



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

August 19, 2025

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

FROM: Kristin Walker *Kristin Walker*

SUBJECT: Council of State Meeting Notification – Cancellation and Reschedule

The Council of State meeting scheduled for September 2, 2025 has been cancelled. The meeting scheduled for October 7, 2025 has been rescheduled for September 30, 2025.

The next Council of State (COS) meeting is scheduled for 9:00 am on Tuesday, September 30, 2025. 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. Guests should sign-in at the Security Desk upon arrival to the main entrance accessible from Wilmington Street. For those who wish to participate virtually, a link will be provided closer to the meeting date.

Submissions to be considered for the September 30th Council of State agenda should be submitted by September 16, 2025. 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

September 30, 2025

Transportation Building
1 South Wilmington Street, Raleigh
DOT Board Room, Room 150

Webex public link for guests wishing to participate virtually- <https://bit.ly/Sept2025COS>

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NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

INVESTMENT MANAGEMENT DIVISION

September 30, 2025

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 and Highway Funds for the periods indicated.

Short-Term Investment Fund (STIF)	<u>Current Month (July)</u>
Annualized Net Cash Return	4.51%

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>
August 2025 Credits	\$42,856,674	\$9,206,058
2025-26 Fiscal Y-T-D Credits	\$93,725,868	\$18,029,074
2024-25 Fiscal Y-T-D Credits	\$115,276,123	\$18,351,251

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.

STATE TREASURER’S OFFICE MATTERS
REFUNDING OBLIGATIONS

A meeting of the Council of State was held at 9:00 a.m. on September 30, 2025, in the DOT Board Room (#150) in the Transportation Building, 1 South Wilmington Street in Raleigh, North Carolina.

Present: Governor Josh Stein, presiding, and Council of State Members: _____

Absent: Council of State Members: _____

* * * * *

Upon a motion by _____, seconded by _____, the Council of State adopted the following resolution:

RESOLUTION SUPPLEMENTING THE RESOLUTION PROVIDING THE CONSENT OF THE COUNCIL OF STATE TO THE ISSUANCE BY THE STATE TREASURER OF REFUNDING OBLIGATIONS OF THE STATE IF THE REFUNDING RESULTS IN NET DEBT SERVICE SAVINGS TO THE STATE AND MEETS OTHER REQUIREMENTS TO ALLOW FOR TENDER TRANSACTIONS

BE IT RESOLVED by the Council of State as follows:

Section 1. Findings and Determinations. The Council of State does hereby find and declare as follows:

(a) On June 3, 2025, the Council of State adopted a resolution (the “Refunding Resolution”) consenting to the issuance by the State Treasurer of refunding obligations of the State of North Carolina (the “State”) pursuant to the State Refunding Bond Act, Article 3A of Chapter 142 of the General Statutes of North Carolina, as amended (the “State Refunding Bond Act”), the State Capital Facilities Finance Act, Article 9 of Chapter 142 of the General Statutes of North Carolina, as amended (the “State Capital Facilities Finance Act”), and if required by any other authorizing legislation enacted from time to time by the General Assembly, so long as (i) the refunding produces net debt service savings to the State, (ii) the refunding debt does not have a final maturity later than the final maturity date of the debt to be refunded and (iii) the refunding transaction produces approximately level annual debt service savings to the State over its duration.

(b) Depending on market conditions, the State may realize net debt service savings by issuing refunding obligations to refund bonds and other obligations of the State not then eligible to be called for redemption through a tender transaction in which the State would invite holders of certain of such prior obligations or portions thereof to tender such prior obligations for purchase by the State from proceeds of the refunding bonds, which prior obligations or portions thereof upon surrender for purchase pursuant to an accepted invitation would be

deemed to be refunded, cancelled on the date of purchase and deemed no longer outstanding (the “Tender Transaction”).

(c) Such refunding opportunities through a Tender Transaction are dependent on market conditions that may change quickly, and it is in the best interest of the State that the State Treasurer be able to respond quickly to favorable market conditions in the issuance of refunding obligations to achieve such debt service savings through a Tender Transaction. To this end, the Council of State desires to provide its prospective consent to the refunding of existing bonds and other indebtedness through a Tender Transaction so long as such refunding meets the requirements set forth in the Refunding Resolution.

Section 2. Authorization of Tender Transactions. The Council of State hereby consents to the undertaking by the State Treasurer of a Tender Transaction in connection with the issuance of refunding obligations pursuant to the State Refunding Bond Act, the State Capital Facilities Finance Act and if required by any other authorizing legislation so long as the refunding satisfies the requirements established in the Refunding Resolution. The State Treasurer is authorized to determine whether to proceed with a Tender Transaction, determine the prior obligations or portions thereof to be included in the Tender Transaction and ascertain the beneficial owners of such prior obligations for such purpose, determine the price or prices at which prior obligations to be tendered will be purchased, select underwriting and other firms necessary or desirable to effect the Tender Transaction, and cause the preparation and distribution of and approve any and all documents necessary or desirable in connection therewith.

Section 3. Additional Powers; Compliance with Applicable Laws. The State Treasurer and his designees are hereby authorized, empowered and directed to do any and all other acts and to execute, approve and deliver any and all documents, which they, in their discretion, deem necessary or appropriate in order to consummate any Tender Transactions contemplated by this resolution, including, without limitation, entering into certain arrangements and causing the preparation and delivery of certain documents in connection therewith, including preparation and distribution of an invitation or offer to tender bonds, preparation and distribution of certain disclosure documents and statements containing information about the prior obligations or portions thereof for which the invitation to tender for purchase is being made and setting forth the terms, rules and procedures related to such process, entering into arrangements or submitting applications to ascertain the beneficial owners of the prior obligations, entering into a dealer management agreement and a tender agent agreement with underwriting and other firms to assist with the implementation and management of the Tender Transaction, entering into tender and purchase agreements with holders agreeing to tender bonds, and any other notices, documents or agreements that may be necessary or appropriate for such purpose. Any refunding obligations issued in connection with a Tender Transaction reliance on the consent of the Council of State herein shall be issued in full compliance with the requirements of the laws authorizing the issuance thereof.

Section 4. Effective Date. This resolution shall take effect upon its passage and remain effective notwithstanding any change in the State Treasurer or other members of the Council of State.

Section 5. Sunset Provision. This resolution shall expire on the date of the first Council of State meeting held in calendar year 2027.

