Delinquency Prevention. The Department shall use the funds for major repair to the streets and parking lots at the Samarkand Youth Academy and for additional street lighting and repairs of buildings at the Academy.

**SECTION 15.10.(b)** The Department of Juvenile Justice and Delinquency Prevention shall report to the Joint Legislative Commission on Governmental Operations by December 1, 2003, on the progress of the harvest and sale of the timber at Samarkand Youth Academy pursuant to subsection (a) of this section.

**SECTION 15.10.(c)** The remainder of the **net proceeds** from the sale of the timber at Samarkand Youth Academy, if any, shall revert to the General Fund.

#### **SESSION LAW 2003-404**

### **AN ACT REGARDING THE SALE OF STATE-OWNED PROPERTY IN THE BLOUNT STREET HISTORIC DISTRICT.**

**SECTION 1.(a)** Modification of the Capital Area Master Plan to provide for the sale of certain properties. – Prior to May 1, 2004, the Department of Administration and the Capital Planning Commission shall modify the Capital Area Master Plan for State Government to provide for the sale to private or public entities of State-owned properties within and adjacent to the Blount Street Historic District, an area bordered by North Person Street, Jones Street, North Wilmington Street, and Peace Street, except for the Governor's Mansion, the Archives and History Building, the State Records Center, the Bath Building, and the Leonidas Lafayette Polk House, which shall be excluded from the sales provisions hereof. The Department of Administration is authorized to sell any such property pursuant to Chapter 146 of the General Statutes, and such sale shall take place at the time the Department determines that a property is no longer needed for State purposes and that it is in the best interest of the State to sell that property.

**SECTION 1.(b)** Preservation or conservation agreements required on all sales. – The sale of property in this area shall be subject to preservation or conservation agreements as defined in G.S. 121-35 that ensure that the use of the property is consistent with the historic and architectural character of the district.

**SECTION 1.(c)** Procedures for the sale of properties. – Due to (i) the significant architectural, archaeological, artistic, cultural, or historical associations of these properties, (ii) the properties' relationship to other property that is significant for architectural, archaeological, artistic, cultural, or historical associations, and (iii) the requirement that a preservation agreement or conservation agreement as defined in G.S. 121-35 is placed in the deed conveying said property from the State, these properties shall be sold by private negotiation and sale, and all such sales shall be approved by the State Property Office.

Property sold pursuant to this act shall be sold in accordance with the procedures set forth in G.S. 146-27 through G.S. 146-29.

**SECTION 1.(d)** Funds to implement the sales process. – Of the funds available to the Department of Administration, the Department may use up to three hundred thousand dollars (\$300,000) to implement the provisions of this act.

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

- (1) In accordance with the provisions of any trust or other instrument of title under which title to the real property was acquired by the State. The term "**net proceeds**" means the gross amount received from the sale of any such property less any expenses incurred incident to that

- sale, subject to regulations adopted by the Governor and approved by the Council of State.
- (2) To reimburse the Department of Administration for any funds expended pursuant to Section 1(d) of this act.
  - (3) The next five million dollars (\$5,000,000) of the funds shall be placed in a special trust fund in the Department of State Treasurer, hereinafter to be held in trust and used solely for the upkeep, repair, and maintenance of the Executive Mansion. The State Treasurer, as custodian of the special trust fund, shall authorize the use of interest earned by the special trust fund only for such purposes as approved by the Executive Mansion Fine Arts Committee. The duties of the Committee under this section are in addition to those provided by G.S. 143B-79. The Executive Mansion Fine Arts Committee shall report to the Joint Legislative Commission on Governmental Operations any expenditures within 30 days of approving them. The principal may not be used for any purpose.
  - (4) The remainder not needed under subdivisions (1) through (3) of this section shall be placed in the General Fund.

**Disposition of net proceeds from sale of personal property.**

**§ 121-7. Historical museums.**

The Department of Cultural Resources may, with the explicit approval of the North Carolina Historical Commission sell, trade, or place on permanent loan any artifact owned by the State of North Carolina and in the custody of and curated by the Office of Archives and History, unless the sale, trade, or loan would be contrary to the terms of acquisition. The **net proceeds** of any sale, after deduction of the expenses attributable to that sale, shall be deposited to the State treasury to the credit of the Office of Archives and History Artifact Fund and shall be used only for the purchase of other artifacts. No artifact curated by any agency of the Department of Cultural Resources may be pledged or mortgaged.

**§ 121-7.1. Maritime Museum; disposition of artifacts.**

The Department of Cultural Resources, with the approval of the North Carolina Historical Commission, may sell, trade, or place on permanent loan any artifact from the collection of the North Carolina Maritime Museum unless the sale, trade, or loan would be contrary to the terms of the acquisition. Sales or exchanges shall be conducted in accordance with generally accepted practices for accredited museums. If an artifact is sold, the **net proceeds** of the sale shall be deposited in the State treasury to the credit of a special fund to be used for the improvement of the Museum's collections or exhibits.

**§ 140-5.14. North Carolina Art Museum Board of Trustees.**

The Board of Trustees shall be the governing body of the North Carolina Museum of Art and shall have the following powers and duties:

- (7) After consultation with the Secretary of Cultural Resources, on behalf of and in the name of the North Carolina Museum of Art, to acquire by purchase, gift, or will, absolutely or in trust, from individuals, corporations, the federal government, or from any other source,

money, works of art, or other property which may be retained, sold, or otherwise used to promote the purposes of the North Carolina Museum of Art as provided in G.S. 140-5.12. The **net proceeds** of the sale of all property acquired under the provisions of this paragraph shall be deposited in the State Treasury to the credit of the "The North Carolina Museum of Art Special Fund";

....

- (9) After consultation with the Secretary of Cultural Resources, to sell any work of art owned by the North Carolina Museum of Art if the Board finds that it is in the best interest of the Museum to do so, unless such sale would be contrary to the terms of acquisition. The **net proceeds** of each such sale, after deduction of the expenses attributable to that sale, shall be deposited in the State treasury to the credit of "The North Carolina Museum of Art Special Fund," and shall be used only for the purchase of other works of art. No work of art owned by the North Carolina Museum of Art may be pledged or mortgaged;

**§ 143-268. Official records turned over to Department of Cultural Resources; conversion of other assets into cash; allocation of assets to State agency or department.**

The Secretary of Administration shall receive all such assets so delivered and, after they have served their purpose in the liquidation of the affairs of such board or agency, shall turn over all official records of such board or agency to the Department of Cultural Resources to be held pursuant to the statutes relating to such Department. The Secretary of Administration shall proceed to convert all other such assets into cash by public sale to the highest bidder, and shall deposit the **net proceeds** of any such sale with the State Treasurer: Provided, that the Secretary of Administration, in his discretion, may allocate to any State agency or department, the whole or any part of such assets, the sale of which is not required to discharge the obligations of the board or agency being liquidated.

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

The Executive Mansion Fine Arts Committee shall have the following functions and duties:

- (7) The Committee may dispose of property held in the Executive Mansion after consultation with a review committee comprised of one person from the Executive Mansion Fine Arts Committee, appointed by its chairman; one person from the Department of Administration appointed by the Secretary of Administration; and two qualified professionals from the Department of Cultural Resources, Division of Archives and History, appointed by the Secretary of Cultural Resources. Upon request of the Executive Mansion Fine Arts Committee, the review committee will view proposed items for disposition and make a recommendation to the North Carolina Historical Commission who will make a final decision. The Historical

Commission must consider whether the disposition is in the best interest of the State of North Carolina. If such property is sold, (i) if the records with regard to the property reflect that it was acquired by the State by gift or devise the **net proceeds** of each such sale shall be deposited in the State Treasury to the credit of the Executive Mansion, Special Fund, and shall be used only for the purchase, conservation, restoration or repair of other property for use in the Executive Mansion and; (ii) if the records with regard to the property reflect that the property was acquired by the State by purchase with appropriated funds or do not show the manner of acquisition, the **net proceeds** of such sale shall be deposited in the General Fund.

**§ 143B-289.41. Division of North Carolina Aquariums.**

(a) The Division of North Carolina Aquariums shall be organized as prescribed by the Secretary of Environment and Natural Resources and shall exercise the following powers and duties:

- ...
- (1c) To dispose of any exhibit, exhibit component, or object from the collections of the North Carolina Aquariums by sale, lease, or trade. A sale, lease, or trade under this subdivision shall be conducted in accordance with generally accepted practices for zoos and aquariums that are accredited by the American Association of Zoos and Aquariums. After deducting the expenses attributable to the sale or lease, the **net proceeds** of any sale or lease shall be credited to the North Carolina Aquariums Fund.

**§ 143B-344.22. Museum of Natural Sciences; disposition of objects.**

The Department of Environment and Natural Resources may sell or exchange any object from the collection of the Museum of Natural Sciences when it would be in the best interest of the Museum to do so. Sales or exchanges shall be conducted in accordance with generally accepted practices for accredited museums. If an object is sold, the **net proceeds** of the sale shall be deposited in the State treasury to the credit of a special fund to be used for the improvement of the Museum's collections or exhibits.

## **APPENDIX D**

### **Solicited Statements from Mental Health Advocacy Groups**



309 West Millbrook Road, Suite 121  
Raleigh, North Carolina 27609  
Telephone 919-788-0801  
Helpline 800-451-9682  
Facsimile 919-788-0906  
<http://www.naminc.org>  
[mail@naminc.org](mailto:mail@naminc.org)

To Members of the Dorothea Dix Property Study Commission:

We all know the vital role that Dorothea Dix Hospital has played in the care of the mentally ill for well over a hundred years. It was a promise on the part of North Carolina to provide a haven and shelter for its citizens and their families when these brain diseases struck. That promise must still be kept. The monies realized by the sale or transfer of this property, morally and ethically must be used for the same purposes. To that end, NAMI North Carolina makes the following requests regarding the disposition of the Dorothea Dix property:

NAMI North Carolina asks that the monies gained from the sale of Dix be kept in the mental health system and not revert to the general fund.

We request that the proceeds be placed in the Mental Health Trust Fund where they will be secured for purposes of helping to meet the critical needs related to mental health reform, as recommended by Ralph Campbell, State Auditor.

Once the proceeds are secured in the Trust Fund, we request that they be targeted to fund those services, such as ACTT, Jail Diversion, Housing, etc. that are proven effective and can indeed help the state of North Carolina to keep its promise to our citizens with brain disorders.

NAMI North Carolina asks that a portion of the money be used to expand housing efforts beyond what is possible within the Division. Partnerships with the NC Housing Authority and NC Realtors Association could serve as a prototype of public-private efforts. A decent place to live is a vital component of the recovery effort that the Reform Plan hopes to achieve.

We also ask that a portion of the money be used to establish closer coordination of services for those with mental illness who are caught up in the criminal justice system. This includes services such as Crisis Intervention Training in local communities, Jail Diversion programs, and Mental Health Courts. A portion of the money realized should be used to establish better liaison between the Division of Mental Health and LMEs with the Department of Corrections.

NAMI North Carolina specifically requests, should this property not be sold, and should the property be transferred to another state entity; that some mechanism be established whereby North Carolina's mental health system, through compensation to the Mental Health Trust Fund, realizes benefits commensurate with the value of the Dorothea Dix property.



## NAMI Wake Position on Impact of Sale of Dix Land & Allocation of Proceeds of Sale

- *NAMI Wake County continues to believe that a reduction of 54%, a total of 381 beds, in the central region of NC will result in grave outcomes for people with mental illness, their families and their communities. Dorothea Dix Hospital should not close.*
  - *NAMI Wake also understands the unfortunate reality of the decision to close Dix; with that in mind, NAMI Wake respectfully requests your consideration of the following:*
- 1) NAMI Wake County supports the recommendation of the State Auditor, "...the proceeds from the sale of the land should be used to establish a special "Dorothea Dix Mental Health Transfer Account" that would account for all of the savings and revenue operations accrued from hospital downsizing."
  - 2) NAMI Wake County agrees with the Resolution of the Mental Health Commission which
    - a) ... "strongly supports the designation of the Mental Health Trust Fund as a restricted use fund that cannot be appropriated for other purposes even in times of state financial hardship;
    - b) ...recommends that all funds generated from savings as a result of state psychiatric hospital downsizing, including revenues generated from the sale or lease of Dorothea Dix Hospital property, be designated and restricted as Mental Health Trust Fund revenue; and
  - 3) ...strongly supports the passage of legislation clearly articulating the commitment of the State of North Carolina to the restricted use of Mental Health Trust Funds for the exclusive use of building and maintaining community-based mental health, developmental disabilities and substance abuse services.
  - 4) NAMI Wake asks that any development occurring on Dix property reflect the historic nature and the beauty of the site. The plot of land containing the Dix cemetery should not be disturbed. Memorials and trees planted to honor donors, volunteers, and patients should be preserved. A portion of the land should be set aside for a park. The historic "Stone House" should be preserved as a museum honoring Dorothea Dix. Development should respect and maintain the character of the Boylan Heights community while including sites for community MH/DD/SAS services such as clubhouse facilities and supported housing in keeping with the history of the site.
  - 5) NAMI Wake believes the remaining Dix land should benefit people with mental illness. This can best be achieved by selling all the land not set aside for a park and museum including the land and buildings currently occupied by State Departments such as DHHS and Agriculture. These state offices should be moved to other less expensive land.
  - 6) NAMI Wake County requests that a portion of the funds from the sale of the land be used to develop a **regional** psychiatric center to treat patients who need to be stabilized as well as to conduct clinical and community psychiatric research. This center should be available to all communities in the central region of the State. When Dix closes, there will be NO hospital in Wake County (the 2<sup>nd</sup> largest population center in the state) accepting adult psychiatric patients with Medicaid or no insurance. These incentives should be available to fund a partnership among Wake County, Wake County's nonprofit hospitals, and the UNC Department of Psychiatry. A state-of-the-art regional center including community psychiatric research is important for developing and implementing studies to monitor and evaluate implementation of the State's mental health reform plan and for providing a safety net for patients, communities, and hospital emergency rooms in counties in the central region.



## **APPENDIX E**

**Commission Public Hearing on February 9, 2004**

## **Dorothea Dix Property Study Commission Public Hearing Summary**

At the request of the Co-Chairs of the Dorothea Dix Property Study Commission (Dix Commission), staff prepared a brief summary of the Commission's public hearing held last month. The purpose of this document is to assist the Commission as it incorporates public input into Commission decision-making.

### ***Background***

On February 9, 2004, the Dorothea Dix Property Study Commission convened a public hearing for the purpose of gathering information from interested parties on the following topics:

- (1) If the Dix Campus were sold to a non-governmental entity, should any conditions be placed on the subsequent development and use of that land?
- (2) If proceeds are generated from the sale of the Dix Campus, what should the proceeds be used for?
- (3) Other issue relevant to options for the disposal of the Dix Campus.

Approximately 75 persons spoke of a variety of concerns, including: using this asset to support mental health services locally and statewide, conserving open space, creating recreational space, and supporting economic development. What follows is a summary of these various concerns.

### ***State-wide Support of Mental Health Services***

Several persons recommended that if the Dix Campus were to be sold, the proceeds from that sale should be dedicated to the delivery of mental health, developmental disability, and substance abuse services. While some individuals specifically cited that the proceeds should be deposited in the Mental Health Trust Fund for the purpose of providing bridge funding for Reform, not all speakers were so specific. Persons and organizations who spoke in support of state-wide mental health support include:

*North Carolina Psychiatric Assoc.; David Honea (local resident); Louise Fisher (mental health volunteer); National Alliance for the Mentally Ill of NC; Louise Taylor (mother of a consumer); North Carolina Psychological Assoc.; Coalition for Persons Disabled by Mental Illness; Mental Health Assoc. of NC; Coalition 2001; Marjorie O'Rourke (Dix historian); and Adele Foschia (mental health professional and mother of a consumer).*

### ***Local Support of Mental Health Services***

Some speakers expressed concern that the closure of Dix Hospital will leave a void in needed services for persons with mental illness in Wake County. Several ideas were put forth for protecting local services for Wake County residents

- Build a psychiatric hospital or regional inpatient facility at the campus - *Hope Turlington (Dix employee); and Josie Douglas (mother of deaf/MI child)*
- Housing for the mentally ill at the campus – *Janet Nelson (Meredith College Faculty)*
- Centralized community service facilities; Community clinic at the campus – *Louise Taylor (mother of a consumer); Church of the Woods Homeless Ministry; Jack Alphin (local resident); and Benson Kirkman (former City Councilman)*

### ***Open Space Preservation***

A number of local residents expressed concern for the loss of open space if the Dix campus were sold and developed. Some spoke of simply preserving all or part of the Dix Campus, while others spoke of turning the property into a large urban recreational park (like New York's Central Park). Some presenters mentioned preserving open space under the Million Acres Initiative. Speakers concerned with open space include:

## **Dorothea Dix Property Study Commission Public Hearing Summary**

*David Honea (local resident); People for Parks; Tony Stephens (local resident); Ruth Bromer (local resident); Carlie Huberman (local resident); and Medhat Mohamed (local resident)*

### ***Land Use and Potential Development of the Dix Campus***

Assuming the land were to be sold and developed by non-governmental entities, some speakers discussed what types of improvements should be made on the Dix site. Many of the speakers emphasized the use of a rational and inclusive planning process for disposing of the land.

