



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**



JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

July 16, 2026

TO: Department Heads and Chief Fiscal Officers
State Departments, Agencies, and Institutions

FROM: Kristin Walker *Kristin Walker*

SUBJECT: Council of State Meeting Notification

The next Council of State (COS) meeting is scheduled for 9:00 am on Tuesday, August 4, 2026. Although space is limited, members and guests are invited to attend in person at the Transportation Building, 1 South Wilmington Street, DOT Board Room (#150), Raleigh. For those who wish to participate virtually, a link will be provided closer to the meeting date.

Submissions to be considered for the August Council of State agenda should be submitted by July 21, 2026. If there are questions, please email them to MaryGrace.Corr@osbm.nc.gov.

Thank you.

KW/mgc

COUNCIL OF STATE
ETHICS AWARENESS AND CONFLICT OF
INTEREST REMINDER

In accordance with the State Government Ethics Act, it is the duty of every Council member to avoid both conflicts of interest and the appearances of conflict.

If any Council member has any known conflict of interest or is aware of facts that might create the appearance of such conflict, with respect to any matters coming before the Council today, please identify the conflict or the facts that might create the appearance of a conflict to ensure that any inappropriate participation in that matter may be avoided. If at any time, any new matter raises a conflict during the meeting, please be sure to identify it at that time.

AGENDA
COUNCIL OF STATE

August 4, 2026
9:00 a.m.

Department of Transportation
1 S Wilmington St
Raleigh, NC 27601

Webex public link for guests wishing to participate virtually - <https://bit.ly/AugCOS26>
Password: AugCOS26

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A)	Ethics Awareness and Conflict of Interest Reminder		
B)	Approval of July 7, 2026, Minutes		
C)	Interest Matters/Bond Resolution	Brad Briner	
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NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

August 4, 2026

MEMORANDUM

To: The Council of State

From: Bradford Briner
State Treasurer

Subject: Current STIF crediting interest rate and report on the earnings credited to the General Fund and Highway Trust Fund for the periods indicated.

Short-Term Investment Fund (STIF)	<u>Current Month (May)</u>
Annualized Net Cash Return	4.02%

The earnings of the Short-Term Investment Fund credited to the General Fund and Highway Trust Fund are shown below:

	<u>General Fund</u>	<u>Highway Trust Fund</u>
June 2026		
Credits	\$49,793,661	\$8,546,188
2025-26 Fiscal		
Y-T-D Credits	\$523,309,502	\$94,821,274
2024-25 Fiscal		
Y-T-D Credits	\$637,763,007	\$115,390,334

Fund earnings and STIF Annualized Net Cash Return provided by DST Financial Operations Division.

Note the Highway Fund was removed because the accounts have moved under the Highway Trust Fund. If the Highway Fund earns interest again it will be presented.

FIRE INSURANCE MATTERS
FUND CONDITION REPORT

State Property Fire Insurance Fund
Fund Condition Council of State
(Cumulative Since July 1, 2025 as of June 30, 2026)

Beginning Balance	7/1/2025	43,056,566.01
Premium Received		53,215,545.00
Legislative Funding		0.00
Reinsurance Reimbursement		0.00
Interest Income		3,045,527.83
Unrealized Gain - Investments		15,521.49
Insurance Recoveries		1,040,000.00
Total Revenue		57,316,594.32
Claims Paid		11,843,138.93
Losses Paid (Reinsurer)		0.00
Return of Expenditure		0.00
Reinsurance Premium Paid		21,988,562.50
Realized Loss - Sale of Investments		0.00
Administrative Expenses		3,147,926.77
Adjustments to Cash Basis		111,611.92
Total Expenditures		37,091,240.12
Fund Balance	6/30/2026	63,281,920.21

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BOARD OF TRANSPORTATION
RIGHT OF WAY MATTERS INDEX

SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE
AGENT AND/OR AUCTIONEER

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BOARD OF TRANSPORTATION RIGHT OF WAY MATTERS
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER

ITEM 1

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: J Madison Homes LLC

LOCATION: Greensboro Eastern Loop
Guilford County

AREA: 1.512 Acres

CONSIDERATION: \$64,800.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2525C in Guilford County for \$1,975.00 as a map act settlement in 2018. The current appraised value of this residue property is \$72,000.00. The Grantee, J Madison Homes LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$64,800.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on July 7, 2026.