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FIRE INSURANCE MATTERS
FUND CONDITION REPORT

State Property Fire Insurance Fund
Fund Condition September Council of State
(Cumulative Since July 1, 2025 as of July 31, 2025)

Beginning Balance	7/1/2025	43,056,566.01
Premium Received		11,569,998.00
Legislative Funding		
Reinsurance Reimbursement		
Interest Income		0.00
Realized Gain - Sale of Investments		
Disaster Reimbursement		
Total Revenue		11,569,998.00
Losses Paid (Fund)		3,095,833.26
Losses Paid (Reinsurer)		0.00
Return of Expenditure		
Reinsurance Premium Paid		0.00
Realized Loss - Sale of Investments		
Administrative Expenses		229,168.28
Total Expenditures		3,325,001.54
Fund Balance	7/31/2025	51,301,562.47

PROPERTY INSURANCE LOSSES
August 2025

Office of State Fire Marshal Requests permission to pay the following loss(es) from the State Property Fire Insurance Fund:

1. DNCR
Location of Loss: Mountain Gateway Museum
Cause of Loss: Flood/Wind
Coverage Type: All-Risk Special Form
Date of Loss: 09/27/2024
Loss Number: 20250001-48002000
Amount of Loss: \$773,156.69

2. DNCR
Location of Loss: Stone Mountain State Park #75
Cause of Loss: Fire
Coverage Type: All-Risk Special Form
Date of Loss: 12/01/2024
Loss Number: 20250013-48002000
Amount of Loss: \$163,550.04

3. Appalachian State University
Location of Loss: Multiple (Walker/Rankin #60005011)
Cause of Loss: Flood
Coverage Type: All Risk Special Form
Date of Loss: 9/27/2024
Amount of Loss: \$62,919.13

4. UNC Charlotte
Location of Loss: Martin Hall (Residence) #145
Cause of Loss: Water
Coverage Type: All-Risk Special Coverage
Date of Loss: 6/23/2025
Amount of Loss: \$381,283.43

5. UNC Hospitals
Location of Loss: Imaging & Spine Center (#33)
Cause of Loss: Wind
Coverage Type: All Risk Special Form
Date of Loss: 6/19/2025
Amount of Loss: \$30,912.00

BOARD OF TRANSPORTATION
RIGHT OF WAY MATTERS INDEX

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BOARD OF TRANSPORTATION 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: Ramkumar Jeyaraman

LOCATION: NC-125, Martin County

AREA: 0.263 Acres

CONSIDERATION: \$14,000.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-3826 in Martin County for \$5,600.00 in 2015. The current appraised value of this residue property is \$14,000.00. The Grantee, Ramkumar Jeyaraman, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$14,000.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 2

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Phil Lewis

LOCATION: US-70, Carteret County

AREA: 3.102 Acres

CONSIDERATION: \$370,000.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-3307 in Carteret County for \$290,400.00 between 2010 and 2012. The current appraised value of this residue property is \$252,750.00. The Grantee, Phil Lewis, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$370,000.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 3

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Claude William Mooney and Hazel B. Mooney

LOCATION: Kivett Drive, Guilford County

AREA: 0.290 Acres

CONSIDERATION: \$10,125.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2717 in Guilford County for \$500.00 in 2003. The current appraised value of this residue property is \$6,000.00. The Grantees, Claude William Mooney and Hazel B. Mooney, the highest bidders after auctioneer advertisement, have agreed to pay the Department the high bid amount of \$10,125.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 4

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Shawn Cummings

LOCATION: Groomtown Road, Guilford County

AREA: 0.550 Acres

CONSIDERATION: \$49,610.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-3313 in Guilford County for \$20,100.00 in 2005. The current appraised value of this residue property is \$32,825.00. The Grantee, Shawn Cummings, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$49,610.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 5

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Charles and Kristy Page

LOCATION: Winston-Salem Northern Beltway, Forsyth County

AREA: 0.293 Acres

CONSIDERATION: \$17,000.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2579B in Forsyth County for \$78,000.00 in 2006, the purchase price was inclusive of Map Act Damages. The current appraised value of this residue property is \$17,000.00. The Grantees, Charles and Kristy Page, the highest bidders after auctioneer advertisement, have agreed to pay the Department the high bid amount of \$17,000.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 6

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Greenwood Management LLC

LOCATION: Winston-Salem Northern Beltway, Forsyth County

AREA: 0.163 Acres

CONSIDERATION: \$11,895.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2579C in Forsyth County for \$1,550.00 in 2016. The current appraised value of this residue property is \$2,500.00. The Grantee, Greenwood Management LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$11,895.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 7

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Brewer GreenWorks, LLC

LOCATION: Winston-Salem Northern Beltway, Forsyth County

AREA: 0.760 Acres

CONSIDERATION: \$60,000.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2579DEF in Forsyth County for \$153,700.00 in 2007, the purchase price was inclusive of Map Act Damages. The current appraised value of this residue property is \$60,000.00. The Grantee, Brewer GreenWorks, LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$60,000.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 8

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Perimeter Point Properties, LLC

LOCATION: Winston-Salem Northern Beltway, Forsyth County

AREA: 6.782 Acres

CONSIDERATION: \$143,650.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2579DEF in Forsyth County for \$28,800.00 between 2018 and 2019. The current appraised value of this residue property is \$80,720.00. The Grantee, Perimeter Point Properties, LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$143,650.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 9

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Nav Properties LLC

LOCATION: Winston-Salem Northern Beltway, Forsyth County

AREA: 0.530 Acres

CONSIDERATION: \$13,127.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2579DEF in Forsyth County for \$110,000.00 in 2007, the purchase price was inclusive of Map Act Damages. The current appraised value of this residue property is \$6,625.00. The Grantee, Nav Properties LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$13,127.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 10

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Craig A. Huey and Natalie Brooks-Huey

LOCATION: Winston-Salem Northern Beltway, Forsyth County

AREA: 1.920 Acres

CONSIDERATION: \$47,000.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2579DEF in Forsyth County for \$88,075.00 in 2019, the purchase price was inclusive of Map Act Damages. The current appraised value of this residue property is \$46,958.00. The Grantees, Craig A. Huey and Natalie Brooks-Huey, the highest bidders after auctioneer advertisement, have agreed to pay the Department the high bid amount of \$47,000.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 11

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: John M. Gathara

LOCATION: Winston-Salem Northern Beltway, Forsyth County

AREA: 0.459 Acres

CONSIDERATION: \$12,899.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2579DEF in Forsyth County for \$2,450.00 in 2018. The current appraised value of this residue property is \$2,500.00. The Grantee, John M. Gathara, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$12,899.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 12

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Michael Borkowski and Amber Borkowski

LOCATION: George Liles Parkway, Cabarrus County

AREA: 0.790 Acres

CONSIDERATION: \$24,750.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-2246B in Cabarrus County for \$10.00 in 1999. The current appraised value of this residue property is \$25,000.00. The Grantees, Michael Borkowski and Amber Borkowski, the highest bidders after auctioneer advertisement, have agreed to pay the Department the high bid amount of \$24,750.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 13

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Mitzi Furr and Scott Stanton

LOCATION: George Liles Parkway, Cabarrus County

AREA: 0.662 Acres

CONSIDERATION: \$15,000.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-2246B in Cabarrus County for \$120,500.00 in 1998, as an Advanced Acquisition this cost was inclusive of Highway Right of Way. The current appraised value of this residue property is \$15,000.00. The Grantees, Mitzi Furr and Scott Stanton, the highest bidders after auctioneer advertisement, have agreed to pay the Department the high bid amount of \$15,000.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 14

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: SMURF BROTHERS, LLC

LOCATION: Charlotte Outer Loop, Mecklenburg County

AREA: 0.500 Acres

CONSIDERATION: \$126,048.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-0211DA in Mecklenburg County for \$1,825.00 between 1989 and 1990. The current appraised value of this residue property is \$27,000.00. The Grantee, SMURF BROTHERS, LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$126,048.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 15

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: SMURF BROTHERS, LLC

LOCATION: I-485, Mecklenburg County

AREA: 0.620 Acres

CONSIDERATION: \$17,332.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-2248E in Mecklenburg County for \$567.00 in 2013. The current appraised value of this residue property is \$18,000.00. The Grantee, SMURF BROTHERS, LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$17,332.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 16