- Preserve historical landmarks on the campus – *Marjorie O'Rourke (Dix historian); and Tony Stephens (local resident)*
- Active living by Design experiment. Development should encourage healthy living through developing a walkable community – *Robert Harper (local resident)*
- Post-Secondary Residential Vocational Technical School in the site of the old hospital – *John Brooks (local resident)*
- Mixed use. Develop part of the campus for commercial use and preserve a piece of mental health facilities – *Jack Alphin (local resident)*
- Any residential development should be mixed income – *Tony Stephens (local resident)*
- Commercial development that creates jobs and increases the tax base – *Greater Raleigh Chamber of Commerce*
- All or part of the land should be used for public purposes. Some speakers suggested that the land should be used for a public school. Others suggested museums, public art, and health care facilities – *Tony Stephens (local resident); Dick Bell (landscape architect); Sue Johnson (Raleigh Appearance Commission); and Marjorie O'Rourke (Dix Historian)*
- Redevelopment and adaptive use of current facilities on the property – *Dick Bell (landscape architect); and Church of the Woods Homeless Ministry*
- Move Morehead School to the Dix Campus and expand Pullen Park – *Jack Alphin (local resident)*
- Housing for Greek Organizations at NCSU – *NC State Greek Alumni Association*

### ***Land Leases***

Several speakers stated that the land is too valuable to be sold. Given its size, location, and general availability of land inside the Raleigh Beltline, the State should not be quick to sell the land. Instead the State could retain the land and lease it out for commercial development. With retention of the land, the State could use the land for office space or generate long-term revenues from its leases to private entities. Speakers concerned with this issue include:

*David Mountcastle (local resident and developer); Robert Harper (local resident); and Tony Stephens (local resident)*

## **APPENDIX F**

### **Statement from the Raleigh Downtown Alliance**



[www.downtownraleigh.org](http://www.downtownraleigh.org)

**Comments on Dorothea Dix Future by Margaret Mullen, President and CEO,  
Downtown Raleigh Alliance**

Downtown revitalization is important to any community, because the underlying reason to do it is to make the Downtown area an economic contributor to the community—meaning that it should create jobs, increase property and sales tax revenues and spur additional development.

In cooperation with the City of Raleigh, we undertook *Livable Streets*, the community based strategic planning process, to identify a shared vision for Downtown, and establish clear agreed upon priorities on how to achieve that vision. The convention center and hotel, revitalizing Fayetteville Street Mall and many other initiatives you have heard about are a result of that effort. In addition to continuing Downtown as the “central business district” or the preferred location for office, the community wants it to be the “central entertainment district” surrounded by strong neighborhoods offering a variety of housing options for everyone.

So how does all that tie to the future of Dorothea Dix in response to the charge to the Commission, i.e., options in the event of a sale to a nongovernmental entity. While it’s not Downtown, whatever happens with the Dix property will have a dramatic impact on the success of Downtown, just as it will affect many other parts of the community. The Alliance has not taken a position as an organization, so these comments are based solely on my 25+ years of professional experience in Downtown revitalization.

Ensuring that we, as a community, provide adequate facilities for those in need of mental health care is critical. The same is true for other social service needs. If the community doesn’t provide adequate services, people in need will end up Downtown, many on the streets, creating a negative impression and making it harder to make Downtown economically viable. It is my belief that as good citizens, we have a responsibility to provide basic services for those in need. After that, my advice on the Dix property would be as follows:

Make sure the uses are compatible, not competing, with those in the immediate areas. To that end, office uses should be limited. With the vacancy rates that exist in this market today, additional office space would be seen as “competing.”

Look at community needs and see if they can meet there. In my opinion, affordable housing, both rental and ownership, are huge unmet needs in Raleigh and greater Wake County. And, where there is housing, parks or green spaces are essential.

Thus, a community with a wide variety of housing options with neighborhood support services would be my first “wish” for that space...assuming that the land were sold to a private developer.

Thank you for the opportunity to share my thoughts with you.

Background information on the Downtown Raleigh Alliance

The Downtown Raleigh Alliance is a 501(c)6 non profit corporation functioning as both a business improvement district, or BID, and a membership organization. It has also established Raleigh Civic Ventures, a 501(c)3 non profit, to receive contributions and grants from businesses, foundations and individuals who want to improve Downtown Raleigh, make it a point of pride in the city, and leave a great legacy for future generations.

Our work program includes:

Advocacy—Provide leadership for projects and activities that will enhance the desirability of the downtown area as a place to live, work, play and do business.

Economic Development—Assist prospects, property owners, tenants and investors on everything from locating appropriate business opportunities to understanding government regulations affecting Downtown Raleigh; brief major stakeholder groups on ongoing Downtown projects and issues; serve as liaison with Chamber of Commerce, City of Raleigh and Convention and Visitors Bureau on business recruitment and retention.

Marketing/Communications—Raise the public awareness of the importance of Downtown revitalization and improve the public perception of Downtown; maintain a comprehensive website on Downtown that includes everything from what to do and where to dine to what economic development opportunities are available; create and produce marketing materials that promote all that Downtown has to offer.

Safety Presence—A bicycle Safety Patrol serves as eyes and ears for the Police Department, as well as Downtown Ambassadors providing information on all that Downtown has to offer.

Sidewalk Cleaning—A Clean Team keeps sidewalks and public spaces such as the Fayetteville Street Mall free of litter and debris.

One-Stop Shop—The DRA is here to assist, whenever possible, with issues that would make it easier to do business, live, or be entertained in Downtown Raleigh.

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## **APPENDIX G**

### **Planning Documents from City of Raleigh**

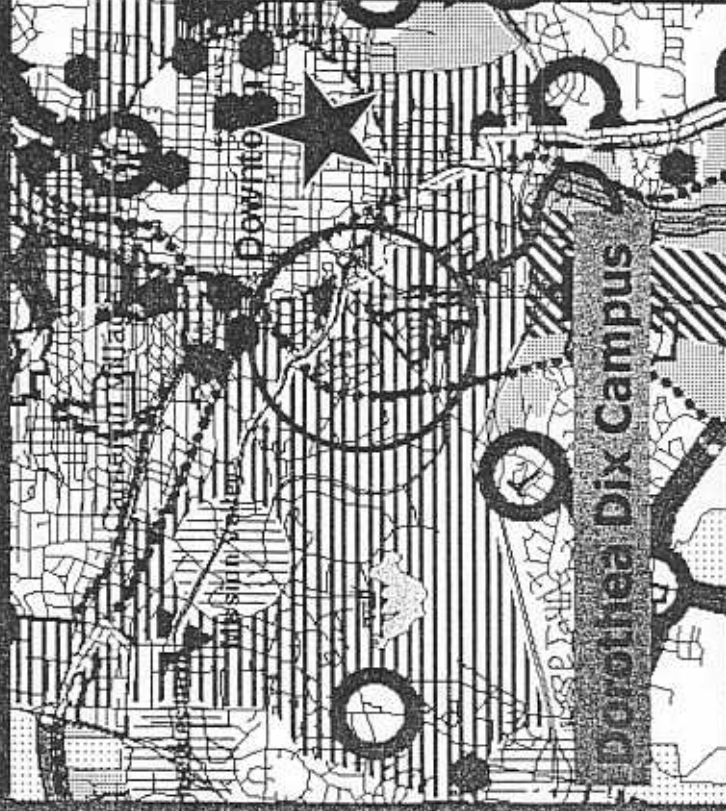
# City of Raleigh Planning

- ▲ Raleigh Comprehensive Plan serves as blueprint for the future growth of the city
- ▲ Site within one of three regional centers





# City of Raleigh Planning



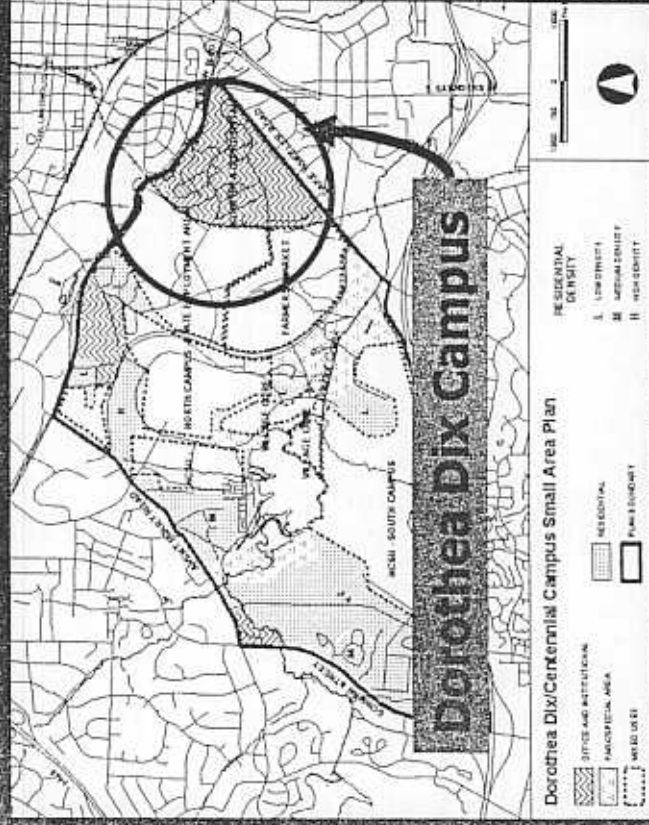
- ▶ Dorothea Dix property is part of the designated Downtown Regional Center
- ▶ Regional centers contain the most intense development in the city





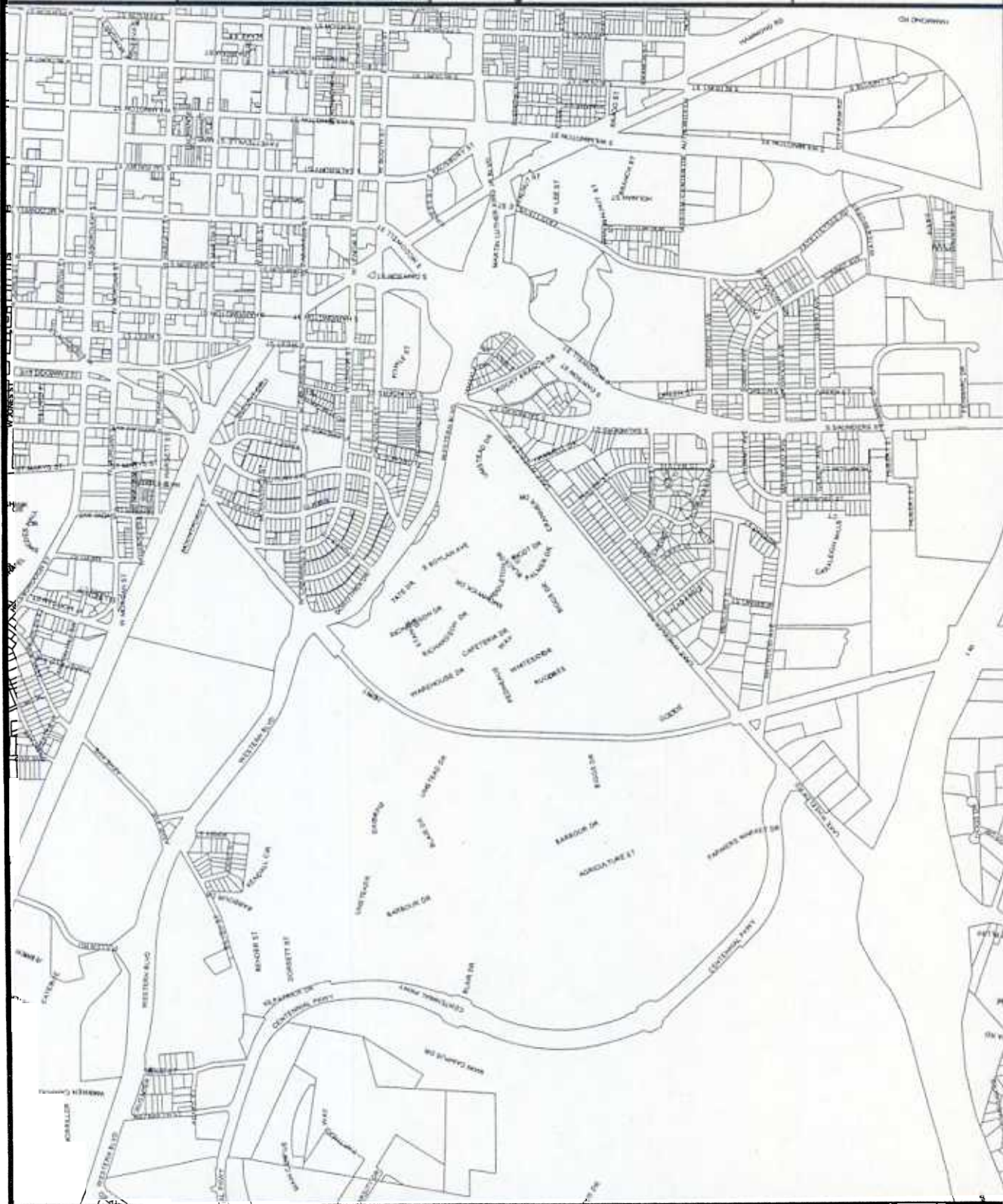
# City of Raleigh Planning

- ▲ Subject property is within the Dorothea Dix/Centennial Campus small area plan.
- ▲ Plan reflects State and NCSU master planning in the area





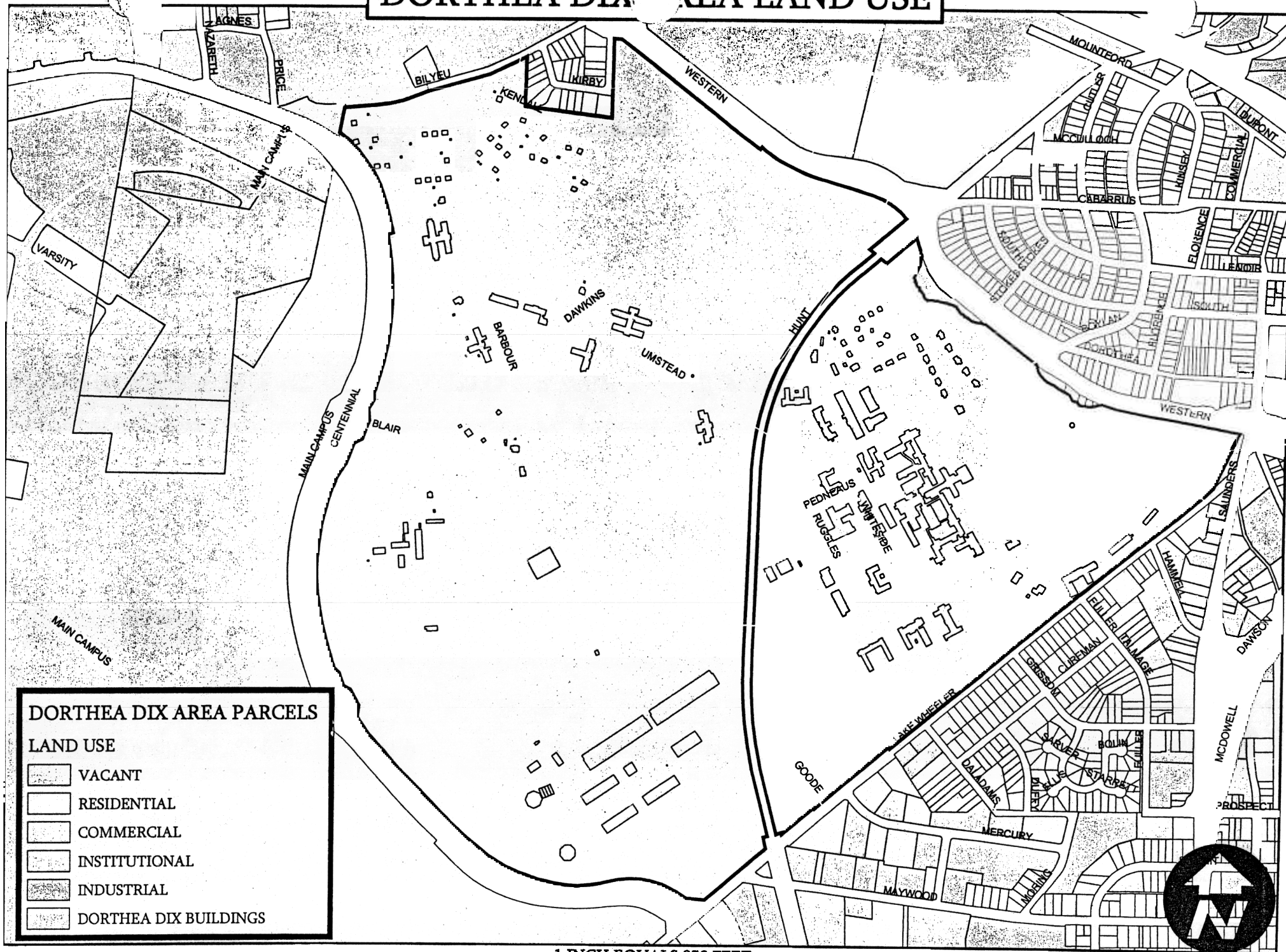
# STREETS AND LAND PARCELS



This is a graphic representation only of the best available resources. The City of Raleigh assumes no responsibility for any errors.