ITEM 2

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: USA BILLBOARD, LLC, a Florida Limited Liability Company

LOCATION: NC-3 West Side Bypass
Cabarrus County

AREA: 0.047 Acres

CONSIDERATION: \$11,400.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-3440 in Cabarrus County for \$820.00 in 2016. The current appraised value of this residue property is \$2,500.00. The Grantee, USA BILLBOARD LLC, a Florida Limited Liability Company, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$11,400.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on July 7, 2026.

COUNCIL OF STATE
STATE PROPERTY INDEX

August 2026

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STATE PROPERTY MATTERS
ACQUISITION BY DEED

ITEM 1

GRANTOR: Open Space Institute Land Trust, Inc.

GRANTEE: State of North Carolina, Department of Environmental Quality,
Division of Wildlife Resources Commission

LOCATION: off Little Snowbird Road, Robbinsville, Cherokee and Graham Counties

AREA: ±2,050 acres

UNIT COST: ±\$4,561/acre

CONSIDERATION: \$9,350,000

COMMENTS: Game Land Addition. Property proposed for acquisition will be incorporated into Nantahala Game Land in both Cherokee and Graham Counties. Funding for this acquisition is provided by the USDA Forest Legacy Program (\$8,780,000) and WRC Endowment Fund (\$570,000). The grantor was awarded a grant from the NC Land and Water Fund for its acquisition of the property. This item was reported to the Joint Legislative Commission on Governmental Operations. Notifications of acquisitions were made to the County and/or Municipality in accordance with G.S. §146-22.

ITEM 2

GRANTOR: Timothy L. Phelps

GRANTEE: State of North Carolina, Department of Environmental Quality,
Division of Wildlife Resources Commission

LOCATION: off Cannon's Ferry Road, Upper Township, Chowan County

AREA: ±125 acres

UNIT COST: ±\$872/acre

CONSIDERATION: \$109,000

COMMENTS: Game Land Addition. Property proposed for acquisition is for inclusion in Chowan Swamp Game Land. This tract is in the Chowan Swamp Natural Heritage area and recognized as a Globally Important Bird Area by Audubon. Funding for this acquisition is provided by the North American Wetlands Conservation Act (\$54,500) and the Wildlife Resources Commission Endowment Fund (\$54,500). This item was reported to the Joint Legislative Commission on Governmental Operations. Notifications of acquisitions were made to the County and/or Municipality in accordance with G.S. §146-22.

STATE PROPERTY MATTERS (Continued)
ACQUISITION BY DEED (Continued)

ITEM 3

GRANTOR: Roseburg Resources Co.
Stuart Gray, Chief Executive Officer

GRANTEE: State of North Carolina, Department of Environmental Quality,
Division of Wildlife Resources Commission

LOCATION: off Catherine Creek Road, Mintonville Township, Gates County

AREA: ±108 acres

UNIT COST: ±\$2,092/acre

CONSIDERATION: \$226,000

COMMENTS: Game Land Addition. Property proposed for acquisition is for inclusion in Chowan Swamp Game Land. Acquisition of this property protects Warwick Creek and Trotman Creek, both designated anadromous fish spawning areas. The majority of the tract is in the Chowan Swamp Natural Heritage area and recognized as a Globally Important Bird Area by Audubon. Funding for this acquisition is provided by a grant from the North American Wetlands Conservation Act (\$95,750), and Wildlife Resources Commission Endowment Fund (\$130,250). This item was reported to the Joint Legislative Commission on Governmental Operations. Notifications of acquisitions were made to the County and/or Municipality in accordance with G.S. §146-22.