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Kibula Thomas Mantona

LOCATION: I-485, Mecklenburg County

AREA: 0.831 Acres

CONSIDERATION: \$59,726.70

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-2248E in Mecklenburg County for \$1,700.00 in 2013. The current appraised value of this residue property is \$18,000.00. The Grantee, Kibula Thomas Mantona, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$59,726.70. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 17

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Hat-Tricks Sports and Recreation Venue, LLC

LOCATION: I-485, Mecklenburg County

AREA: 2.450 Acres

CONSIDERATION: \$20,467.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-2248E in Mecklenburg County for \$6,492.00 in 2011. The current appraised value of this residue property is \$22,000.00. The Grantee, Hat-Tricks Sports and Recreation Venue, LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$20,467.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 18

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: SMURF BROTHERS, LLC

LOCATION: US-74, Mecklenburg County

AREA: 0.230 Acres

CONSIDERATION: \$129,456.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-0209B in Mecklenburg County for \$49,250.00 in 2012. The current appraised value of this residue property is \$58,500.00. The Grantee, SMURF BROTHERS, LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$129,456.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 19

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: SMURF BROTHERS, LLC

LOCATION: US-74, Mecklenburg County

AREA: 0.542 Acres

CONSIDERATION: \$119,952.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-0209F in Mecklenburg County for \$4,100.00 in 1994. The current appraised value of this residue property is \$42,000.00. The Grantee, SMURF BROTHERS, LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$119,952.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 20

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Baumweg, LLC

LOCATION: Mallard Creek Road, Mecklenburg County

AREA: 0.323 Acres

CONSIDERATION: \$14,117.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2507A in Mecklenburg County for \$3,728.00 in 2012. The current appraised value of this residue property is \$15,000.00. The Grantee, Baumweg, LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$14,117.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 21

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Santhosh Kumar Arunuri and Sai Divya Kolakuluri and
Tanvika Medinally

LOCATION: Mallard Creek Road, Mecklenburg County

AREA: 0.400 Acres

CONSIDERATION: \$50,530.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2507A in Mecklenburg County for \$19,200.00 in 2011. The current appraised value of this residue property is \$22,000.00. The Grantees, Santhosh Kumar Arunuri and Sai Divya Kolakuluri and Tanvika Medinally, the highest bidders after auctioneer advertisement, have agreed to pay the Department the high bid amount of \$50,530.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 22

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Patricia Coleman Mason and Charles Alexander Mason

LOCATION: Mallard Creek Road, Mecklenburg County

AREA: 0.435 Acres

CONSIDERATION: \$22,000.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2507A in Mecklenburg County for \$22,000.00 in 2011. The current appraised value of this residue property is \$22,000.00. The Grantees, Patricia Coleman Mason and Charles Alexander Mason, the highest bidders after auctioneer advertisement, have agreed to pay the Department the high bid amount of \$22,000.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 23

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: OakRock One, LLC

LOCATION: I-77, Mecklenburg County

AREA: 0.670 Acres

CONSIDERATION: \$22,000.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project 8.1657301 in Mecklenburg County for \$10.00 in 1972. The current appraised value of this residue property is \$20,000.00. The Grantee, OakRock One, LLC, the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$22,000.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 24

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: SMURF BROTHERS, LLC

LOCATION: I-77, Mecklenburg County

AREA: 0.106 Acres

CONSIDERATION: \$46,910.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project 8.1657301 in Mecklenburg County for \$100.00 in 1972. The current appraised value of this residue property is \$7,000.00. The Grantee, SMURF BROTHERS, LLC the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$46,910.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER VIA REAL ESTATE AGENT AND/OR
AUCTIONEER (Continued)

ITEM 25

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Gregory Camp and Beverly Camp

LOCATION: Charlotte Outer Loop, Mecklenburg County

AREA: 0.930 Acres

CONSIDERATION: \$26,400.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-2123AB in Mecklenburg County for \$9,951.00 in 1997. The current appraised value of this residue property is \$24,000.00. The Grantees, Gregory Camp and Beverly Camp, the highest bidders after auctioneer advertisement, have agreed to pay the Department the high bid amount of \$26,400.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

ITEM 26

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: David Eugene Phillipr, Jr.

LOCATION: US-74, Monroe Bypass, Union County

AREA: 0.812 Acres

CONSIDERATION: \$14,850.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-3329/2559 in Union County for \$100.00 in 2018. The current appraised value of this residue property is \$15,000.00. The Grantee, David Eugene Phillips, Jr., the highest bidder after auctioneer advertisement, has agreed to pay the Department the high bid amount of \$14,850.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
SALE OF RESIDUE TO HIGHEST BIDDER AFTER PUBLIC ADVERTISEMENT

ITEM 1

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Canterbury School

LOCATION: Greensboro Eastern Loop, Guilford County

AREA: 8.810 Acres

CONSIDERATION: \$62,000.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-2525C in Guilford County for \$75,650.00 in 2012 as part of a mediated settlement . The current appraised value of this residue property is \$61,050.00. The Grantee, Canterbury School, the highest bidder after public advertisement, has agreed to pay the Department the high bid amount of \$62,000.00. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

CONVEYANCE OF RESIDUE AS PART SETTLEMENT OF HIGHWAY
RIGHT OF WAY CLAIM

ITEM 1

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Cameron Company, L.L.C.

LOCATION: US-17 Hampstead Bypass, Pender County

AREA: 7.433 Acres

CONSIDERATION: \$24,150.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project R-3300A in Pender County for \$24,150.00 in 2022. The current appraised value of this residue property is \$24,150.00. The Grantee, Cameron Company, L.L.C., has agreed to the consideration and settlement of their Highway Right of Way Claim on State Highway Project R-3300A parcel 024Z. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

BOARD OF TRANSPORTATION MATTERS (Continued)
CONVEYANCE OF RESIDUE AS PART SETTLEMENT OF HIGHWAY
RIGHT OF WAY CLAIM (Continued)

ITEM 2

GRANTOR: State of North Carolina Department of Transportation

GRANTEE: Cedar on the Green Rentals, LLC

LOCATION: US-17, Pender County

AREA: 1.606 Acres

CONSIDERATION: \$54,000.00

COMMISSION: Buyer's Premium

COMMENTS: The Department acquired this residue during the construction of Highway Project U-5732 in Pender County for \$17,850.00 in 2019. The current appraised value of this residue property is \$54,000.00. The Grantee, Cedar on the Green Rentals, LLC, has agreed to the consideration of \$54,000.00 and settlement of their Highway Right of Way Claim on State Highway Project U-5732 parcel 164. The Secretary of Transportation approved this conveyance with the concurrence of the Board of Transportation in a resolution adopted on September 4, 2025.

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STATE PROPERTY MATTERS
ACQUISITION BY DEED

ITEM 1

GRANTOR: Blue Ridge Conservancy

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

LOCATION: off Three Top Road, Todd Township, Ashe County

AREA: ±34 acres

UNIT COST: \$2,647.06/acre

CONSIDERATION: \$90,000

COMMENTS: Game Land Addition. Property proposed for acquisition is for inclusion in Three Top Mountain Game Land. Acquisition of this property will provide additional public hunting opportunities. Blue Ridge Conservancy received a grant from the North Carolina Land and Water Fund for a portion of their purchase price. Funding for this acquisition will be provided by a grant from US Fish and Wildlife Service. 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: ELLERBEE CREEK WATERSHED ASSOCIATION

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

LOCATION: near Hamlin Road, Durham, Durham County

AREA: ±5.69 acres

CONSIDERATION: Gift

COMMENTS: Game Land Addition. Property proposed for acquisition is for inclusion in Butner Falls of Neuse Game Land. Grantor has requested a Right of First Refusal should the State decide to dispose of the property in the future. This Right of First Refusal would last for 30 years following the date of the deed transfer from the grantor to the State. 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: Open Space Institute Land Trust, Inc.