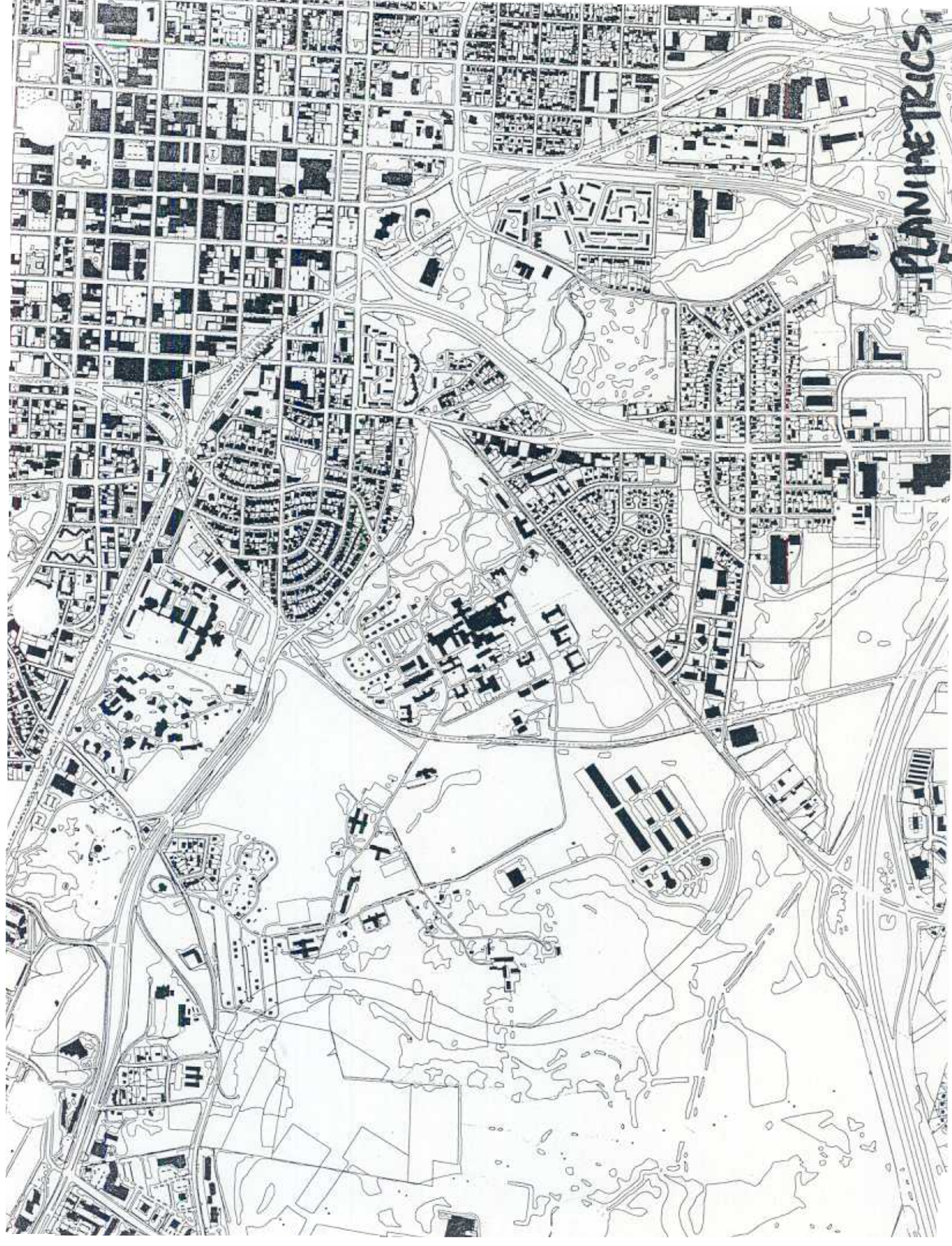


# DORTHEA DIX AREA LAND USE

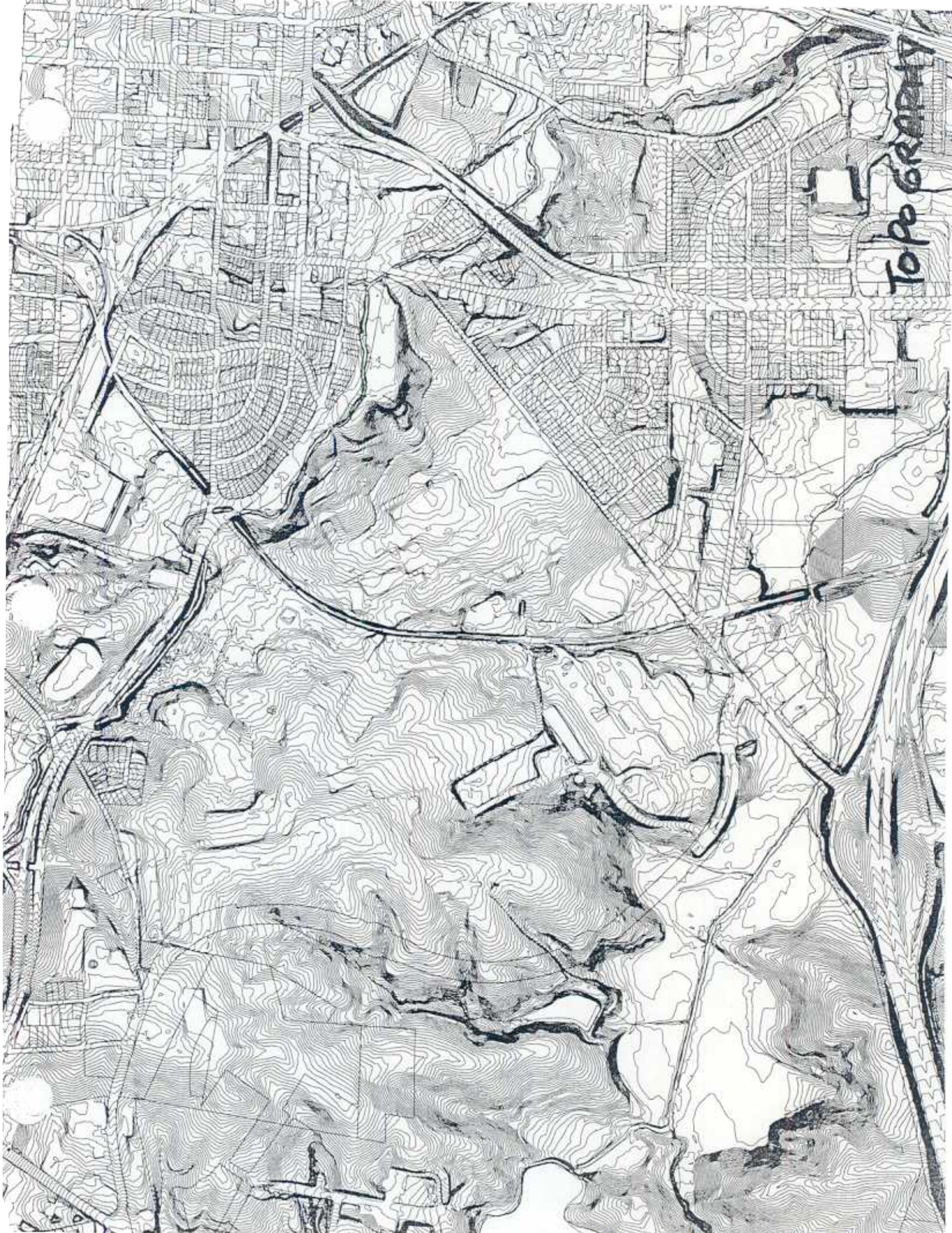


1 INCH EQUALS 850 FEET



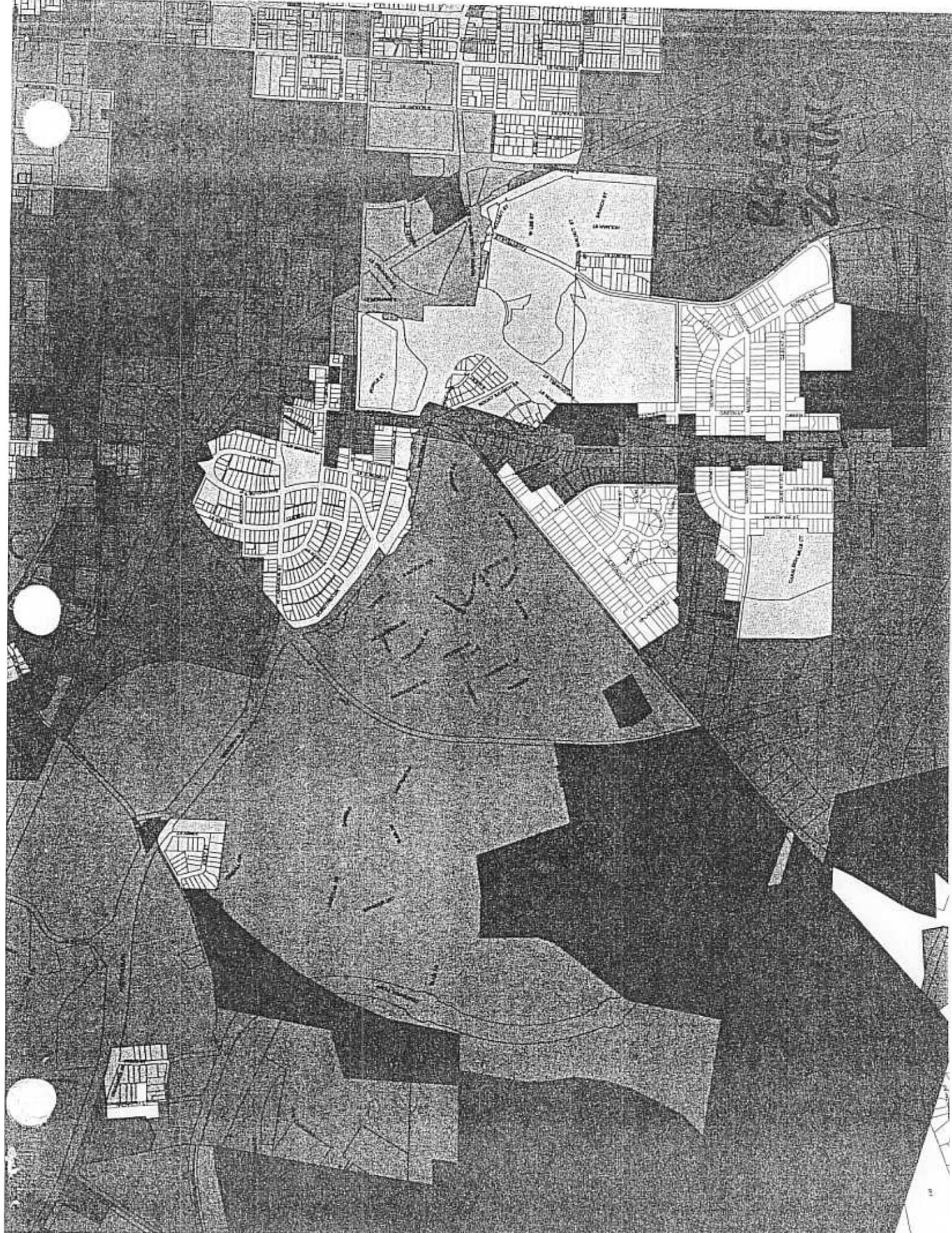






Topography





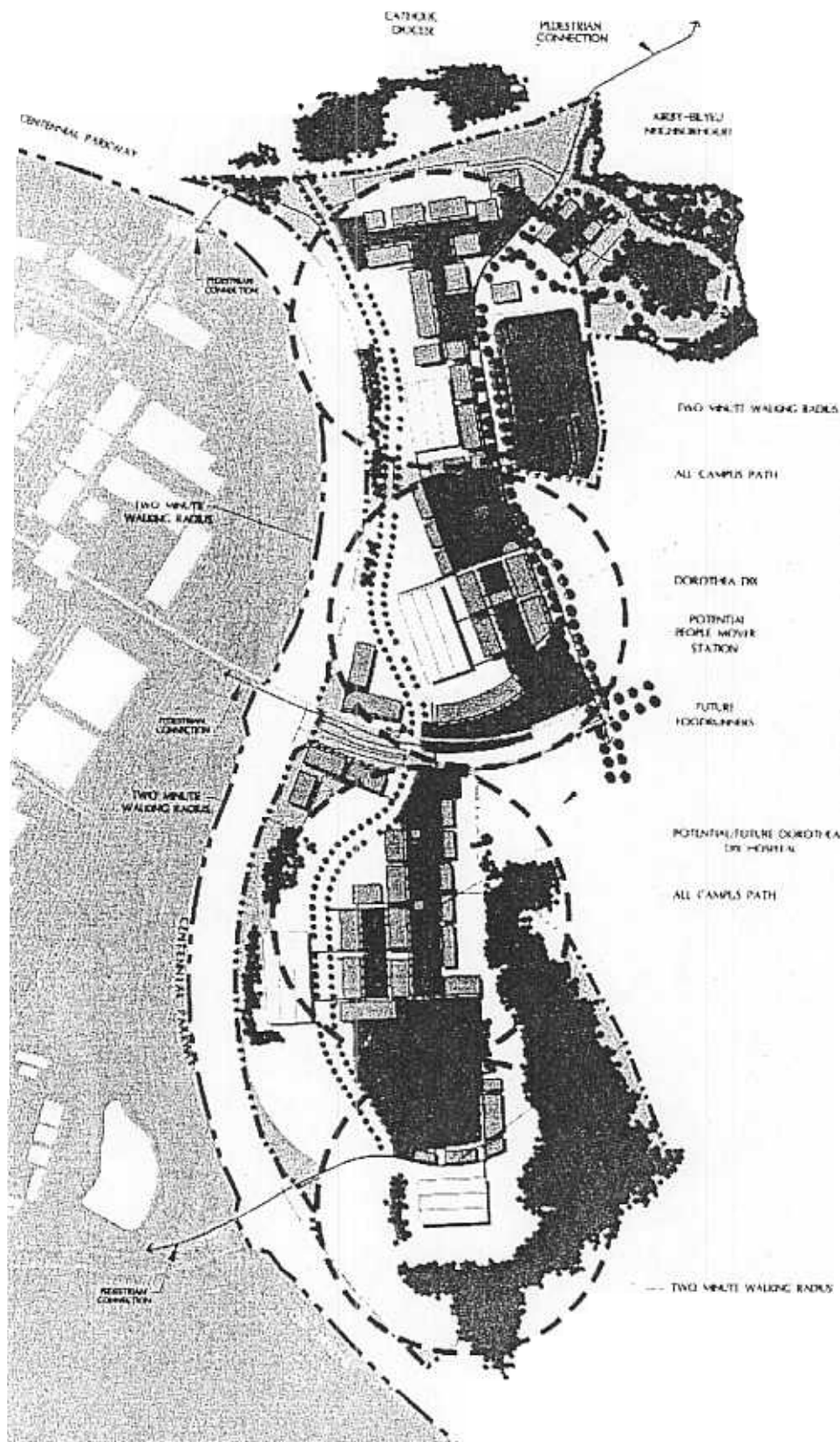


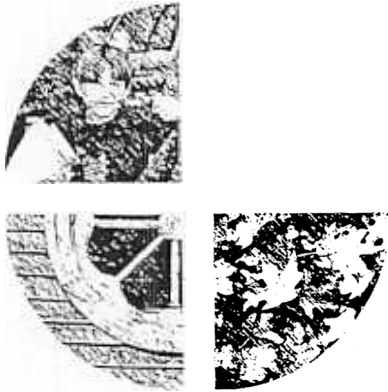
## Raleigh, North Carolina

1. 100% 90%  
 2. 100% 90%  
 3. 100% 90%

- PHASE 4**
- ACQUIRE LAND
  - CONDUCT SURVEY
  - DEVELOP LAND
  - BUILD INFRASTRUCTURE
  - ESTABLISH A NATURAL TERMINUS FOR THE SPRINGTOWN PRESENT

ELWIN F. HAKED, JR. FSA CAMPUS PLANNER





## City of Raleigh Planning Department

### Memo

**To:**  
Mayor Charles Meeker

**From:**  
Planning Director George  
Chapman

**Date:**  
March 10, 2004

**Subject:**  
Dorothea Dix Property  
Disposition: City of Raleigh  
Participation

As you know, the Dorothea Dix Property Study Commission (DDPSC) has met three times to discuss the use of funds that would be accrued by the State should the Dorothea Dix property be sold. A recurring theme in the discussions has been the potential for the City of Raleigh to have a role in planning for the future of the property, given that the Raleigh Planning Department has experience and resources related to such projects.

The Planning Department could prepare an update of the Dorothea Dix/Centennial Campus small area plan, which is currently part of the City's Comprehensive Plan but is in need of updating. This would be an advantageous time to update the plan for various reasons. The Planning Department will soon be undertaking an update of the Southwest District Plan, which includes the Dix property. In addition, current planning efforts focusing on the convention center, hotel and south end of Fayetteville Street have recognized the need for improved connections to and coordination with planning for the Dix property. This timing allows for the opportunity to plan for the Dix property within the broader context of the surrounding communities.

A prototype for the project would be the Arena small area plan, which involved diverse interests but included planning for the development of 149 acres owned by NCSU at the intersection of Wade Avenue and I-40.

#### Study Area

The Dorothea Dix/ Centennial Campus plan area is bound on the south by Lake Wheeler Road and I-40, on the west by Gorman Street and Avent Ferry Road, and on the north by Western Boulevard.

#### Issues for Study

The plan could include detailed design guidelines and land use recommendations for the Dix property. Aspects of the transportation network would be addressed, with particular focus given to connections with the surrounding area, especially downtown and improved transit service. Natural features would be identified, such as steep slopes,

City of Raleigh Planning Department  
222 West Hargett Street  
PO Box 590  
Raleigh, NC 27602

Phone (919)890-3125  
Fax (919)890-3690

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wooded areas and streams, as well as environmentally challenged areas such as the old landfill. A protection or conservation strategy for these features could be developed as part of the plan. Sites of historical importance and of particular value to the history of mental health care would also be identified and preservation techniques suggested.