ACQUISITION BY LEASE

ITEM 1

LESSOR: Raleigh NC II SGF, LLC

LESSEE: State of North Carolina, State Bureau of Investigation

LOCATION: 1705 Tryon Park Drive, Raleigh, Wake County

TERM: Ten years effective October 1, 2026, or possession with one 5-year renewal option

AREA: ±28,350 sq. ft. of office space

UNIT COST: \$22.38/sq. ft. (average) initial term including parking
\$27.37/sq. ft. (average) renewal option

STATE PROPERTY MATTERS (Continued)
ACQUISITION BY LEASE (Continued)

ITEM 1 (Continued)

ANNUAL RENTAL: \$634,535.67 (average)

\$775.928.50 (average) renewal option

COMMENTS: New Lease. New lease replacing an expired 15-year lease for 28,350 sq. ft. housing the North Carolina State Bureau of Investigation (NCSBI). This building is in close proximity to the planned NCSBI headquarters to be constructed across the street and it will continue to be used upon completion of the headquarters. This lease was not advertised pursuant to G.S. § 146-32 (3)c. The facility is a unique location. Space accessible to the disabled. 100% State Funds.

DISPOSITION BY DEED

ITEM 1

GRANTOR: State of North Carolina, Department of Administration

GRANTEE: Town of Cary

LOCATION: Cary Towne Boulevard, Cary, Wake County

AREA: ±6.15 acres

UNIT COST: \$4,878.05/acre

CONSIDERATION: \$30,000

COMMENTS: Remnant Property. Property proposed for disposition is a narrow, unbuildable parcel adjacent to the roadway. The Town of Cary plans to install municipal utility lines on the property.

STATE PROPERTY MATTERS (Continued)
DISPOSITION BY LEASE

ITEM 1

LESSOR: State of North Carolina, Department of Administration

LESSEE: Town of Oak Island

LOCATION: Davis Canal, Smithville Township, Brunswick County

TERM: Twenty years beginning October 1, 2026 or possession

AREA: $\pm 4,000'$ x $40'$ (160,000 sq. ft. or ± 3.7 acres)

ANNUAL RENTAL: \$1.00 for the term

COMMENTS: New Conservation and Trail lease. Property proposed for lease is for the creation and maintenance of a new trail and boardwalk system on state-owned islands and marshlands in Davis Canal. Lessee will be responsible for all trail construction and maintenance, and compliance with environmental regulations regarding creek and stream buffers. Not advertised pursuant to G.S. §146-29.1. Lessee is a public entity. This item was reported to the Joint Legislative Commission on Governmental Operations.

ITEM 2

LESSOR: State of North Carolina, Department of Justice

LESSEE: Town of Salemburg

LOCATION: 169 W College Street, Salemburg, Sampson County

TERM: Thirty years effective October 1, 2026 or possession

AREA: ± 1.73 acres

RENTAL: \$1.00 for the term

COMMENTS: New Lease. Property proposed for lease is adjacent to Love McDaniel Memorial Park, the Town's first public park. The proposed ground lease will allow the town to expand their current development initiatives. Lessee will be responsible for all costs associated with the development, construction, maintenance, and operation of the park, including any required surveys or site preparation. Not advertised pursuant to G.S. §146-29.1. Lessee is a public entity.

STATE PROPERTY MATTERS (Continued)
DISPOSITION BY EASEMENT

ITEM 1

GRANTOR: State of North Carolina, Department of Administration

GRANTEE: Brunswick County

LOCATION: Cape Fear River near the end of Royster Road Lane and Interstate 140,
Navassa, Brunswick County

EASEMENT AREA: $\pm 5,047$ sq. ft. (± 0.12 acre)

CONSIDERATION: \$250

COMMENTS: Subaqueous Easement. Proposed easement is needed to construct, install, operate, and maintain an effluent outfall into the Cape Fear River for the Northeast Brunswick Regional Wastewater Treatment Plant.

ITEM 2

LESSOR: State of North Carolina, Department of Agriculture and Consumer
Services

LESSEE: Duke Energy Progress, LLC

LOCATION: 570 Brevard Road, Asheville, Buncombe County

EASEMENT AREA: $\pm 4,000$ sq. ft. (± 0.092 acre)

CONSIDERATION: Benefit

COMMENTS: Utility Easement. Proposed easement is needed to provide electrical service to accommodate the installation and operation of EV charging stations at the Western NC Farmers Market.