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

LOCATION: off Hwy 211-E, Lumberton, Robeson County

AREA: ±2,519 acres

UNIT COST: ±\$724.49/acre

CONSIDERATION: \$1,825,000

COMMENTS: New Game Land. Property proposed for acquisition will be used for the establishment of the Big Swamp Game Land. Funding for this acquisition is provided by grants from North Carolina Land and Water Fund (\$1,200,000), North American Wetlands Conservation Act (\$500,000), and Enviva Forest Conservation Fund (\$125,000). 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 4

GRANTOR: Gladly Fork Trout Farm and Hatchery, LLC and Robert O. Camenzind and wife, Katie Camenzind

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

LOCATION: off Old Powell Road, Brevard, Transylvania County

AREA: ±11 acres improved with three ancillary buildings totaling ±6,312 sq. ft.

UNIT COST: ±\$32,000/acre – land
±\$154.15/sq. ft. – improvements

CONSIDERATION: \$1,325,000

COMMENTS: New Fish Hatchery. Property proposed for acquisition will add capacity for growing and holding fish to reduce impacts to the stocked trout program. Funding for this acquisition is provided by the Wildlife Resources Commission Agency Funds. 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 5

GRANTOR: Charles Nantz and wife, Maxine Nantz

GRANTEE: State of North Carolina, Department of Natural and Cultural Resources,
Division of State Historic Sites

LOCATION: Fort Dobbs Road, Statesville, Iredell County

AREA: ±5.2 acres (subject to survey)

UNIT COST: \$28,846/acre

CONSIDERATION: \$150,000

COMMENTS: Historic Site Addition. Property proposed for acquisition is for inclusion in Fort Dobbs Historic Site. Acquisition of this property, which adjoins two boundaries of Fort Dobbs Historic Site, will prevent future development. The tract is part of the 1760 battlefield, with artifacts having been recovered on the site. As a condition of the sale the grantors will enter into a lease agreement which will allow the grantor to hunt and will allow cattle grazing. The lease will terminate at the death of the last surviving grantor. Funding for this acquisition is provided by a grant from the NC Land and Water Fund (\$114,500), the balance from agency funds. 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 6

GRANTOR: 130 Of Chatham, LLC
Timothy D. Sweeney, Manager

GRANTEE: State of North Carolina, Department of Natural and Cultural Resources,
Division of Parks and Recreation

LOCATION: Gade Bryant Road, Oakland Township, Chatham County

AREA: ±5.07 acres

CONSIDERATION: Gift

COMMENTS: State Trail Addition. Property proposed for acquisition is for inclusion in Deep River State Trail. Acquisition of this property will provide protection of natural resources and water quality along the Deep and Rocky Rivers. 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 7

GRANTOR: Walton Farm, LLC
Mary H. G. Walton, Administrative Member

GRANTEE: State of North Carolina, Department of Natural and Cultural Resources,
Division of Parks and Recreation

LOCATION: off Reedy Creek Road, Cary Township, Wake County

AREA: ±7.00 acres

UNIT COST: ±\$257,142.86/acre or ±\$5.90/sq. ft.

CONSIDERATION: \$1,800,000

COMMENTS: State Park Addition. In May 2018, the Council of State approved a land exchange between Anderson Real Estate #4, LLC, and its affiliates (collectively “Anderson”) and the State involving certain lands in William B. Umstead State Park. The terms of the exchange provided for the State to convey ±23.09 acres on the north side of US Highway 70 to Anderson and for Anderson to convey to the State a ±13.14-acre tract on the south side of US Highway 70 situated adjacent to the park.

Much of the park property, including a substantial portion of the ±23.09 acres conveyed to Anderson, was acquired in 1943 from the US Department of Interior (“USDOl”) on condition that the land be used for public park, recreational and conservation purposes. USDOl retained a reversionary interest in the park property to ensure compliance with this restriction. The land exchange was approved by USDOl with the proviso that the State acquire additional adjacent land for inclusion in the park.

The proposed acquisition will satisfy the USDOl requirement for the acquisition of additional property and will protect natural resources in the southeast section of the park. This property will be acquired subject to an existing agricultural lease with Mary Walton and Charles Walton that allows for goat grazing in a manner consistent with maintaining the conservation values of the property. Funding for this acquisition is provided by the Parks and Recreation Trust Fund. This item was reported to the Joint Legislative Commission on Governmental Operations. Notification of the acquisition was made to the County and/or Municipality in accordance with G.S. §146-22.

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

ITEM 8

GRANTOR: Gerald H. Jobe and wife, Faithe G. Jobe

GRANTEE: State of North Carolina, North Carolina A&T State University
LOCATION: 3201 Old McConnell Loop, Greensboro, Guilford County

AREA: ±18.39 acres

UNIT COST: ±\$61,446.44/acre

CONSIDERATION: \$1,130,000

COMMENTS: Farmland Addition. Property proposed for acquisition is for inclusion in NCA&T Farm at McConnell Road to expand its farm research portfolio and advance agricultural innovation. Funding for this acquisition is provided by Title III Education Grant Funds. 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: Tate Boulevard I, LLC
John P Sigmon, Manager

LESSEE: State of North Carolina, Department of Health and Human Services
Division of Child and Family Well-Being

LOCATION: 1985 Tate Boulevard SE, Suite 458, Hickory, Catawba County

TERM: Ten years effective December 1, 2025, or possession with two 5-year renewal options

AREA: ±6,073 sq. ft. of office space

UNIT COST: \$23.59/sq. ft. (average) including utilities, water/sewer, janitorial and parking
\$30.81/sq. ft. (average) – 1st renewal option
\$38.35/sq. ft. (average) – 2nd renewal option

ANNUAL RENTAL: \$143,235.95 (average)
\$187,109.13 (average) – 1st renewal option
\$232,899.55 (average) – 2nd renewal option

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

ITEM 1 (Continued)

COMMENTS: New Lease. New lease to replace an expired 15-year lease for 6,323 sq. ft. at an average annual rate of \$127,231.73 or \$20.12/sq. ft., including utilities, water/sewer, janitorial, and parking. Lowest of three proposals received through advertising with moving costs considered. Space accessible to the disabled. 100% State Funds.