#### **Constituencies**

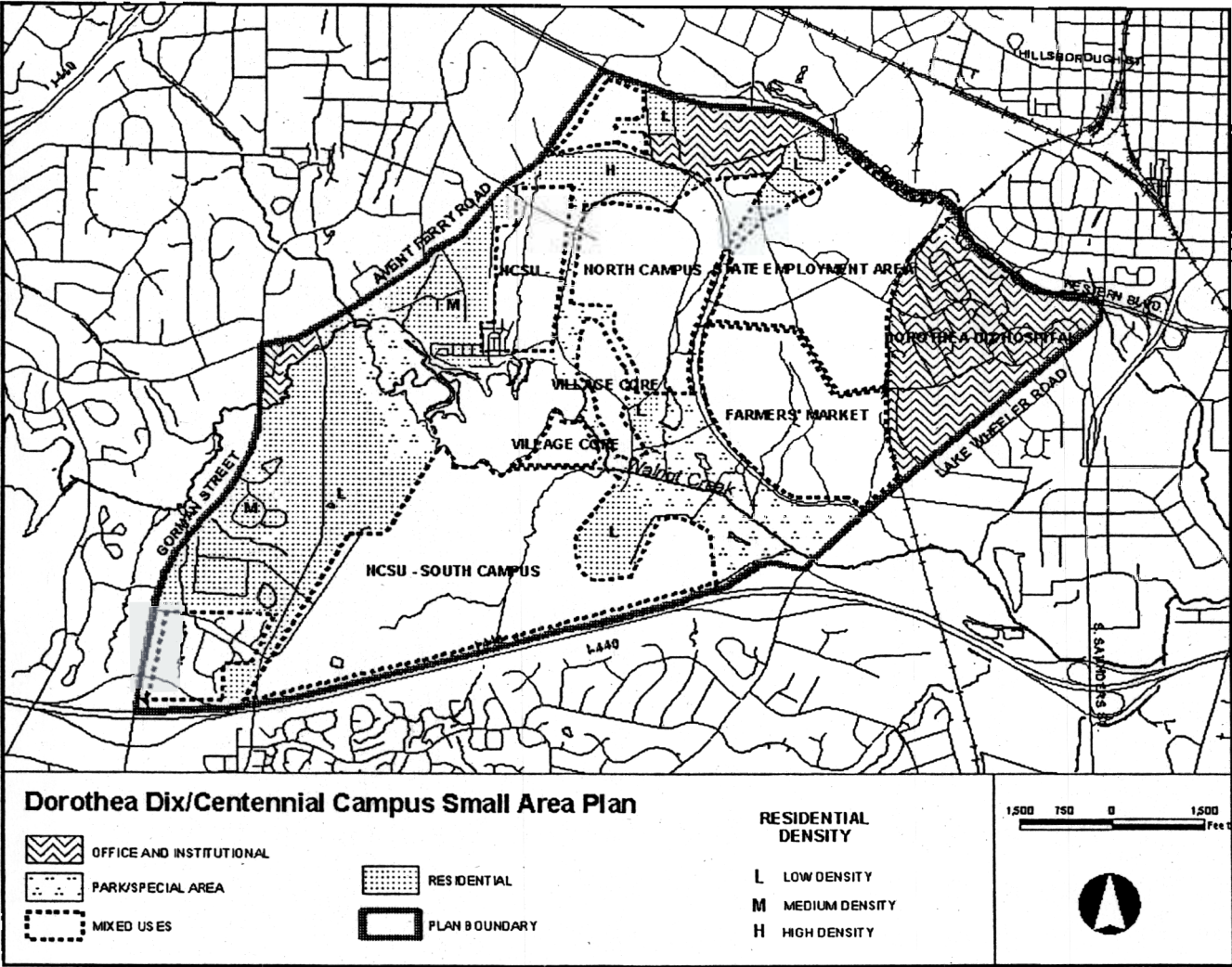
The planning process would involve local stakeholders, including surrounding neighborhoods (particularly the Kirby/Bilyeu neighborhood, Boylan Heights and Caraleigh), NCSU, Centennial Campus tenants, the mental health advocacy community, the Triangle Transit Authority, the City of Raleigh Parks and Greenways Board and Transit Authority, the State Department of Health and Human Resources and the State Property Office.

#### **Schedule**

The process would take approximately one year, depending on a schedule that would be agreed upon by the City and the Study Commission. The plan would evolve from a series of public meetings or workshops that would cover in detail the range of issues identified above. The completed plan would be included in the City's Comprehensive Plan and be endorsed by the Study Commission. In the future, redevelopment of the Dix property would be guided by recommendations in the small area plan.

#### **Resources**

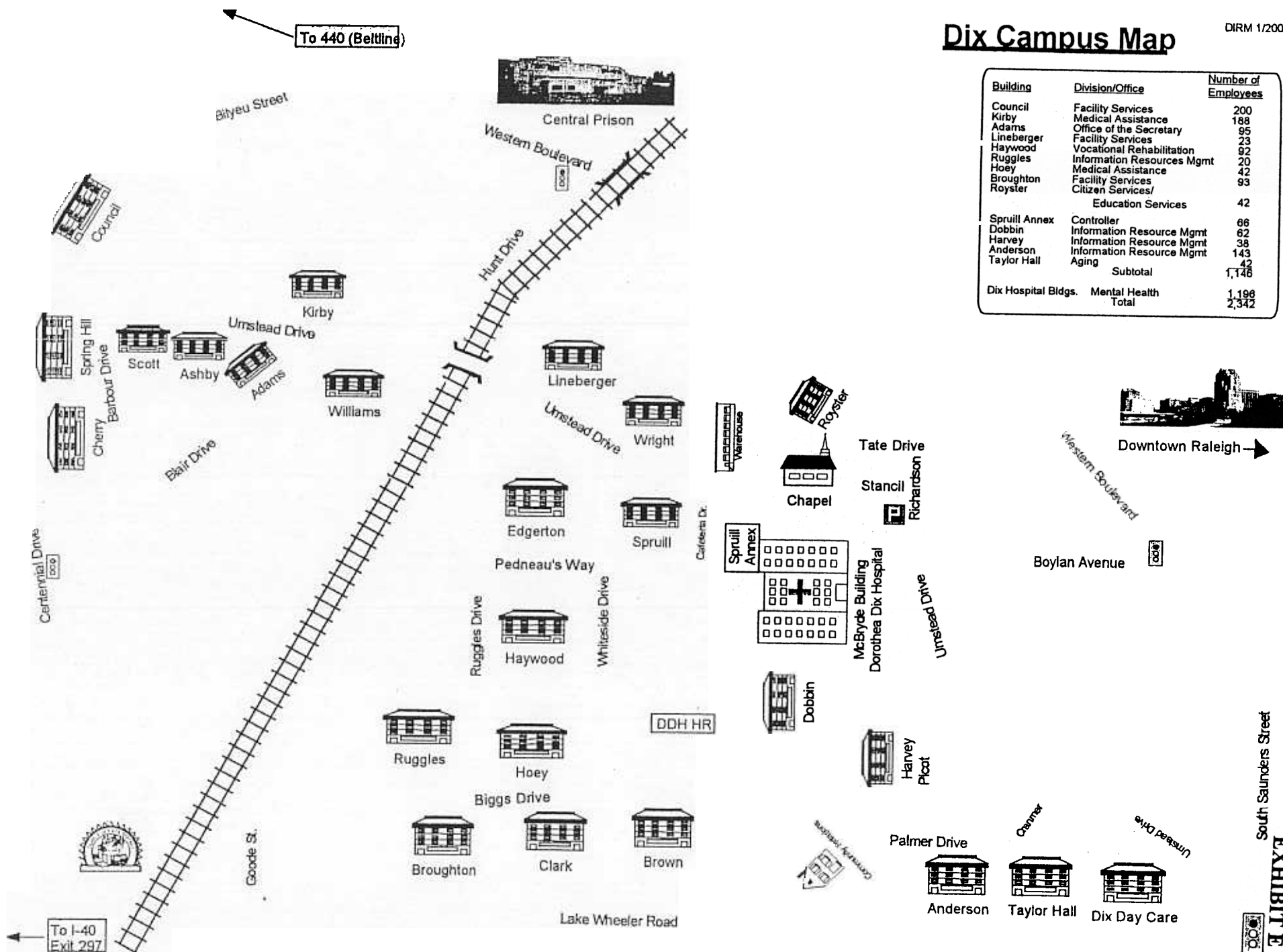
It is proposed that a consultant be retained to facilitate key meetings and provide graphic representations of the ideas in the plan. Currently there is no City money allocated for this project. As part of its partnership with the City in preparing this plan, the State may wish to provide funding for the retention of a consultant. It is anticipated that consultant fees would be in the \$75- to 100,000 range. The consultant could contract with the City or the State Property Office, depending on the desires of the Study Commission.





## **APPENDIX H**

### **Planning Documents from the State**



## SUMMARY OF DHHS EMPLOYEES LOCATED IN WAKE COUNTY

### LEASED SPACE

<u>Division</u>	<u>Location</u>	<u>Number of Employees</u>
Child Development	319 Chapanoke Road/Suite 120	120
Deaf & Hard of Hearing	319 Chapanoke Road	35
Medical Assistance	516 S. McDowell St.	138
Mental Health	3824 Barrett Drive/Suite 306	1
Mental Health	3824 Barrett Drive, Suite 308	7
Mental Health	3824 Barrett Drive, Suite 304	9
Mental Health	301-303 W Jones St/Ste 240-250	8
Mental Health	3824 Barrett Drive/Suite 302	8
Mental Health	303 W. Jones Street, Suite 203	3
Public Health	3319 Hobby Court	3
Public Health	1330 St. Mary's Street	260
Public Health	319 Chapanoke Road	6
Public Health	319 Chapanoke Road	20
Public Health	1200 Front Street	3
Public Health	2728 Capital Boulevard	45
Public Health	1318 Dale Street	28
Public Health	1200 Front Street	13
Public Health	1110 Navaho Drive	14
Information Resource Mgmt.	3301 Terminal Dr/Suite 119	65
Services for the Blind	1337 Express Drive	3
Social Services	3303 Terminal Drive	153
Social Services	3101 Jones Sausage Rd, Ste 117	4
Vocational Rehabilitation	1110 Navaho Drive	9
Vocational Rehabilitation	436 N. Harrington	20
Vocational Rehabilitation	3301 Terminal Dr.	300
Secretary's Office	1001 Navaho Drive/Suite GL-102	12
Secretary's Office	1110 Navaho Drive/Suite 108	Conf.
Secretary's Office	1110 Navaho Drive/Suite 106	6
Secretary's Office	616 Oberlin Road	140
Secretary's Office	222 N. Person Street	20
Secretary's Office	3801 Lake Boone Trail	14
Mental Health	Dix/916 Richardson Dr	5

SUB -TOTAL

### STATE GOVERNMENT COMPLEX DOWNTOWN

Social Services	Albemarle Building	205
Mental Health	Albemarle Building	157
Controller's Office	Albemarle Building	48
Public Health	Cooper Building	250
Public Health	Cotton Building	40
Public Health	Bath Building	200

SUB-TOTAL

**DIX OFFICE CAMPUS (Does Not Include Hospital Operations)**

Facility Services	Council Building	200
Facility Services	Lineberger Building	23
Facility Services	Broughton Building	93
Medical Assistance	Kirby Building	188
Medical Assistance	Hoey Building	42
Office of the Secretary	Adams Building	95
Vocational Rehabilitation	Haywood Building	92
Information Resources Mgmt.	Anderson Building	143
Information Resources Mgmt.	Dobbin Building	62
Information Resources Mgmt.	Harvey Building	38
Information Resources Mgmt.	Ruggles Building	20
Citizens Serv./Educ. Services	Royster Building	42
Controller	Spruill Annex	66
Aging	Taylor Hall	42
	<b>SUB-TOTAL</b>	<b>1146</b>
	<b>GRAND TOTAL</b>	<b>3518</b>

## Capital Appropriations for Dorothea Dix Hospital Campus

Project Title	Direct Appropriation	R & R
<b>1992</b>		
Gutter Replacement		\$30,000
Male Wing Renovations - Direct Appropriations	\$3,004,600	
<b>Total</b>	<b>\$3,004,600</b>	<b>\$30,000</b>
<b>1993</b>		
Boiler #2 Renovation		\$218,400
Male Wing Renovations Completion	\$1,457,300	
<b>Total</b>	<b>\$1,457,300</b>	<b>\$218,400</b>
<b>1994</b>		
McBryde South Weather Proofing		\$226,100
Reroof McBryde West-C		\$146,000
Council Building Window Replacement		\$300,000
Air Conditioning Scott Building, Renovate for Office Space		<u>\$300,000</u>
<b>Total</b>		<b>\$972,100</b>
<b>1995</b>		
Life Safety Code Corrections		\$987,000
Reroof Spruill Building		\$179,000
Primary Electrical Distribution Evaluation (Study)		\$100,000
West-A Roof		\$148,100
Replace Cooling Towers - Two Buildings		<u>\$110,700</u>
<b>Total</b>		<b>\$1,524,800</b>
<b>1996</b>		
Renovation of Spruill Annex & Lineberger		\$2,420,800
Chilled Water Plant - Dobbin, Taylor, HVAC		\$2,120,000
Replace Primary Electrical Distribution		\$2,345,900
South Wing Waterproofing (Phase II)		\$570,200
Clark Building Life Safety Code Corrections		<u>\$423,800</u>
<b>Total</b>		<b>\$7,880,700</b>

## Capital Appropriations for Dorothea Dix Hospital Campus

Project Title	Direct Appropriation	R & R
<b>1997</b>		
Adams & Taylor Renovations		\$378,000
McBryde Building Renovation		\$233,200
Renovation of Spruill Annex-Phase II		\$1,200,000
Royster Building Renovations		\$1,834,000
Young House & Clark Building Reroofing		\$686,000
Chiller Replacement-Phase II		\$1,300,000
Hoey Building Life Safety Code Corrections		<u>\$135,900</u>
		<b>\$5,767,100</b>
<b>1998</b>		
Royster Building Renovations (Phase 2)		\$1,460,300
Renovation of Spruill Annex (Phase 2)		\$564,500
Kitchen Air Conditioning		\$580,000
Chiller Plant (Phase 3)		\$1,743,900
Campus Reroofing		\$495,000
Renovate Lineberger Building for Office Space		<u>\$300,000</u>
	<b>Total</b>	<b>\$5,143,700</b>
<b>1999</b>		
Campus Reroofing (Phase 2)		\$520,000
Anderson Building Emergency		<u>\$187,157</u>
		<b>\$707,157</b>
<b>2000</b>		
Life Safety Code Improvements		\$254,300
Graham Building Roof Repairs		<u>\$193,240</u>
	<b>Total</b>	<b>\$447,540</b>
<b>Grand Total</b>	<b>\$4,461,900</b>	<b>\$22,691,497</b>

# MISSION

## Goals and Objectives

The goals and objectives for the future of the Dorothea Dix Campus were largely developed during three workshops held on campus. These goals, which focus on the future of the hospital and the objectives of the Department of Human Resources (DHR) are critical to defining a direction for development on the Dix Campus.

Primary goals identified for Dix Campus future development include:

- Consolidation of DHR on campus
- Provision for a new psychiatric hospital
- Reservation of land for future development
- Preservation of historically significant structures and elements



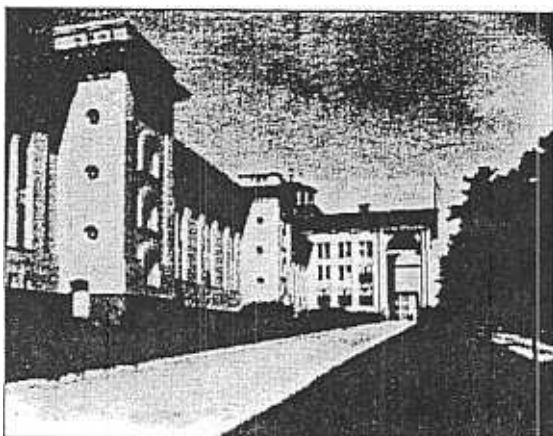
Dix Hospital/Etching



Preservation of landscape character

- Provision for a training center
- Development of linkages to surrounding areas

Approximately 912 employees of the Department of Human Resources, or 40% of the total staff, are currently located on the Dix Campus. It is the goal of this State agency to have all DHR employees, except community based field representatives, out of leased space and housed together on the Dix Campus. Further, the provision of mental health care services will remain a primary component of this campus.



Dix Hospital

## Methodology

The methodology employed for the planning of the Dix Campus was participatory and involved three interactive workshops. Attending these workshops were DHR staff, hospital staff, core team members and planning team members.

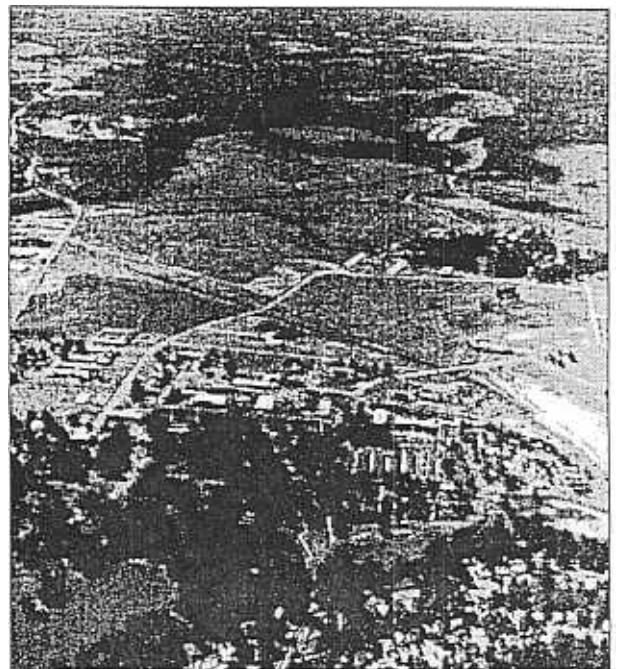
The first workshop focused on an analysis of the property and input from those in attendance as to development opportunities and constraints. The second workshop focused on the hospital's future and its continued provision of health care services. The third workshop was a presentation of several alternative development concepts for the campus which were evaluated and critiqued by those in attendance. As a result of this meeting, a development concept combining elements from two separate alternatives was identified. This concept formed the basis for further development.