STATE PROPERTY MATTERS (Continued)
DISPOSITION BY EASEMENT (Continued)

ITEM 3

GRANTOR: State of North Carolina, Department of Agriculture and Consumer Services, Research Stations

GRANTEE: Duke Energy Carolinas, LLC

LOCATION: Old CCC Road, Hendersonville, Henderson County

EASEMENT AREA: $\pm 1,365$ sq. ft. (± 0.0313 acre)

CONSIDERATION: Benefit

COMMENTS: Utility Easement. Proposed easement is needed for the construction, installation, maintenance, and operation of new overhead power lines with poles and guy wires to create an alternate feed to support existing infrastructure. This project will improve power reliability to the research station and neighboring property owners.

SEVERANCE

ITEM 1

PROPOSED ACTION: Severance of timber

DEPARTMENT/AGENCY: State of North Carolina, Department of Agriculture and Consumer Services, NC Forest Service

LOCATION: Bladen Lakes State Forest, 4470 NC Hwy 242 Elizabethtown, Bladen County

AREA: ± 709 acres

COMMENTS: Approval is requested to sever ± 709 acres of timber that have reached their biological and economic maturity. Property will be clearcut, and the harvested area will be reforested with Loblolly and Long Leaf seedlings for future management. Severance will be completed by a contractor.

STATE PROPERTY MATTERS (Continued)
SEVERANCE

ITEM 2

PROPOSED ACTION: Severance by demolition

DEPARTMENT/AGENCY: State of North Carolina, North Carolina State University

LOCATION: 1591 Equine Farm Road, Raleigh, Wake County

STRUCTURE: Atmospheric Study Lab Building 184, built in 1968,
containing ±977 sq. ft., Complex #92-21, Asset #51

COMMENTS: This structure is no longer in use and is beginning to collapse, becoming hazardous. Demolition will be handled by a contractor.

OTHER MATTERS

ITEM 1

The Department of Natural and Cultural Resources requests approval of the dedication of the lands listed below as nature preserves in accordance with the Nature Preserves Act, Part 42 of Article 2, Chapter 143B of the North Carolina General Statutes. Dedication will be accomplished by letters of allocation executed by the Secretary of Administration in accordance with the statute.

Lands to be dedicated under this request include the following:

<u>SITE NAME</u>	<u>APPROXIMATE ACREAGE</u>
Department of Adult Correction NCDAC Southern Correctional Hardwood Forests Dedicated Nature Preserve	46 acres
NCDAC Rattlesnake Creek Forests Dedicated Nature Preserve	97 acres

ITEM 2

On January 6, 2026, the Governor and Council of State approved the acquisition by deed of ±93.10 acres from Helen G. Nelon for inclusion in Chimney Rock State Park. The property is located off Nelons Road in Rutherford County and was acquired for the Department of Natural and Cultural Resources, Division of Parks and Recreation (DPR) using funds from the Parks and Recreation Trust Fund (PARTF). Subsequent to the acquisition, DPR was awarded a grant from the North Carolina Land and Water Fund (NCLWF) for approximately 50% of the purchase price of the property. Therefore, authorization is hereby requested to proceed with recording a Notice of Funding Disclosure in Rutherford County, thereby placing NCLWF restrictions on the acquired property.

STATE PROPERTY MATTERS (Continued)
OTHER MATTERS (Continued)

ITEM 3

On February 27, 2009, the State acquired a conservation easement from the Town of Troy on behalf of the North Carolina Land and Water Fund, (formerly known as Clean Water Management Trust Fund) for conservation of a 143.457-acre Reclaimed Wastewater Reuse Site in Montgomery County. A portion of the easement area is used by the Town as a municipal golf course. The Town of Troy wishes to sell the property, and the current easement limits operation of the golf course to a “municipal” golf course. To accommodate the sale, the easement needs to be amended to allow ownership by a non-municipal entity. No conservation impact is anticipated from the proposed amendment. Therefore, authorization is requested to amend the existing conservation easement with the proposed changes.

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OTHER DISCUSSION

Governor allows time for each member to share updates from respective agency.