ITEM 2

LESSOR: REVA Raleigh Colonnade, LLC
Stevens M. Sadler, Manager

LESSEE: State of North Carolina, North Carolina Education Lottery

LOCATION: 8510 Colonnade Center Drive, Raleigh, Wake County

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

AREA: 89,344 sq. ft. of office, data center and laboratory space

UNIT COST: \$35.15/sq. ft. (average) including utilities, janitorial services and parking
\$43.56/sq. ft. (average) – 1st renewal option
\$50.50/sq. ft. (average) – 2nd renewal option

ANNUAL RENTAL: \$3,140,441.60 (average)
\$3,891,824.64 (average) – 1st renewal option
\$4,511,872.00 (average) – 2nd renewal option

COMMENTS: Reduction and Relocation Lease. Reduction and relocation of an existing 10-year lease for 100,084 sq. ft. of office, laboratory and warehouse space at an average annual rental of \$1,377,080.88 or \$13.76/sq. ft. including parking. Four proposals received through advertising meeting specifications. The selected proposer submitted the second lowest proposal which was deemed superior based on factors that include location, offered services, age of the property, general condition of the facilities, and security considerations. Space accessible to the disabled. 100% Receipt based.

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

ITEM 3

LESSOR: Carmel Crossings LLC
Dennis Troesh, Manager

LESSEE: State of North Carolina, Office of the State Auditor

LOCATION: 6702 Carmel Road, Charlotte, Mecklenburg County

TERM: Five years and four months effective October 1, 2025 or possession

AREA: ±3,493 sq. ft. of office space

UNIT COST: \$33.15/sq. ft. (average) including utilities, janitorial, water and sewer, and parking
\$38.99/sq. ft. (average) – renewal period

ANNUAL RENTAL: \$108,004 (average)
\$127,641 (average) – renewal period

COMMENTS: New Lease. New Lease to house the Office of the State Auditor’s western regional office. Terms negotiated in the open market after no proposals were received through advertising. Space accessible to the disabled. 100% State Funds.

ITEM 4

LESSOR: AWP Property, LLC
Arin Piramazadian, Manager

LESSEE: State of North Carolina, State Bureau of Investigation

LOCATION: 5994 Caldwell Park Drive, Harrisburg, Cabarrus County

TERM: Ten years effective November 1, 2025, or possession with two 5-year renewal options

AREA: ±14,031 sq. ft. of office space

UNIT COST: \$30.95/sq. ft.(average) initial term including parking
\$38.53/sq. ft. (average) – 1st renewal option
\$44.67/sq. ft. (average) – 2nd renewal option

ANNUAL RENTAL: \$434,294.16 (average) initial term
\$540,603.02 (average) – 1st renewal option
\$626,707.06 (average) – 2nd renewal option

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

ITEM 4 (Continued)

COMMENTS: Expansion and Consolidation Lease. Expansion and consolidation of two expiring office leases with a total of 10,256 sq. ft. combined at an average annual rate of \$135,033.85 or \$13.17/sq. ft. including janitorial service and parking for the NC SBI Southern Piedmont office to accommodate staffing demands. Terms negotiated in the open market after receiving no proposals meeting specifications through advertising. Space accessible to the disabled. 100% State Funds.

ITEM 5

LESSOR: DP Smoketree LLC
Sesha French Debnam, Manager

LESSEE: State of North Carolina, State Bureau of Investigation

LOCATION: 3100 Smoketree Court, Suite 900, Raleigh, Wake County

TERM: Two years effective October 1, 2025, or possession with six 6-month renewal options

AREA: ±7,733 sq. ft. of office space

UNIT COST: \$22.84/sq. ft. (average) initial term including utilities, water/sewer, janitorial and parking
\$23.87/sq. ft. – 1st renewal option
\$23.87/sq. ft. – 2nd renewal option
\$24.59/sq. ft. – 3rd renewal option
\$24.59/sq. ft. – 4th renewal option
\$25.32/sq. ft. – 5th renewal option
\$25.32/sq. ft. – 6th renewal option

ANNUAL RENTAL: \$176,602.39 (average) – initial term
\$184,588.64 – 1st renewal option
\$184,588.64 – 2nd renewal option
\$190,124.31 – 3rd renewal option
\$190,124.31 – 4th renewal option
\$195,828.04 – 5th renewal option
\$195,828.04 – 6th renewal option

COMMENTS: New Lease. New lease to house the NC State Bureau of Investigation's Headquarters during the construction of their new state-owned facility. Two proposals were received through advertising meeting specifications. One proposer withdrew after being selected. Space accessible to the disabled. 100% State Funds.

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

ITEM 6

LESSOR: The North Carolina A&T Real Estate Foundation, Inc
Sheena Jerman, Interim Executive Director

LESSEE: State of North Carolina, North Carolina A&T State University,
Center of Excellence for Entrepreneurship and Innovation

LOCATION: 1806 East Market Street, Floor 3, Greensboro, Guilford County

TERM: Ten years effective January 1, 2026, or possession with one 10-year
renewal option

AREA: ±8,204 sq. ft. of office space

UNIT COST: \$30.66/sq. ft. (average) initial term including utilities, water/sewer,
janitorial and parking
\$37.37/sq. ft. (average) – renewal option

ANNUAL RENTAL: \$251,528.23 (average) – initial term
\$306,611.51 (average) – renewal option

COMMENTS: New Lease. New lease to house the university's Center of Excellence for
Entrepreneurship and Innovation. This lease was not advertised due to its unique location pursuant
to GS §146-32 (3) c. Space accessible to the disabled. 100% State Funds.

ITEM 7

LESSOR: The North Carolina A&T Real Estate Foundation, Inc
Sheena Jerman, Interim Executive Director

LESSEE: State of North Carolina, North Carolina A&T State University,
Human Resources Department

LOCATION: 1806 East Market St, Floor 4, Greensboro, Guilford County

TERM: Ten years effective January 1, 2026, or possession with one 10-year
renewal option

AREA: ±8,264 sq. ft. of office space

UNIT COST: \$30.66/sq. ft. (average) initial term including utilities, water/sewer,
janitorial and parking
\$37.37/sq. ft. (average) – renewal option

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

ITEM 7 (Continued)

ANNUAL RENTAL: \$253,367.78 (average) – initial term
\$308,853.92 (average) – renewal option

COMMENTS: New Lease. New lease to house the university's human resources department. This lease was not advertised due to its unique location pursuant to GS §146-32 (3) c. Space accessible to the disabled. 100% State Funds.

DISPOSITION BY LEASE

ITEM 1

LESSOR: State of North Carolina, Department of Natural and Cultural Resources,
Division of State Historic Sites

LESSEE: County of Lee
Lisa G. Minter, County Manager

LOCATION: Iron Furnace Road, Cumnock, Lee County

TERM: Thirty years

AREA: ±426 acres

RENTAL: \$1.00 for the term

COMMENTS: New Lease. New ground lease to create a new park along the Deep River for hiking, biking and interpretive trails. Lessee will be responsible for all costs of development and construction of the site. This item was reported to the Joint Legislative Commission on Governmental Operations.

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

ITEM 2

LESSOR: State of North Carolina, Department of Natural and Cultural Resources,
Division of Parks and Recreation

LESSEE: Wake County
David Ellis, County Manager

LOCATION: Old Reedy Creek Road, Cedar Fork Township, Wake County

TERM: Seven years and two months, beginning November 1, 2025 or possession
with two 10-year renewal options

AREA: ±252 acres

ANNUAL RENTAL: \$1.00 for the term

COMMENTS: New Lease. Property proposed for lease is for the expansion of a mountain bike park onto State lands allocated to William B. Umstead State Park. Lessee currently operates a mountain bike park on 151 acres adjacent to the park. 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.