In addition to the workshops, plans for the development of the Dix Campus were periodically reviewed by the planning core team and the Department of Human Resources.

## Location Criteria

The criteria for locating State government agencies on the Dorothea Dix Campus are consistent with its historic and current use and with emerging land use patterns. The criteria address the adaptive reuse of the existing historic structures, particularly the main hospital buildings, and strengthening the relationship between the Dix Hospital and the Department of Human Resources.

The Dorothea Dix Campus is viewed first and foremost as an opportunity to consolidate DHR offices. Currently, DHR is extremely dispersed and occupies a high percentage of leased space. The consolidation of DHR and the development of a new hospital should occur east of the railroad tracks. It is crucial that development west of the railroad tracks reflects an urban density, maintains designated open space, respects historic elements and acknowledges the influence of Centennial Campus.



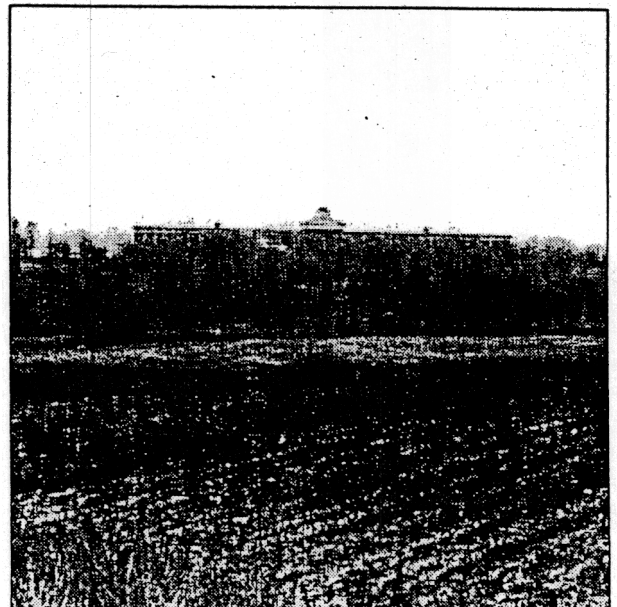
Dix Campus (1960's)

# EVOLUTION

The Dix property evolved through historical layers of development, events and people which formed the campus as we know it today.

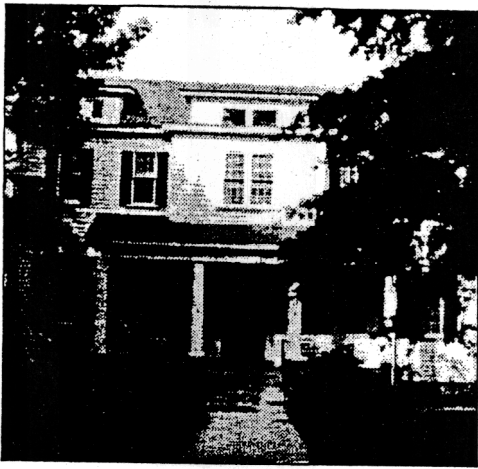
## History

The property now occupied by the Dorothea Dix Hospital, the State Farmers Market and Centennial Campus once belonged to the plantation of Colonel Theophilus Hunter, an early Wake County civic leader. In the mid-1700s, the plantation comprised approximately 3,500 acres in Wake County, including the property on the north side of Rocky Branch Creek. Colonel Hunter was also the owner of Hunter's Tavern, which burned in the 1770s.



Dix Hospital/Farm Field

Colonel Hunter built his home, Spring Hill, on the property's highest knoll. Upon his death in 1798, the house and surrounding land passed to his son, Henry. The adjoining land became the property of the second son, Theophilus Hunter, Jr. Following Henry's death in 1810, Theophilus Jr. acquired the house as well. The present house was constructed in 1816.



Spring Hill

Theophilus Jr., or "Orphy," as he was known, was a lawyer and plantation owner. He was also a civic leader, and served as Counsellor of State for the General Assembly and as one of five commissioners appointed to oversee the building of the Executive Mansion. He managed his property well, and at the time of his death in 1840 his estate comprised more than 6,000 acres. Most of the land, including Spring Hill and its surrounding 2,500 acres, was located in Wake County. Theophilus Jr.'s daughters retained possession of the Spring Hill tract until 1863, after which it changed ownership several times. During Sherman's occupation of Raleigh in

1865, General Miles took over Spring Hill as his headquarters.

Dorothea Lynde Dix came to Raleigh in 1848. Her mission was to ensure humane treatment of the mentally ill. At the time of her arrival, North Carolina and Delaware were the only two states of the original thirteen without state institutions for the mentally ill. Those suffering from mental illness were confined and housed in inhumane fashion, as Ms. Dix witnessed on a tour of thirty-six North Carolina counties.

Dorothea Dix's first attempt to secure legislation and funding for a mental hospital was defeated. However, a turn of fate later ensured her success. While residing in the same hotel as Representative James C. Dobbin of Fayetteville, Ms. Dix was asked to care for his ill wife. When Mrs. Dobbin asked if there were any way she could repay that kindness,



Dorothea Lynde Dix

Ms. Dix entreated her to urge her husband to go before the Legislature on behalf of the "Memorial Bill" to establish the hospital. On December 23, 1848, Representative Dobbin powerfully orated his full support of the bill and its appropriation of \$100,000 for the establishment of the hospital. The bill received an overwhelming majority vote.

The first appropriation came in 1849, and construction began in 1850. The site chosen by Ms. Dix was the hill overlooking Raleigh, now known as Dix Hill. The formal opening of the first unit, designed to accommodate forty patients, was held on February 1, 1856, and the first patient was admitted twenty-two days later. Ms. Dix, once described in a letter by President Millard Fillmore as "the most distinguished woman that America has yet produced," died in 1887. Although Dorothea Dix would have objected, the 1958-1959 General Assembly decreed that the hospital should bear her name.

As late as the 1940's, the hospital property functioned as a farm with patients caring for crops and livestock. These activities, as well as the tranquil and picturesque setting of Dix Hill, played an important role in patient treatment.

Over the years, portions of the buildings and original details of the Romanesque-styled hospital were lost to fire and demolition. However, many of the buildings still represent an architectural heritage significant enough for preservation. The landscape character of Dix Hill is also worthy of preservation and restoration efforts.

During the 1920's, 1930's and 1950's, the campus experienced building booms. Spring Hill was placed on the *National Register of Historic Buildings* in 1983. In November 1990, the area known as Dix Hill received recognition and was placed in the *National Register of Historic Places*. Other historic elements of the property include the graves of the Hunter family, including Colonel Theophilus Hunter (the oldest marked grave in Wake County), and a rediscovered cemetery thought to be the final resting place of 700-1,000 patients of the hospital.



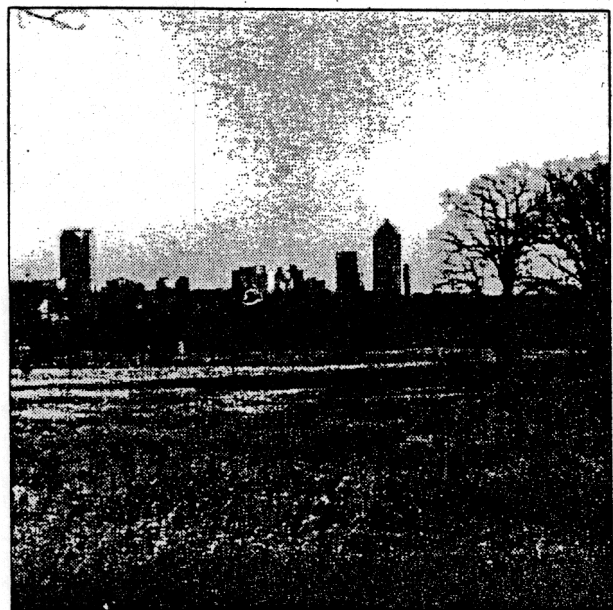
Original Hospital Portico (demolished)

In recent years a portion of the property adjacent to the cemetery was also utilized as a landfill. In this landfill are materials from central prison and the old North Carolina State University football stadium.

In 1985, a large portion of the property to the west was dedicated to North Carolina State University by Governor James B. Hunt, Jr., for the development of Centennial Campus and to the Department of Agriculture for the construction of the State Farmers Market. The Dix property currently comprises approximately 400 acres.



Farmers Market



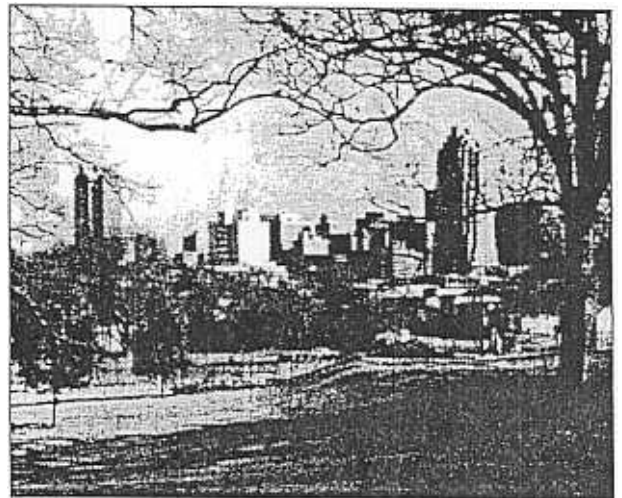
Landfill Area

# EVALUATION

The Dorothea Dix Campus is unique because of its urban location and pastoral, natural landscape. The influence of physical features, natural features and cultural forces are equally influential on this campus.

## Context

The immediate context of the Dorothea Dix Campus is undergoing dramatic change. Transportation projects are further separating the campus from surrounding land uses and modifying the landscape character. Significant development has occurred on the site's periphery in recent years and continues to advance toward the campus. In addition, a historical layer of land use and cultural purpose pervades



Dix Hill/View of City



this campus, giving it a richness of character. Also significant is the proximity of the campus to the city's central business district.

## Property Analysis

In addition to the historical significance of the Dorothea Dix Campus, there are other physical, natural, and cultural forces and influences which will impact the direction for development.

Physical features include the property's boundaries; the condition and arrangement of existing building stock; the potential for renovation and adaptive reuse of existing buildings; and the dissection of the property by the railroad and existing infrastructure. Natural features include those elements which combine to make up the character of the campus landscape. Topography, soils, hydrology patterns and significant vegetation all contribute.



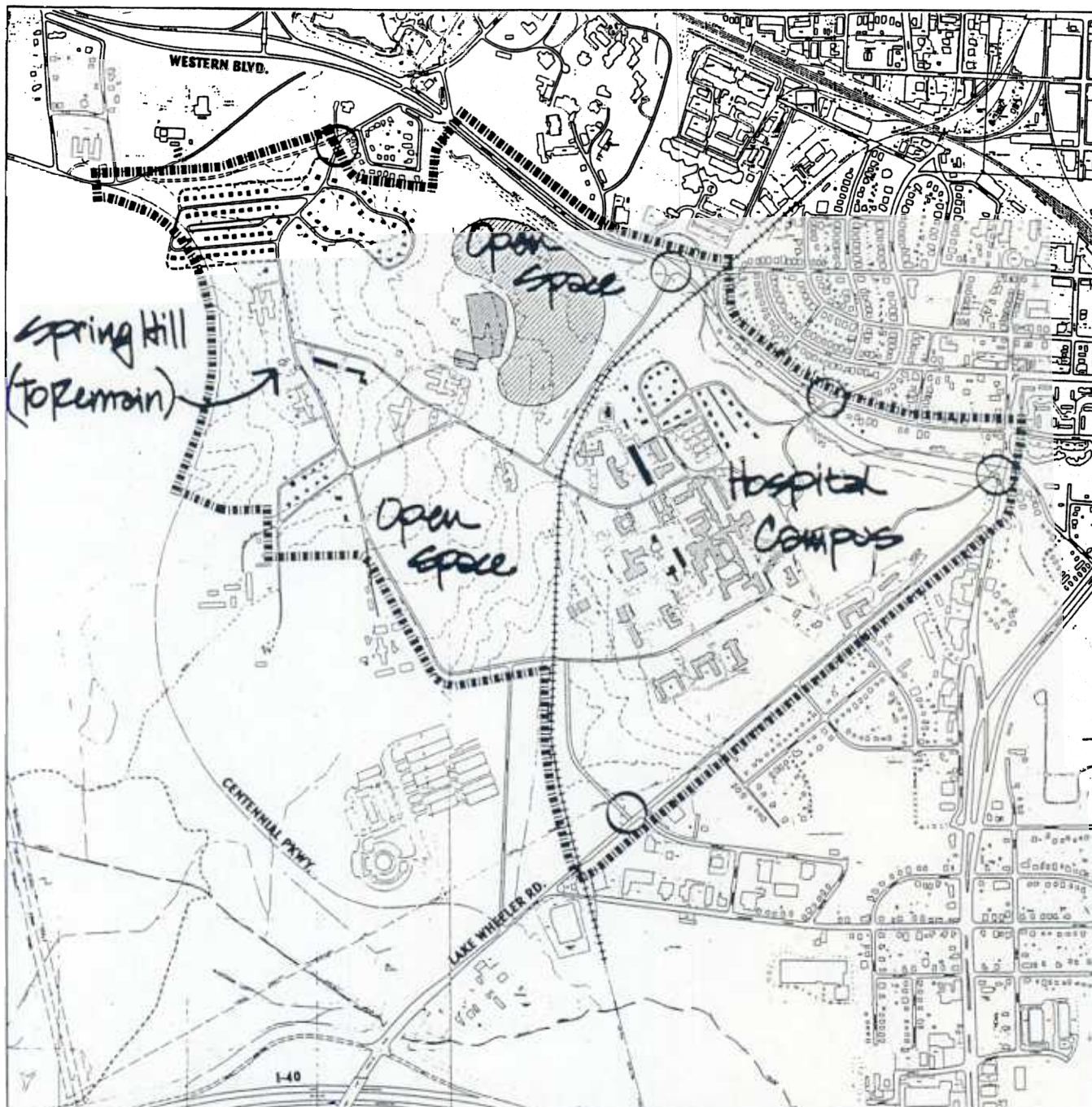
Houses to be Removed

Cultural influences which will have an influence on future development include surrounding land uses; historic designations; transportation and road improvement projects; the impact of the City of Raleigh's zoning and development ordinances; the future of health care as it relates to the continuance of and services provided by the Hospital; and the relationship and proximity of the property to the City of Raleigh and the Downtown Center.







## Physical Features

The property as it is currently defined comprises approximately 400 acres. It is bordered on two sides by existing roads which currently provide access to the property. The existing railroad corridor splits the site into an eastern half, which is smaller and contains historic Dix Hill, and a western half, which is largely undeveloped except for seven significant buildings and supporting surface parking areas. Spring Hill is located on the high point of the western half.

Buildings on the western half are somewhat scattered along existing roads and do not presently contribute to any discernible common spaces aside from their undeveloped surroundings. This differs from the eastern half which contains the hospital facility and other buildings which form more of a compact campus environment. The condition of buildings and their potential for renovation and reuse varies. Many of the structures would require substantial modification to comply with accessibility standards. Small residential struc-



## LEGEND

-  Buildings to Remain
-  Buildings to be Removed
-  Railroad
-  Landfill
-  Cemetery
-  Intersection/Entry

## DOROTHEA DIX CAMPUS

### PHYSICAL FEATURES



NORTH

December 1995

OBrienAtkins

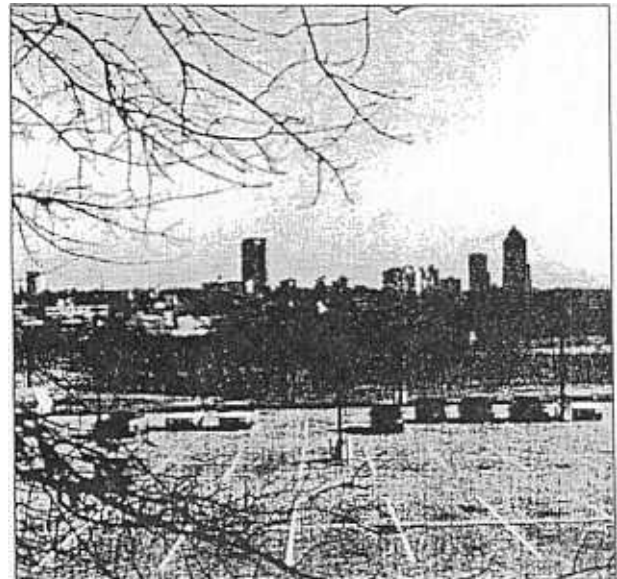
tures on both halves of the property are being and should continue to be removed. Much of the property's existing utility infrastructure is in need of upgrading as well. The landfill area on the western half of the property imposes severe limitations on future development.

### Natural Features

The combination of natural features creates the property's pastoral landscape character. The property consists of open rolling meadows punctuated by large trees in groups or lining existing roads. A ridge line exists on the eastern half in a northwest-southeast orientation. The main hospital facility itself is located along this ridge facing east. The hillside sloping down toward Rocky Branch Creek is highlighted by a grove of mature oaks and a meadow along the creek. Steep slopes which limit development but create a natural buffer exist along the creek at the northern edge of the eastern half adjacent to the tracks.