ITEM 3

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

LESSEE: Duke Energy Carolinas, LLC a North Carolina limited liability company
Kathryn B. Aittola, Senior Vice President

LOCATION: Toxaway Game Lands, Hogback Township, Transylvania County

TERM: Thirty years effective January 1, 2028

AREA: ±4.1 miles over portions of a 2,657-acre tract

RENTAL: \$1.00

COMMENTS: New Lease. New lease for Foothills Trail over Toxaway Game Land. Lessee to maintain an existing 200-foot-wide trail as part of FERC relicensing process. This item was reported to the Joint Legislative Commission on Governmental Operations.

STATE PROPERTY MATTERS (Continued)
DISPOSITION BY SUBLEASE

ITEM 1

SUBLESSOR: State of North Carolina, Department of Natural and Cultural Resources,
Division of Parks and Recreation

SUBLESSEE: Wake County
David Ellis, County Manager

LOCATION: 3200 Pleasant Union Church Road, Raleigh, Wake County

TERM: Eight years effective October 1, 2025

AREA: ±236 acres

ANNUAL RENTAL: \$1.00 for the term

COMMENTS: Renewal Sublease. Property proposed for sublease is currently being used by Wake County for its Blue Jay Point County Park at Falls Lake. This sublease will supersede the existing lease, which expires in October 2026. Not advertised pursuant to G.S. §146-29.1. Lessee is a public entity.

DISPOSITION BY EASEMENT

ITEM 1

GRANTOR: State of North Carolina, Department of Agriculture and Consumer
Services, Food Distribution

GRANTEE: Duke Energy Carolinas, LLC

LOCATION: Food Distribution Drive, Creedmoor, Granville County

EASEMENT AREA: ±3,000 sq. ft. (±0.069 acre)

CONSIDERATION: Benefit

COMMENTS: Utility Easement. Proposed easement is needed to relocate an existing transformer. Once relocated, a segment of the existing easement will be terminated which contains an underground primary line and the current transformer site.

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

ITEM 2

GRANTOR: State of North Carolina, Department of Agriculture and Consumer Services, NC State Fair

GRANTEE: State of North Carolina, Department of Transportation, Division of Highways,
Right of Way

LOCATION: Blue Ridge Road, Raleigh, Wake County

EASEMENT AREA: ±435 sq. ft. (±0.010 acre)

CONSIDERATION: \$5,400

COMMENTS: Utility Easement. Proposed easement is needed for the construction, installation, maintenance, operation, and upgrading of overhead pedestrian lighting and appurtenant equipment as part of the Department of Transportation's Blue Ridge Road and Hillsborough Street grade separation project.

ITEM 3

GRANTOR: State of North Carolina, Department of Natural and Cultural Resources, Division of Parks and Recreation

GRANTEE: State of North Carolina, Department of Transportation, Division of Highways,
Right of Way

LOCATION: New River State Park, Methodist Camp Road, Obids Township, Ashe County

EASEMENT AREA: Right Of Way: ±3,963.96 sq. ft. (±0.091 acre)
Permanent Drainage Easement: ±435.6 sq. ft. (±0.010 acre)
Temporary Construction Easement: ±5,619.24 sq. ft. (±0.129 acre)

CONSIDERATION: Benefits

COMMENTS: New Bridge Construction. Proposed easement is needed for the construction/relocation of the Methodist Camp Road bridge over the New River. As part of the project, the Department of Transportation will abandon 0.1455 acre of right-of-way, remove the paved surface and the old bridge. The temporary construction easement will terminate upon completion of the project.

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

ITEM 4

GRANTOR: State of North Carolina, Department of Natural and Cultural Resources,
Division of Parks and Recreation

GRANTEE: Slater Old Fort Properties LLC

LOCATION: Old US 70 West, Old Fort Township, McDowell County

AREA: ±4,417 sq. ft (±0.101 acre)

CONSIDERATION: Benefits

COMMENTS: Access Easement. Proposed easement will allow for a permanent access easement across state lands currently allocated to the Fonta Flora State Trail and under lease to Foothills Conservancy. In lieu of payment, the grantor improved the access and trailhead parking lot on the State's property.

ITEM 5

GRANTOR: State of North Carolina, Department of Natural and Cultural Resources,
Division of Parks and Recreation

GRANTEE: State of North Carolina, Department of Transportation, Division of
Highways,
Right of Way Unit

LOCATION: Mayo River State Park, US Highway 770, Mayo and Madison Townships,
Rockingham County

EASEMENT AREA: Permanent Drainage Easement: ±12,763 sq. ft. (±0.293 acre)
Temporary Construction Easement: ±4,400 sq. ft. (±0.101 acre)

CONSIDERATION: \$10,850

COMMENTS: Bridge Replacement. Proposed easement is needed for the replacement of Bridge 780035 over the Mayo River. Piedmont Land Conservancy will be a party to this easement in order to release a reversionary interest. Funds from this disposition will be applied to the purchase of property at Mayo River State Park.

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

ITEM 6

GRANTOR: State of North Carolina, Department of Natural and Cultural Resources,
Division of Parks and Recreation

GRANTEE: Southern Appalachian Highlands Conservancy

LOCATION: off Bolens Creek Road, Pensacola and Burnsville Townships,
Yancey County

AREA: ±25' x ±3,000' or ±75,000 sq. ft. (±1.72 acres)

CONSIDERATION: None

COMMENTS: Access Easement. Proposed easement is needed to provide access across an existing road for the purpose of monitoring a conservation easement on property at Mount Mitchell State Park. Grantee will be responsible for all costs associated with maintenance and any improvements of the road. Use of the road by the grantee will be restricted through terms within the easement document.

ITEM 7

GRANTOR: State of North Carolina, Department of Public Safety,
Division of Juvenile Justice and Delinquency Prevention

GRANTEE: El Ejido, LLC

LOCATION: Lees Creek Road, Asheville, Buncombe County

EASEMENT AREA: ±3,887 sq. ft. (±0.089 acre)

CONSIDERATION: \$8,325

COMMENTS: Sewer Easement. Proposed easement is needed to upgrade sewer lines and appurtenances for the development of an adjacent property. The conversion of a private sewer line to a public sewer line is needed to extend coverage for the development. The permanent easement will be conveyed to the Metropolitan Sewerage District upon completion of construction.

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

ITEM 8

GRANTOR: State of North Carolina, Department of Transportation,
Division of Highways, Maintenance

GRANTEE: Duke Energy Carolinas, LLC

LOCATION: 250 9th Street Lane SE, Taylorsville, Alexander County

EASEMENT AREA: ±2,000 sq. ft. (±0.046 acre)

CONSIDERATION: Benefit

COMMENTS: Utility Easement. Proposed easement is needed for the relocation of a transformer to serve a new county Emergency Management Service facility. This project will provide reliable electrical service and ensure the facility has the power supply necessary to operate effectively, supporting emergency medical services for the surrounding community.

ITEM 9

GRANTOR: State of North Carolina, University of North Carolina at Chapel Hill

GRANTEE: Orange Water and Sewer Authority

LOCATION: Off Old Mason Farm Road, Chapel Hill, Orange County

EASEMENT AREA: ±24,734 sq. ft. (±0.57 acre)

CONSIDERATION: Benefit

COMMENTS: Access Easement. Proposed easement is needed to memorialize an access easement to the grantee's property over an existing soil road that has been utilized by the grantee more than 48 years.

STATE PROPERTY MATTERS (Continued)
SEVERANCE (Continued)

ITEM 1

PROPOSED ACTION: Severance of timber

DEPARTMENT/AGENCY: State of North Carolina, Department of Agriculture and Consumer Services, Research Stations

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

AREA: ±31 acres

COMMENTS: Approval is requested to harvest ±31 acres of mature timber at Bladen Lakes State Forest. The stand was aggressively thinned in 2020, prescribed burned in 2024, and now has confirmed active infestations of bark beetles in multiple locations. A salvage harvest through an Emergency Clearcut is recommended to capture current mortality and minimize further loss. Following harvest, the site will be regenerated with improved longleaf pine seedlings for future management.

ITEM 2

PROPOSED ACTION: Severance by demolition

DEPARTMENT/AGENCY: State of North Carolina, Department of Agriculture and Consumer Services, Research Stations

LOCATION: Umstead Farm Unit, Old NC 75/SR 1004, Butner, Granville County

STRUCTURES:

- 1) Hay Drying Barn, built in 1952, containing 1,200 sq. ft., Complex #39-15, Asset #3
- 2) Hay Drying Barn, built in 1952, containing 1,200 sq. ft., Complex #39-15, Asset #4
- 3) Heifer Barn, built in 1955, containing 3,008 sq. ft., Complex #39-15, Asset #27
- 4) Commodity Barn, built in 1988, containing 2,400 sq. ft., Complex #39-15, Asset #52
- 5) Pesticide Storage, built in 1996, containing 216 sq. ft., Complex #39-15, Asset #54
- 6) Dairy Shelter #1, built in 2002, containing 9,720 sq. ft., Complex #39-15, Asset #55

COMMENTS: These structures are beyond their serviceable life and no longer serve a useful purpose. Demolition will be handled by a contractor.

STATE PROPERTY MATTERS (Continued)
SEVERANCE (Continued)

ITEM 3

PROPOSED ACTION: Severance by demolition

DEPARTMENT/AGENCY: State of North Carolina, Department of Agriculture and Consumer Services, Research Stations

LOCATION: 708 Farm Road, Goldsboro, Wayne County

STRUCTURE: Feed Storage Building, built in 1946, containing 1,492 sq. ft., Complex #96-16, Asset #62

COMMENTS: This building has been declared unsafe and no longer serves a useful purpose. Demolition will be handled by a contractor.

ITEM 4

PROPOSED ACTION: Severance by demolition

DEPARTMENT/AGENCY: State of North Carolina, Department of Health and Human Services, Broughton Hospital

LOCATION: 1000 S. Sterling Street, Morganton, Burke County

STRUCTURE: Gazebo at Harper Building, built in 1961, containing 572 sq. ft., Complex #12-7, Asset #59

COMMENTS: This structure is in poor condition, represents a liability issue, and is cost prohibitive to repair. Demolition will be handled by a contractor.

ITEM 5

PROPOSED ACTION: Severance by demolition

DEPARTMENT/AGENCY: State of North Carolina, Department of Health and Human Services, Cherry Hospital

LOCATION: 1302 W. Ash Street, Goldsboro, Wayne County

STRUCTURES: McFarland Building, built in 1962, containing 24,586 sq. ft., Complex #96-4, Asset #109

COMMENTS: This structure is in poor condition, represents a liability issue, and is cost prohibitive to repair. The vacated area will be utilized for the new Cherry Hospital maintenance building. Demolition will be handled by a contractor.

STATE PROPERTY MATTERS (Continued)
SEVERANCE (Continued)

ITEM 6

PROPOSED ACTION: Severance by demolition

DEPARTMENT/AGENCY: State of North Carolina, Department of Transportation,
Division of Highways, Maintenance

LOCATION: 5749 US Hwy 701N, Elizabethtown, Bladen County

STRUCTURE: Maintenance Salt Storage, built in 1952, containing ±1,440 sq. ft.,
Complex #9-3, Asset #13

COMMENTS: This structure is no longer viable for use and has been condemned by the State Fire Marshal due to safety concerns. Demolition will be handled by a contractor.

ITEM 7

PROPOSED ACTION: Severance by demolition

DEPARTMENT/AGENCY: State of North Carolina, Department of Transportation,
Division of Highways, Maintenance

LOCATION: 220 North Boulevard, Clinton, Sampson County

STRUCTURE: Maintenance Salt Storage Dome, built in 1991, containing ±4,069
sq. ft., Complex #82-8, Asset #28

COMMENTS: This structure is in poor condition and no longer safe. A replacement salt storage facility has been constructed. Demolition will be handled by a contractor.

ITEM 8

PROPOSED ACTION: Severance by demolition

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

LOCATION: 1400 Blue Ridge Road, Raleigh, Wake County

STRUCTURES: 1) Cattle & Swine Pens #134B, built in 1979, containing 912 sq. ft.,
Complex #92-18, Asset #288
2) Gilt and Boar Bldg. #134E, built in 1986, containing 833 sq. ft.,
Complex #92-18, Asset #286

COMMENTS: These structures are in poor condition and no longer serve a useful purpose. The new space will be utilized for the development of the College of Veterinarian Medicine Equine Hospital Project. Demolition will be handled by a contractor.

STATE PROPERTY MATTERS (Continued)
SEVERANCE (Continued)

ITEM 9

PROPOSED ACTION: Severance by demolition

DEPARTMENT/AGENCY: State of North Carolina, University of North Carolina at Chapel Hill

LOCATION: 108 Country Club Road, Chapel Hill, Orange County

STRUCTURE: Jackson Hall, built in 1942, containing 10,168 sq. ft., Complex #68-7, Asset #95

COMMENTS: This structure is in poor condition and no longer serves a useful purpose. The site will be used for the construction of a 600-student dorm. Demolition will be handled by a contractor.

ITEM 10

PROPOSED ACTION: Severance by demolition

DEPARTMENT/AGENCY: State of North Carolina, University of North Carolina at Chapel Hill

LOCATION: 203, 207, and 211 Branson Street, Odum Village, Chapel Hill, Orange County

STRUCTURES: 1) Odum Village Building 203-005, built in 1960, containing 6,132 sq. ft., Complex #68-7, Asset #301
2) Odum Village Building 207-209, built in 1960, containing 6,132 sq. ft., Complex #68-7, Asset #300
3) Carolina Veterans Resource Center, built in 1970, containing 6,448 sq. ft., Complex #68-7, Asset #158

COMMENTS: These structures are in poor condition and no longer serve a useful purpose. Renovations are cost prohibitive. Demolition will be handled by a contractor.

STATE PROPERTY MATTERS (Continued)
OTHER MATTERS (Continued)

ITEM 1

On February 21, 2002, the State, on behalf of the Department of Environmental Quality, Division of Wildlife Resources Commission, acquired a 285.2-acre Conservation Easement from Columbia Plywood Corporation for property known as Cranberry Iron Mine located in Avery County. The easement currently serves as protection for the endangered Virginia big-eared bat and other bat species as well as protection for environmentally important forest areas. This easement also protects important scenic, cultural, fish, wildlife, riparian areas, and other ecological values. A recent survey of the easement area revealed an encroachment by an adjacent property owner consisting of 1.86 acres. Located within the encroachment is a portion of the adjoining property owner's house, driveway, and a shed. Therefore, authorization is requested to amend the existing Conservation Easement to exclude the 1.86-acre.