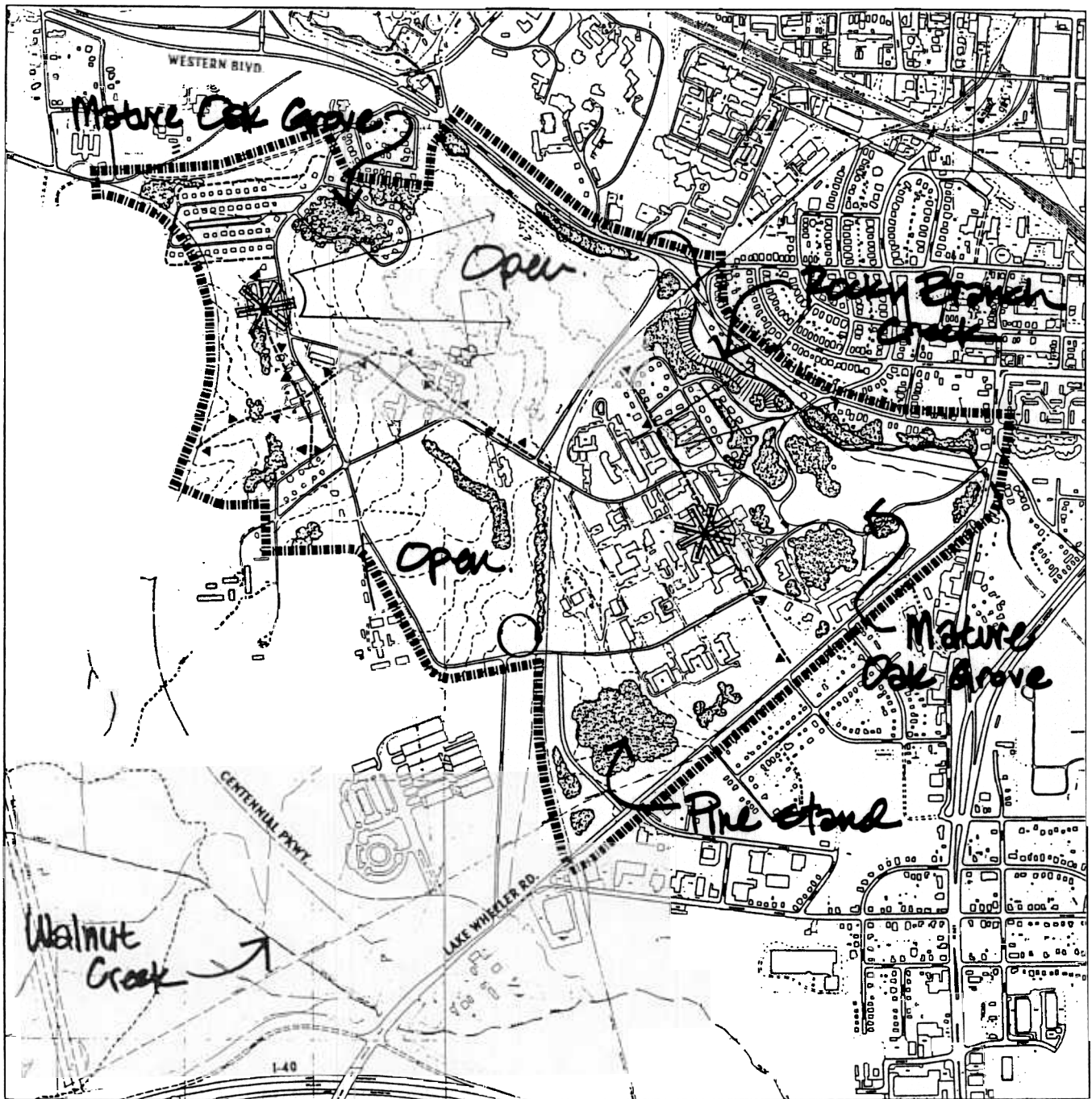
The western half of the property is less wooded and more open than the eastern half. A substantial grove of oaks exists on the knoll adjacent to the Kirby Bilyeu neighborhood. Two ridges are defined on this half. One ridge runs north to south close to the western boundary. Spring Hill is located on this ridge. The second ridge divides the western half into north and south drainage areas; one area drains toward the creek to the north while the other drains

to the south and the Farmers Market. The topography and openness of the western half afford a commanding view of the City of Raleigh from the vicinity of the Council Building.









City of Raleigh View





# LEGEND

-  Wooded Area
-  Existing Contour
-  Ridgeline Drainage Direction
-  Creek
-  Steep Slopes
-  View (City of Raleigh)



High Point  
Low Point

## DOROTHEA DIX CAMPUS

## NATURAL FEATURES



December 1995  
OBrienAtkins

### Cultural Features

Cultural features which will impact future development center primarily around transportation projects, surrounding land uses and preserving the historic integrity of the buildings and the landscape.

### Transportation

Current transportation projects which will have a definite and immediate impact on the future development, access and character of the campus are the realignment and widening of Western Boulevard and the construction of Centennial Parkway. The realignment and expansion of Western Boulevard will place a four lane divided road along the northern edge of the campus, further separating the Boylan Heights district from the campus. Additionally, the project will require the relocation of Rocky Branch Creek, the removal of a substantial amount of vegetation and the removal of many houses. Two historic houses will be relocated to



Western Boulevard Construction

the campus grounds. The meadow, which was the focal point for many campus activities and served surrounding neighborhoods as a flexible open space, will also be lost due to Western Boulevard construction. While the entrances to Hunt Drive and Boylan Avenue will remain and be redefined, the entrance off Lake Wheeler Road/South Saunders Street will be relocated off Lake Wheeler Road. The greenway trail along the creek will also be redesigned as part of the Western Boulevard project

With the completion of Western Boulevard as a primary access route into and out of the City of Raleigh, the image of the campus will be transformed. Steps should be taken to protect and enhance the remaining natural qualities.

When constructed, Centennial Parkway will abut and define the Dix property along the northern segment of its western edge. Along this edge, the four lane divided parkway will divide the Dix property from Centennial Campus. Access to the Dix Campus will be provided by the extension of the intersection with Blair Drive. The parkway will be 200 to 300 feet behind the Cherry Building, Council Building and Spring Hill. If developed, this area will belong more to the parkway and Centennial Campus than the Dix Campus because of the topography. Attention must be paid to protecting the immediate context of Spring Hill. The southern leg of the boulevard and its connection to Lake Wheeler Road separate Centennial Campus from the Farm-

ers Market property. The parkway project also includes a bikeway trail which will connect to the Walnut Creek bikeway. Other transportation related opportunities for the campus include the



Centennial Parkway Construction

utilization of the existing railroad corridor as a link to the City of Raleigh, the Downtown Center and the fixed regional rail system proposed by the Triangle Transit Authority.

Plans for Centennial Campus include the potential incorporation of a university monorail system which would link Centennial Campus with the Hillsborough Street campus and the fixed rail system. The extension of this system to the Dix property would integrate with the master plan's transit proposals.

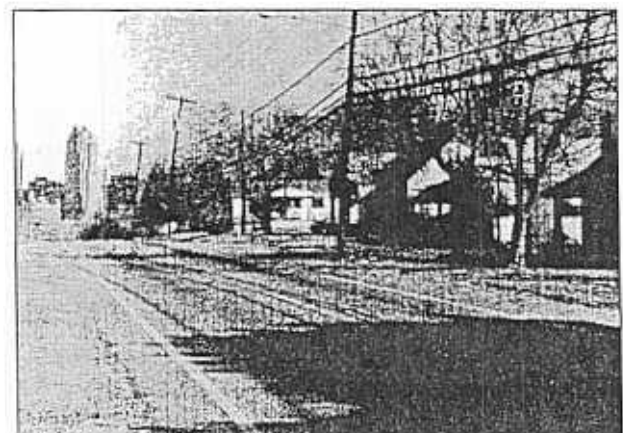
## Surrounding Land Use

Land uses surrounding the Dix Campus are diverse and include Western Boulevard, Boylan Heights, the Kirby Bilyeu neighborhood to the north and the Caraleigh neighborhood across Lake Wheeler Road. The visual and physical connections to these neighborhoods should be carefully considered in conjunction with campus development.

Other major surrounding land uses include the Farmers Market, Centennial Campus, Catholic diocese property, and, though separated by Western Boulevard, Central Prison and the Governor Morehead School for the Blind.



Central Prison

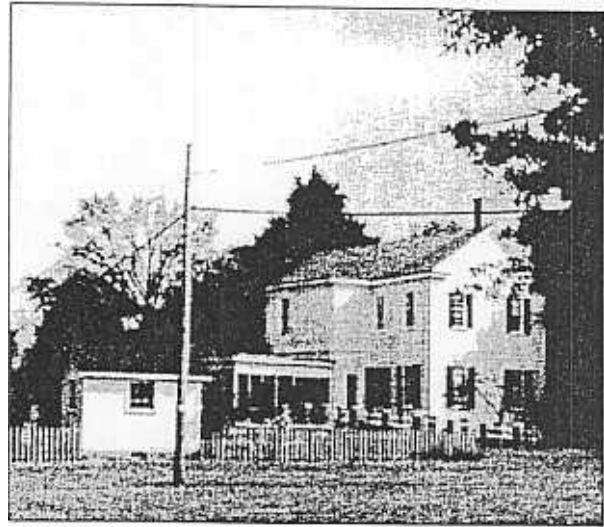


Lake Wheeler Road/Caraleigh Neighborhood



### Historic Resources

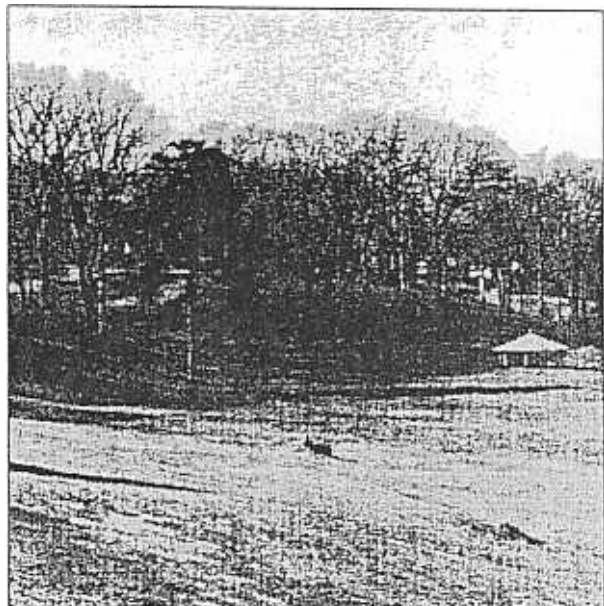
The buildings on the Dix Campus, particularly the main hospital structure, provide opportunities for adaptive reuse. Other buildings such as Spring Hill should be protected based purely on their historical merit. In addition to the buildings, the landscape character of Dix Hill is worthy of not only preservation but restoration efforts.



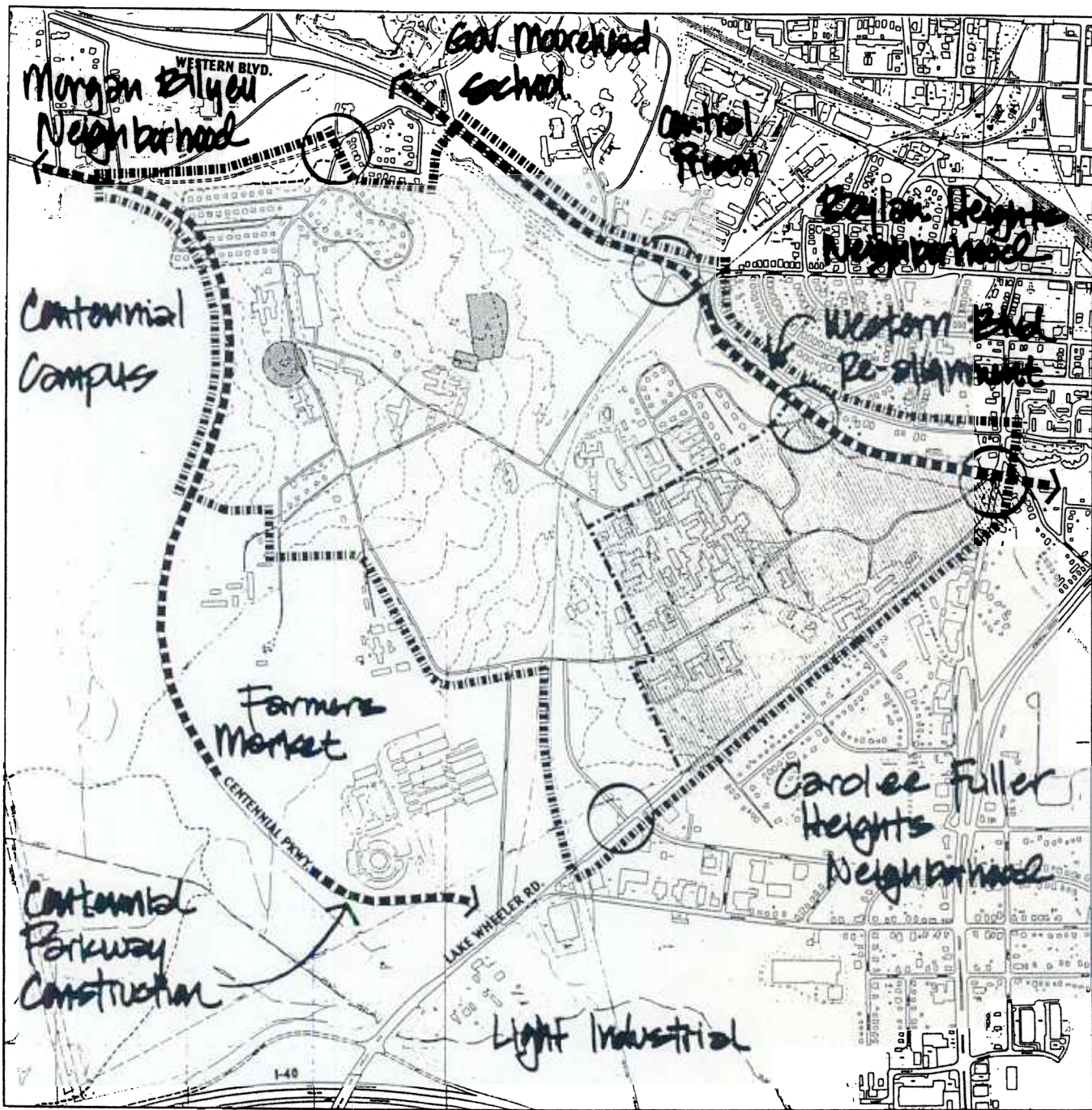
Spring Hill



Farmers Market



Meadow



## LEGEND

----- Historic Area Boundary



Spring Hill



Cemetery

■■■■■ Road Construction



Existing Entry Locations



Historic District

## DOROTHEA DIX CAMPUS

### CULTURAL FEATURES



NORTH

December 1995

OBrienAtkins

## Dix Hospital

### The Situation

#### External Influences

#### Managed Care

Like all other entities within the hospital industry, Dorothea Dix Hospital (DDH) is faced with the pressures and uncertainties of health care reform. DDH is and will continue to be influenced by the dictates of various managed care programs, both from the private sector and from the State.

The most significant impact of managed care is the need for control and lowering of operating costs; with patient revenues fixed and based on capitation models, the only opportunities for surplus revenue available to hospitals are through the lowering of expenses. The two largest components of expenses are overhead and salaries/benefits. Consequently, facility planning must consider options which most effectively impact overhead costs and employee costs.

Managed care is also driving a significant proportion of total hospital business into the outpatient sector. This shift in delivery has a twofold impact within the psychiatric arena: 1) those patients receiving outpatient care are still considered as part of the acute patient population and must receive the same levels of care as if they were in the hospital, and 2) those patients housed as inpatients

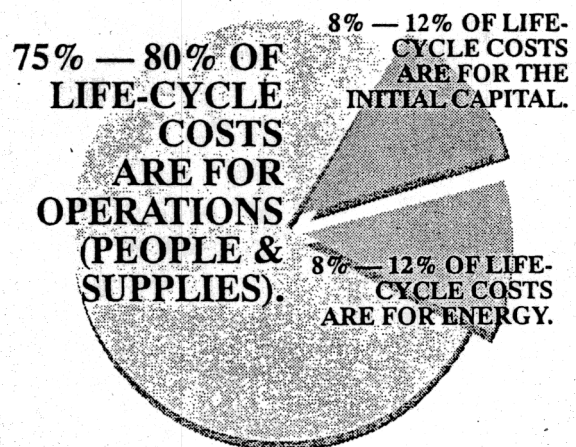
are very acutely ill and require continuously high levels of treatment and a particularly supportive physical environment.

Because inpatient psychiatric care is staff-intensive and relatively operationally expensive, many private institutions are opting out of the service. Those hospitals which do continue to provide inpatient care are limiting their services to the uncomplicated, short-term patients. Thus, public institutions such as DDH will continue to see a demand for the inpatient care of the longer-term patient.

### The Aging Population

The demographics of the general population suggest a continuing steady requirement for institutional inpatient psychiatric services. The percentage of the population entering the senior years

### "TYPICAL" 20-YEAR LIFE-CYCLE COST OF A HOSPITAL BUILDING





portends an increase, in raw numbers if not in occurrence, of various dementia and related disorders. Similarly, there is an increase in the numbers of individuals suffering from the effects of long-term substance abuse. These health status indicators, especially when coupled with an apparent overall reduction in economic status, suggest a perpetual role for Dix Hospital.

It is also important to note that Dix Hospital offers the unique service of medical psychiatry. The older patient typically presents multiple conditions, psychiatric as well as medical/surgical. Few other hospitals, especially within the public sector, offer the facilities for the care and management of psychiatric patients with medical complications.

### Internal Influences

#### Role and Mission

"The regional psychiatric hospitals will provide intensive assessment and evaluation services for admitted clients. These services will be specific to individual needs and may include psychiatric, psychological, social, vocational, medical, educational, and legal assessments.

Based on the client assessment, the hospital, in collaboration with area programs, the primary consumers, and families, will develop and implement a comprehensive treatment plan which emphasizes client strengths and addresses both the treatment and discharge needs of the client.

The regional psychiatric hospital will provide multifaceted, rehabilitative, and supportive treatment programs. The treatment programs will be evaluated periodically and altered based upon treatment outcome and client progress.

Specialty units will be developed for the treatment of certain client populations (e.g. forensic, adolescent, ICF-MR, geriatric, medical, behavioral, psycho-social rehabilitative).

The regional psychiatric hospital will provide both internal and external training and education programs for the preparation and continuing education of mental health professionals.<sup>1</sup>

This institutional mission suggests a state-of-the-art, patient focused, highly efficient physical plant which is fully supportive of the goals of DDH. However, the current facilities were constructed over a period of time when inpatient psychiatric care consisted more of "warehousing" than treatment. While the existing hospital buildings meet current needs, the clinicians and caregivers are making do and overcoming rather than working within an environment which reinforces recognized treatment protocols. Unlike other health care facilities, where the building supports the diagnostics and treatment provided within, psychiatric facilities are an integral part of the treatment.

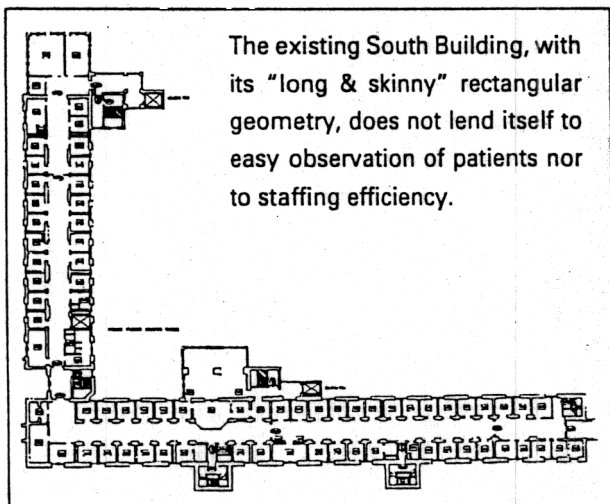
<sup>1</sup>Excerpt from Dorothea Dix Hospital Mission Statement.

An environment which is secure, pleasant, supportive, comfortable and nonthreatening can do much to reinforce the work of the clinicians and caregivers.

### Aging Physical Plant

These facilities represent the full history of institutional mental health treatment and care. There are several issues involved with the current buildings.

**Geometry** – The shapes of the current patient care areas are not reflective of current needs. Travel distances are excessive, which reduces the overall staffing efficiencies. Staff are unable adequately to observe all areas of the housing units, which creates unsafe environments for both staff and patients. The inability to observe the housing areas also significantly restricts the freedom of movement of the patients, which hampers the responsibility training critical to mental health treatment.



- **Fragmented Locations** – Because patients are housed in several different and unconnected buildings, the staff are unable to cross cover, an inhibitor to staffing efficiencies. Similarly, it is difficult to use beds in one building as overflow for high census days in another building. The distances between buildings also creates inefficiencies in supply, linen and dietary deliveries.
- **Maintenance and Engineering** – The older buildings are expensive to maintain and operate. The heating, ventilation, and air conditioning systems have been retrofitted into these buildings and, consequently, are not as efficient as they would be had the buildings been designed for these systems originally.

### The Options

Several scenarios to the existing situation were evaluated. The advantages and disadvantages of each are described as follows:

#### New Hospital Construction on Another Site

##### Advantages

- Facilities reflective of current patient care trends
- Greatly improved staffing efficiencies
- Reduced operating costs
- Facilities capable of supporting psychiatric patient care for 30 to 50 years
- Existing DDH buildings available for DHR office use



- DDH campus becomes single-use; no mix with patients

No renovations to active patient care areas

#### **Disadvantages**

Cost of site acquisition

Cost of new construction

#### **New Hospital Construction on Current**

##### **DDH Campus**

#### **Advantages**

Facilities reflective of current patient care trends

Greatly improved staffing efficiencies

Reduced operating costs

Facilities capable of supporting psychiatric patient care for 30 to 50 years

Existing DDH buildings available for DHR office use

No renovations to active patient care areas

No site acquisition costs

#### **Disadvantages**

Cost of new construction

DDH campus is mixed-use; patients mixed with office workers

#### **New Housing Construction/**

##### **Existing Facilities Used for Support**

#### **Advantages**

- Housing units reflective of current patient care trends
- Somewhat improved staffing efficiencies
- Somewhat reduced operating costs
- Some existing DDH buildings available for DHR office use
- Somewhat lower capital costs

#### **Disadvantages**

- DDH campus is mixed-use; patients mixed with office workers
- Facilities will not be capable of supporting psychiatric patient care for another 30 to 50 years
- Disruptions during renovations to active patient care areas
- Construction infringing on historic area

#### **Major Renovations to Existing Hospital Buildings**

#### **Advantages**

- Somewhat lower capital costs

#### **Disadvantages**

- DDH campus is mixed-use; patients mixed with office workers
- Facilities will not be capable of supporting psychiatric patient care for another 30 to 50 years
- Disruptions to active patient care areas during renovations

Facilities are not reflective of current patient care trends

Minimal improvements in staffing efficiencies

- Minimal reductions in operating costs
- Few existing DDH buildings available for DHR office use

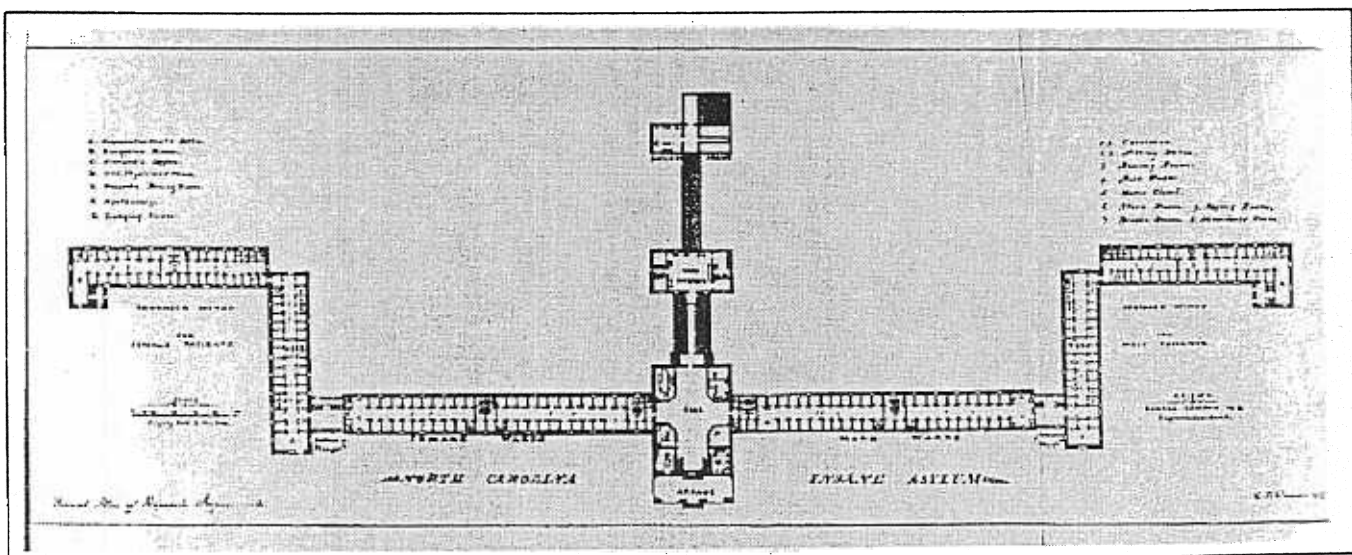
### Disadvantages

- Other regional psychiatric hospital facilities are not significantly better than the current DDH facilities and would not be capable of supporting psychiatric patient care for another 30 to 50 years
- Facilities are not reflective of current patient care trends
- Minimal improvements in staffing efficiencies
- Minimal reductions to operating costs

### Incorporate DDH Functions into Another Currently Operating Regional Psychiatric Hospital

#### Advantages

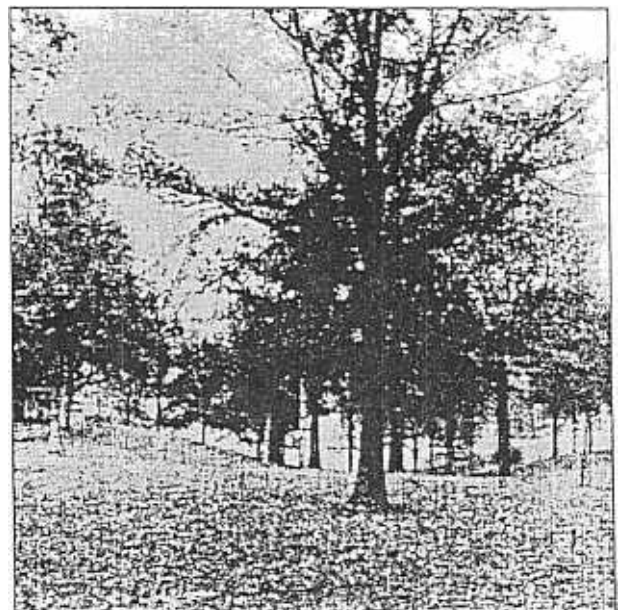
- Minimal capital outlay
- Existing DDH buildings available for DHR office use
- DDH campus becomes single-use; no mix with patients



Dix Hospital Original Floor Plan

## VISION

The vision for the Dix Campus emphasizes consolidation, historic preservation and adaptive reuse. The vision illustrated by the 2005 Master Plan and Long-Range Plan reflects the goals and objectives and location criteria specific to the Dix Campus. The land use concept plan illustrates ideas and a development framework which form the base for both the 2005 Master Plan and the Long-Range Plan. While the 2005 Master Plan demonstrates the programmed consolidation of the Department of Human Resources (DHR) over the next ten years and the development of a new hospital, the Long-Range Plan identifies the western half of the property for the expansion of Centennial Campus and demonstrates expansion potential for DHR east of the tracks beyond the year 2005.

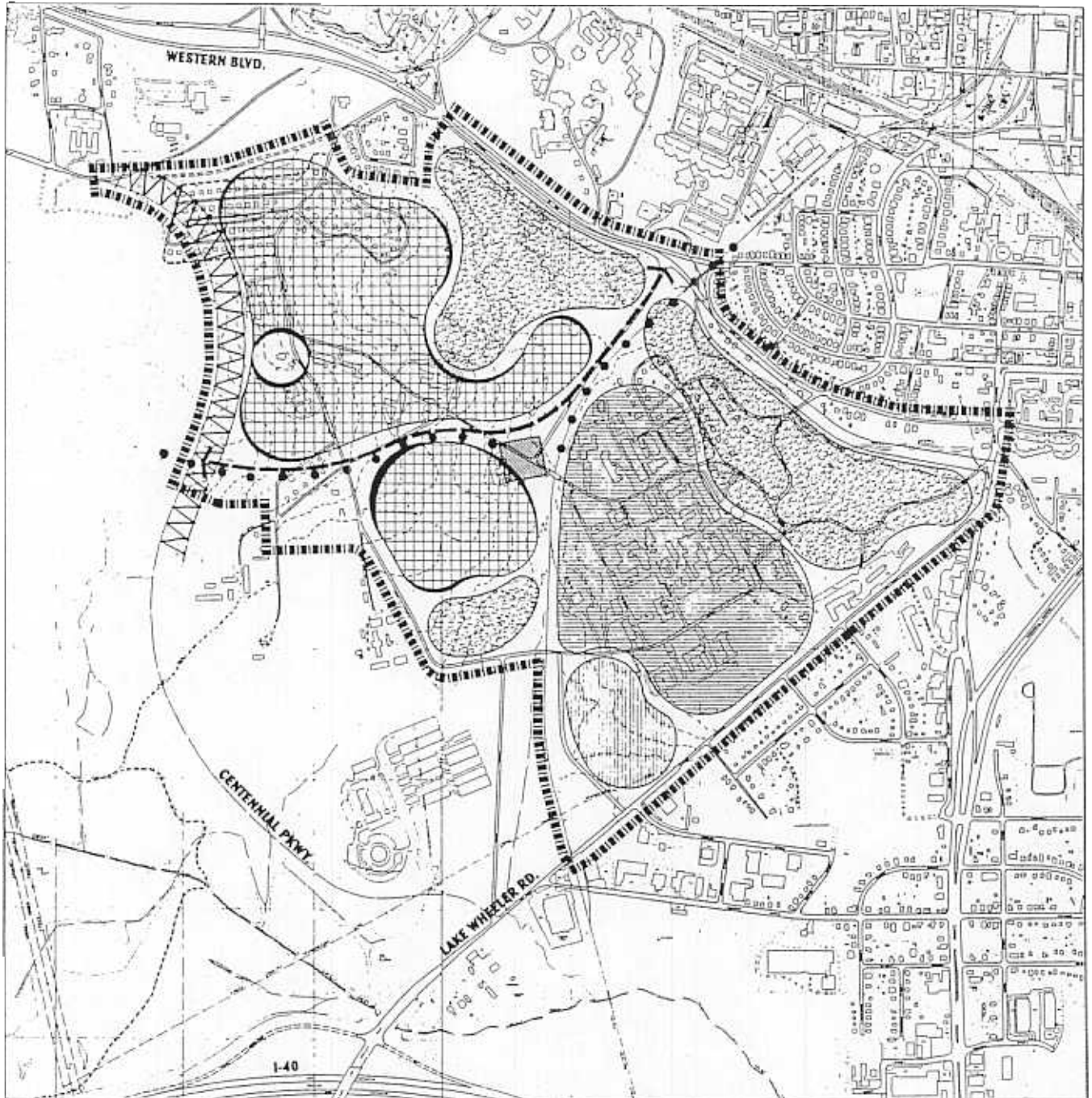


Dix Hill Landscape

## Land Use Concept Plan

The Land Use Concept Plan illustrates an overall approach to the future development of the Dix Campus which is physical in nature and not linked to a time frame for development. The concept plan addresses various issues from transportation to open space and historic preservation and building locations. The concept plan illustrates the following elements:

- Consolidation of DHR in existing hospital buildings
- Protection of historic elements
- Construction of new hospital
- Designation of the Dix Special Development Districts
- Transit opportunities



## LEGEND



Special Development District



Hospital Development Zone



DHR Office Development



Open Space Preserve



Mass Transit



Road Connection



Transit Node



Centennial Parkway Corridor Buffer



Spring Hill Protected Environs

## DOROTHEA DIX CAMPUS

### LAND USE CONCEPT PLAN



December 1995

**OBrienAtkins**



## 2005 Master Plan

The 2005 Master Plan is consistent with the overall goals of consolidation and preservation of the State's cultural and historical resources. The plan focuses on the Department of Human Resources and the proposed hospital, as well as the reservation of a substantial percentage of the land for future development.

The plan also demonstrates the preservation of historic resources and the restoration of landscape character. The plan's recommendations for development are matched to the capacity of existing buildings scheduled for renovation and the ability of the site to accommodate new buildings (including the proposed hospital) and parking facilities. Also demonstrated by the plan are infrastructure improvements, both utilities and roads. Significant proposed building projects include the DHR Office Complex, new Psychiatric Hospital and DHR Training Center. The remainder of this section describes those specific components proposed for the Dix Campus over the next ten years.

## 2005 Master Plan/Summary

- Construction of new 250 bed psychiatric hospital facility
- Consolidation of the Department of Human Resources into the renovated existing hospital complex
- Preservation of national historic resources, open space and pastoral character of historic Dix Campus
- Development of a modern central utilities plant
- Extension of Hunt Drive from Centennial Boulevard to Western Boulevard
- Completion of the Western Boulevard extension and Centennial Boulevard
- Reservation of property to the west of the tracks for future State development and investment
- Re-establishment of historic landscape areas on Dix Hill
- Development of a training facility to serve Department of Human Resources and county agencies
- Provision of pedestrian access to the North Carolina Farmers Market



## DOROTHEA DIX CAMPUS

# 2005 MASTER PLAN

### LEGEND

#### Existing Building Index

1. Spring Hill
2. Council Building
3. Cherry Building
4. Adams Building
5. Kirby Building
6. Williams Building
7. Linabarger Building
8. Wright Building
9. Royster Building
10. Chapel
11. Spruill Building
12. Edgerton Building
13. Haywood Building
14. Mowry Building
15. Broughton Building
16. Clark Building
17. Brown Building
18. Dobbin Building
19. Andersen Building
20. Taylor Building
21. Graham Building
22. Harvey Building
23. Hargrove Building
24. McBryde Building

#### New Buildings / Facilities

- A. Psychiatric Hospital
- B. Conference Training Center
- C. Utilities Plant
- D. Central Maintenance / Warehouse Facility
- E. Parking Deck 1
- F. Parking Deck 2
- G. Parking Deck 3
- H. Hunt Drive Extension



December 1995

O'Brien Atkins



### DHR Office Complex

It is recommended that the existing hospital structure be renovated into office space for the Department of Human Resources. This includes not only the main hospital structure but also adjacent buildings on the eastern half of the property. Existing offices in buildings on the west side of the tracks (i.e. Adams, Kirby, Council) would be utilized until adequate space on the east side of the tracks is made available by renovation. While there will be inherent space inefficiencies, the main hospital and surrounding buildings can fulfill the projected 541,245 sf required by the Department of Human Resources in the year 2005.

Renovation of the existing hospital as a hospital was determined to be inefficient and costly in the long- and short-term. Additionally, the organization of the building is unsuitable for modern programs and observation. In order to house all DHR staff, other new structures will be necessary in the long-term. Along with parking structures, these buildings should be integral to the existing complex and form a central open space at what is currently the rear of the complex.

### Open Space

The preservation and enhancement of the open space of the Dix Campus is a major component of the plan. The preservation is designed to maintain the current pastoral landscape character. Major open space areas are designated along Western Boulevard. This includes a portion of Dix Hill and the landfill site which was determined to be unsuitable for development. The plan intends to serve not only the functions of the State and its employees on campus, but also the surrounding neighborhoods and city with designated parkland and recreation areas. Designated open spaces could accommodate facilities such as sports fields and picnic areas.

### Department of Human Resources Training Center

The Training Center will be a combination of renovated existing buildings and new structures in the northern portion of the property east of the tracks. Existing buildings to be utilized include the Royster Building and the chapel. In addition to these buildings, a third building would be added along with a parking deck. The Training Center will accommodate primarily DHR functions. However, other State agencies may be able to schedule facility use as well as some limited public use.

Infrastructure

Improvements to the existing infrastructure on the Dix Campus include a new central utilities plant and upgrades to existing services as well as a new connecting road between Western Boulevard and Centennial Parkway. Utility services on campus are aging and inadequate to serve future development. Maintenance and ultimate ownership of the utilities, especially the electrical distribution, will need to be evaluated. The connecting road will aid in the disbursement of traffic and provide a convenient route for bus service to the campus.

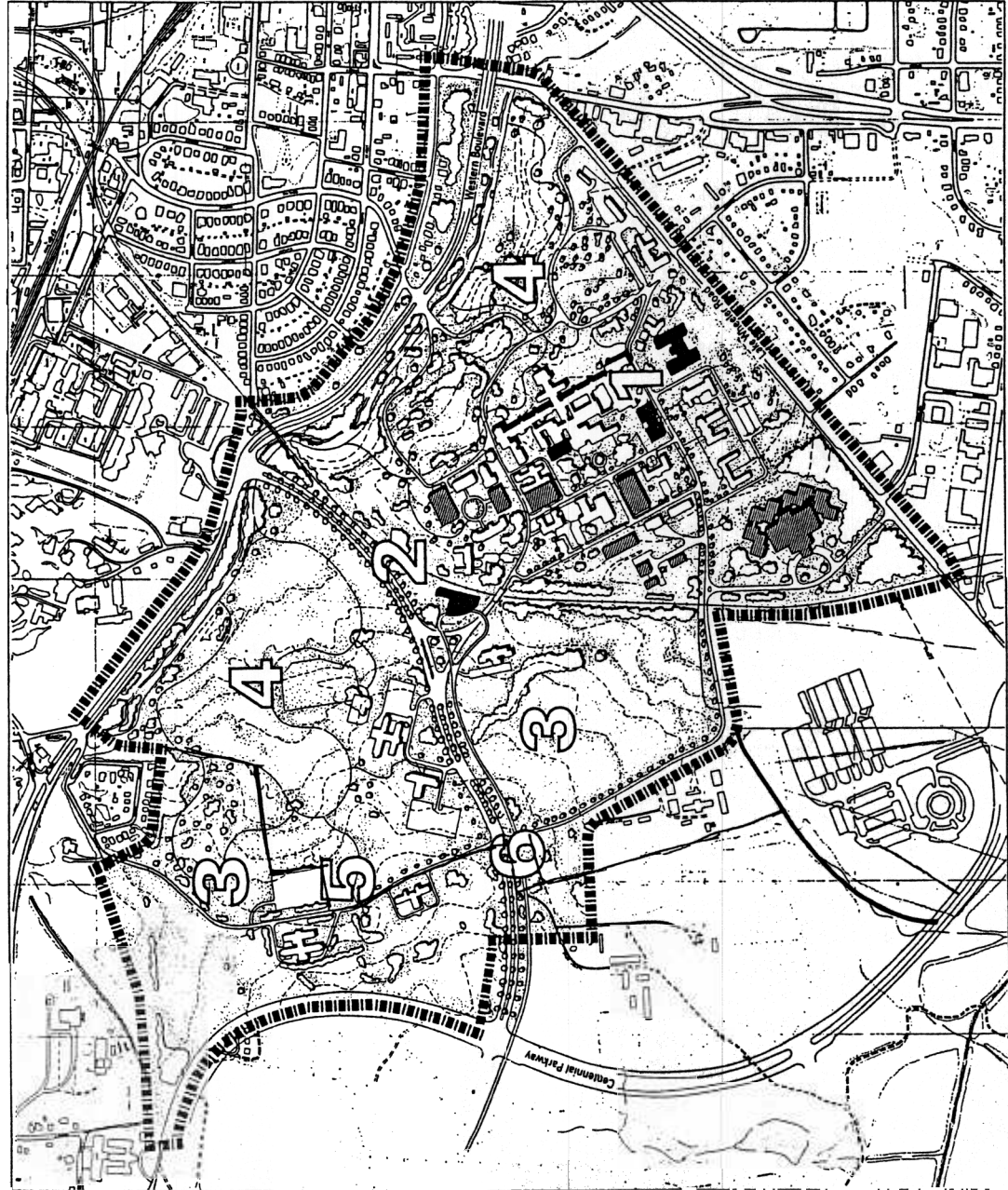
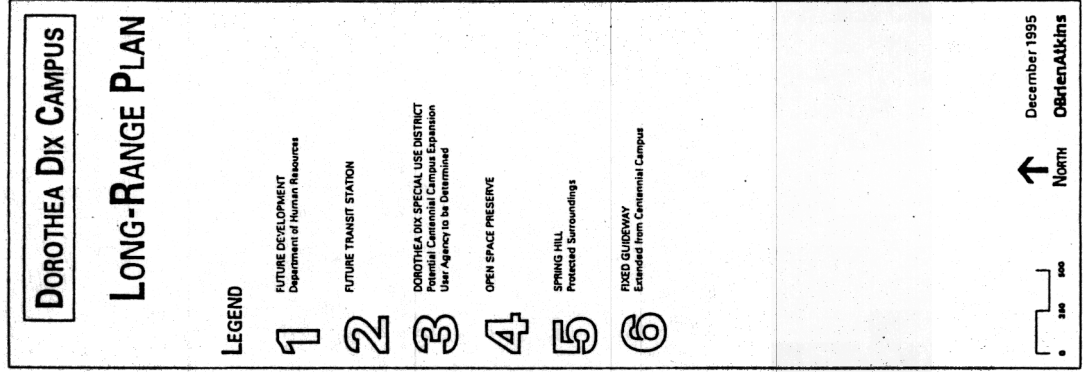


## Long-Range Plan

Beyond the 2005 Master Plan, the Long-Range Plan for the Dorothea Dix Campus is less defined physically than the Long-Range Plan for the Downtown Center. Essentially, all the property west of the tracks is left undeveloped by the 2005 Master Plan. What is certain is that the landfill area offers limited building potential and should remain open space along with the rest of the area around the cemetery and immediately surrounding Spring Hill. Land in the northwest sector of the property, along Centennial Parkway and property south of the proposed road, presents the greatest opportunity for development with approximately 128 buildable acres. Plans for relocating DHR, the construction of the new hospital and training center and the desire to reserve and enhance the historic integrity of the landscape complete recommendations of the 2005 Master Plan for the eastern half of the property. Beyond 2005 there remains additional opportunity to accommodate DHR expansion on the eastern half of the Dix property. While the designation of Dix Hill as a historic place does not prohibit the construction of additional structures there, the western half, or Dix Special Use District, because of its undeveloped and open nature, offers greater opportunity. The Dix Special Use District offers a logical expansion opportunity for Centennial Campus. Proposed development of this property should be multi-use in character, which would further support the proposed transit station.

## Transportation Elements

The future centerpiece of the transportation system on site is the establishment of an intermodal transit station at the center of the campus adjacent to the railroad corridor. From this point, any portion of campus is reachable in a ten-minute walk. During the implementation phase of the 2005 Master Plan, this area should be the location for a bus transit stop associated with the road connecting Centennial and Western Boulevards. Further in the future, this area has the potential for a multi-modal transit station, utilizing the rail corridor as a connection to the Downtown Center and/or the extension of the Centennial Campus fixed guideway people mover. In conjunction with or adjacent to this transit station could be general services such as banking and food services, as well as day care facilities. This is not to suggest that the State get into the day care business. However, the State could provide a space for a private company to operate. The parking component of the transportation picture places an emphasis on structured parking. Also important is a network of pedestrian ways tying together the greenway along Rocky Branch, the bikeway along Centennial Boulevard, the Farmers Market and the campus itself.



# IMPLEMENTATION

## Introduction

The first major step to developing the Dorothea Dix Campus as illustrated is the construction of a new psychiatric hospital. Once the hospital is functional, the consolidation of the Department of Human Resources (DHR) into the existing hospital structure and surrounding buildings can begin. In addition, the planning and construction of the DHR Training Center and central utilities plant can begin. In the short term, DHR would continue to occupy Council, Cherry, Adams, Kirby and Williams Buildings in the northwest quadrant of the property. Once consolidation is completed, these buildings could be available for use by other agencies, integrated into the plans for the specific development of the western property or demolished. Following completion of the 2005 Master Plan recommendations and the construction of the Hunt Drive Extension, a master plan will be needed to address the northwest quadrant property.

## Phasing/Projects List

Tables 33-34 outline the total projects list for the Dorothea Dix Campus. The projects are shown in the logical order of phasing in which they would be implemented. Tables 33-34 break down the projects into demolition, minor renovation, major renovation, new construction and associated square footage totals.

Table 33

## CAPITAL PROJECTS TABLE

## 02 DOROTHEA DIX CAMPUS - BACKUP WORKSHEET

Project Description	Scope	Proposed User
<b>1995 - 2005 Master Plan</b>		
<b>Male Wing Renovation for Office Use</b> Renovate Male Wing - Underway		DHR
<b>Demolition / Removal of Houses I</b> Demolition/ Removal of NW Cluster of Houses on Kendall Cir., Bender Dr & Dorsett Dr Streetscape / Utility Improvements	Approx. 20 Bldgs	Campus
<b>Demolition / Removal of Houses II</b> Demolition / Removal of West Cluster of Houses on Parrott Dr & Blair Dr Streetscape / Utility Improvements	5 Bldgs	Campus
<b>Western Boulevard Extension</b> Street Construction		Public
<b>Centennial Boulevard Extension</b> Street Construction		Public
<b>250 Bed Psychiatric Hospital</b> Replacement Hospital Street / Infrastructure Improvements	300 Beds	DHR
<b>Hospital Renovation for Office Use</b> Renovate Broughton Building Renovate Brown Building Renovate Clark Building Renovate Dobbin Building Renovate Hoey Building Renovate Spruill Building Renovate Williams Building  Demolish Shop Building Demolish Shop Building Demolish Shop Building Demolish Warehouse Building Demolish Operations Center	8,155 NSF 11,228 NSF 12,160 NSF 15,769 NSF 12,462 NSF 24,266 NSF 13,378 NSF	DHR
<b>Conference / Training Center</b> Demolish Warehouse Building Demolish Shop Building Renovate Lineberger Building Renovate Royster Building Renovate Wright Building New Classroom / Meeting Building Open Space / Courtyard	15,694 NSF 12,925 NSF 9,346 NSF to be determined	State / Public
<b>Central Utilities Plant</b>		Campus
<b>Parking Deck I</b> Campus Parking Structure	900 Cars	Campus
<b>Central Maintenance / Warehouse Facility</b>		Campus



Table 33 (cont.)

Project Description	Scope	Proposed User
Parking Deck II Campus Parking Structure	900 Cars	Campus
Parking Deck III	900 Cars	Campus
Demonstration Day Care Center Lease Site		Private J-V
Demolition / Removal of Houses III Demolition / Removal of Cluster of Houses on Stancil Dr, Richardson Dr, & Tate Dr Streetscape / Utility Improvements	Approx. 28 Bldgs	Campus
Utilities Upgrade / Improvement I Electrical System Upgrade	Campuswide System	Campus
Open Space Imp. / Landscape Restoration		Campus
Blair Drive Connection to Cent. Blvd. Street Construction Entry Feature / Signage	1,300 LF	Public
Pedestrian Connection to Farmer's Mkt. Walkway / Gateway		Campus
Hunt Drive Extension / Improvement Street Construction Entry Feature / Signage	3,000 LF	Public
Streetscape Improvements I Campus Street / Streetscape Improvements		Public
<b>Long Range Plan</b>		
Office Building I Replace Adams Building	20,084 NSF	Long Range Plan
Office Building II Replace Council Building	33,725 NSF	Long Range Plan
Office Building III Replace Kirby Building	32,345 NSF	Long Range Plan
Parking Deck II Campus Parking Structure	600 Cars	Campus
Streetscape Improvements II Campus Street / Streetscape Improvements		Public
Utilities Upgrade / Improvement II Steam / Chilled Water System Upgrade	Campuswide	Campus
Transit Facility R.O.W. Dedication & Lease of Station Site		Transit Authority



Table 34

**2005 Master Plan**  
**BUILDING SF TABLE**

## DOROTHEA DIX CAMPUS - OFFICE USE

Project Description	Remove / Demolish	Exist. Bldg to Remain Min. Ren.	Maj. Ren.	New Bldg	Total SF Available
EAST CAMPUS					
Remove from Serv. / Demolish					
Physical Plant Warehouse	Whiteside Dr	*	(900)		
DIRM Operations Center	Ruggles Dr	*	(7,946)		
Engineering Office	Whiteside Dr		(2,046)		
Machine Shop	Whiteside Dr	*	(9,165)		
HVAC Shop	Whiteside Dr	*	(11,867)		
Carpentry Shop	Whiteside Dr	*	(6,301)		
Grounds Shop	Warehouse Dr	*	(3,313)		
Paint Shop	Warehouse Dr	*	(2,343)		
Paint Warehouse	Warehouse Dr	*	(2,000)		
Laundry Distribution Center	Ruggles Dr	*	(6,512)		
28 East Campus Houses		*	(28,000)		
			(80,393)		
Minor Renovation / Historic Preservation					
Anderson Building	Palmer Dr		48,938		
Buffaloe House	701 Palmer Dr		1,683		
Benner House	703 Palmer Dr		2,561		
Chapel	Richardson Dr	*			
Edgerton Building	Ruggles Dr		11,864		
McBryde South - Female Wing	Palmer Dr		84,102		
Graham Building	Palmer Dr		7,136		
Harvey Building	Picot Dr		24,934		
Hargrove Building	S. Boylan Ave		13,142		
Haywood Building	Whiteside Dr		57,384		
McBryde East - Male Wing	S. Boylan Ave		99,789		
McBryde West	S. Boylan Ave		54,191		
McBryde West - D	S. Boylan Ave		11,573		
McBryde West - Annex	S. Boylan Ave		13,202		
Taylor Building	Palmer Dr		24,884		
Stone House	900 Umstead Dr	*			
Williams Building	Umstead Dr		13,378		
			468,761		468,761
Major Renovation					
Broughton Building	Biggs Dr		8,155		
Brown Building	Biggs Dr		11,228		
Clark Building	Biggs Dr		12,160		
Dobbin Building	Palmer Dr		15,769		
Hoey Building	Ruggles Dr		12,462		
Spruill Building	Umstead Dr		24,266		
			84,040		84,040

\* Non-Office Use

Table 34 (cont.)

Project Description			Remove / Demolish	Exist. Bldg to Remain		New Bldg	Total SF Available
				Min. Ren.	Maj. Ren.		
<b>New Buildings</b>							
Psychiatric Hospital	Goode Dr	*					
Conference / Training Center	Umstead Dr	*					
Utilities Plant	Ruggles Dr	*					
Parking Deck	Biggs Dr	*					
Central Maint / Warehouse Fac	Ruggles Dr	*				30,000	
Parking Deck I	Ruggles Dr	*					
Parking Deck II		*					
Demonstration Day Care Facility	Palmer Dr	*					
Credit Union	Blair Dr	*					
						30,000	30,000
<b>East Campus Subtotal</b>			(80,393)	468,761	84,040	30,000	582,801
<b>WEST CAMPUS</b>							
<b>Remove from Serv. / Demolish</b>							
19 NWest Campus Houses	Kendall Dr Area	*	(19,000)				
5 West Campus Houses	Blair Dr Area	*	(5,000)				
			(24,000)				
<b>Minor Renovation / Historic Preservation</b>							
Adams Building	Blair Dr			20,084			
Ashby Building	Umstead Dr			10,566			
Cherry Building	Barbour Dr			15,740			
Council Building	Barbour Dr			33,725			
Kirby Building	Umstead Dr			32,345			
Scott Building	Umstead Dr			19,048			
Williams Building	Umstead Dr			13,378			
Spring Hill	Barbour Dr			1,961			
				146,847			146,847
<b>Major Renovation</b>							
No Major Renovation Proposed							
<b>New Buildings</b>							
No New Buildings Proposed							
* Non-Office Use							
<b>West Campus Subtotal</b>			(24,000)	146,847	0	0	146,847
<b>TOTAL DIX CAMPUS - 2005 PLAN</b>			(104,393)	615,608	84,040	30,000	729,648