ITEM 2

On January 28, 2005, the State accepted a ±41.46-acre conservation easement to protect environmental quality, including water resources and natural habitat values near the Bryant Swamp Canal from the Town of Bladenboro. The State acquired the conservation easement on behalf of the North Carolina Clean Water Management Trust Fund, now known as the NC Land and Water Fund (NCLWF). The NCLWF wishes to add the reserved right to allow the Town of Bladenboro to install new sanitary sewer infrastructure, impacting ±0.98 acre within the conservation easement area. The existing sewer line within the easement must be replaced to meet the NC Department of Environmental Quality minimum design criteria. In addition, the Town requests the right to maintain, replace, repair, rehabilitate, and abandon existing sewer outfalls upon completion of the new system. The Town will be responsible for payment to the NCLWF stewardship endowment for this reserved right. The proposed project will not diminish the conservation values of the property or the original purpose of the easement. Therefore, authorization is requested to amend the existing conservation easement to allow for this additional reserved right.

ITEM 3

The North Carolina Land and Water Fund wishes to amend reserved rights to a conservation easement on property allocated to the North Carolina Wildlife Resources Commission. This property was acquired by the State by General Warranty Deed on November 12, 2009. On January 5, 2001, the State accepted a conservation easement to provide environmental protection for surface waters, urban drinking water supplies and to protect wildlife and natural heritage values near the White Oak River. The State acquired a ±775-acre conservation easement on behalf of the North Carolina Clean Water Management Trust Fund now known as the NC Land and Water Fund (NCLWF), from North Carolina Coastal Federation, Inc. The NCLWF wishes to amend the existing easement to allow the State of North Carolina, Wildlife Resources Commission the ability to conduct crop cultivation and timber management. Therefore, authorization is requested to amend the existing conservation easement to allow for these additional reserved rights.

STATE PROPERTY MATTERS (Continued)
OTHER MATTERS (Continued)

ITEM 4

Second Lease Amendment. On September 9, 2014, the Governor and Council of State approved a ten year acquisition lease with two 5-year renewal options at 3200 Atlantic Avenue (Longleaf Building) and 3128 Highwoods Boulevard (Red Oaks Building), Raleigh, Wake County on behalf of the Department of State Treasurer for up to 97,667 square feet of office space from Arbors Office Portfolio, LLLP to the State of North Carolina.

On February 1, 2022, the Governor and Council of State approved an amendment to the lease which provided for the State to surrender the ± 4,500 square feet of space located in the Red Oak Building and consolidate the operations of the Department of State Treasurer in the ± 90,508 square foot Longleaf Building. The amount of rent paid was decreased due to the reduction in the size of the leased premises. The first amendment also extended the initial term by one year and reduced the first renewal option to a four-year term. The second renewal option remained unchanged.

As a condition of the exercise of the first renewal option, the landlord has agreed to make up to \$1,000,000 of improvements to the premises. Authorization is therefore requested to enter a second amendment to the lease for the purpose of including the \$1,000,000 tenant improvement allowance. All other terms and conditions of the lease as previously amended will remain the same.

ITEM 5

Alley Closure. An unnamed and unopened alley, containing ±.05 acres, is located off E. Lawson Street and adjacent to the campus of NC Central University in Durham. The Department of Administration proposes to petition the City of Durham to close the roadway pursuant to N.C.G.S. § 160A-299. Upon the adoption of a resolution by the Durham City Council closing the alley, title to the roadway will vest in the adjoining property owners. The Department of Administration requests authorization to (i) petition the City of Durham to close the relevant segment of the unnamed alley and (ii) execute any documents necessary to effectuate the closure of the alley and the recombination of the closed alley with adjacent State lands.

ITEM 6

Land Exchange. North Carolina State University requests approval of a land exchange between the State of North Carolina (State) and the Board of Trustees of the Endowment Fund of North Carolina State University (Endowment Fund). The State will convey to the Endowment Fund two parcels totaling ±0.84-acre located at 207 Oberlin Road and 8 Ferndell Lane, Raleigh, Wake County. In exchange, the Endowment Fund will convey to the State two parcels totaling ±0.82-acre located at 0 Maiden Lane, and 2209 Hope Street, Raleigh, Wake County. The exchange of these properties would complete block assemblages with adjacent parcels already owned by the State, thereby simplifying the administration of both current and prospective uses, creating opportunities for future development, and enhancing the overall land value. This item was reported to the Joint Legislative Commission on Governmental Operations.

STATE PROPERTY MATTERS (Continued)
OTHER MATTERS (Continued)

ITEM 7

Lease Amendment. On December 3, 2024, the Governor and Council of State approved a 12-year lease at 900 Main Campus Drive, Raleigh, Wake County on behalf of North Carolina State University with Centennial Campus Property LLC for ±20,037 sq. ft. of office and classroom space at \$51.45/sq. ft. (average) including utilities, janitorial and parking. That Lease commenced on June 1, 2025. Subsequently, the Landlord has agreed to make mid-term improvements to the space, at the request of Tenant, and at no additional cost to Tenant. With the approval of the Governor and Council of State, the lease will be amended to reflect these changes. All other terms and conditions of the lease will remain the same.

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NORTH CAROLINA STATE PORTS AUTHORITY MATTERS
DISPOSITION BY DEED

GRANTOR: North Carolina State Ports Authority

GRANTEE: Chemserve Terminal of Wilmington, LLC

LOCATION: 100 Raleigh Street, Wilmington, New Hanover County

AREA: 2.12 acres

CONSIDERATION: \$200,000

COMMENTS: Disposition. NC Ports declared the property to be surplus property. The consideration price is based on a third-party appraisal.

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STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

September 4, 2025

TO: Members of the North Carolina Council of State

FROM: Michael Arnold, OSBM Deputy and Chief Operating Officer

SUBJECT: Initial Determinations – Periodic Rules Review for Council of State Rules

Signed by:
Mike Arnold
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[GS 150B-21.3A](#) mandates that state agencies review their existing administrative rules every 10 years through the “[Periodic Review and Expiration of Existing Rules](#)” process. The Council of State has 13 rules that require review by the members as part of this process. The first step involves the agency (Council of State) determining whether each rule is “necessary” or “unnecessary”:

- An “unnecessary” rule is a rule that the agency determines to be obsolete, redundant, or otherwise not needed ([GS 150B-21.3A\(a\)\(6\)](#)).
- A “necessary” rule is a rule other than an unnecessary rule ([GS 150B-21.3A\(a\)\(2a\)](#)).

After legal consultations, we recommend the Council deem all rules “unnecessary.” Many of these rules merely repeat the content of a law, which does not meet the requirements for rule adoption set in statute and Rules Review Commission (RRC) rules ([GS 150B-19\(4\)](#)). To the extent any of the Council’s rules do not merely repeat existing law, they are redundant or not needed.¹ The conduct of the Council of State’s business will remain unchanged if the Council allows the rules to expire.

Please vote by email on concurrence with this recommendation by Thursday, September 11, 2025.

The Council would post the determination for each rule on the agency’s website for a 60-day public comment period.² At its December 2025 meeting, the Council will review any public comments, finalize its determinations, and submit a report to the RRC. If the RRC agrees, any rules deemed “unnecessary” will expire and be removed from the Administrative Code. Subsequent steps include setting a deadline for the readoption of any rules determined to be “necessary” and starting the rule readoption process.

Should you have any questions or concerns, please feel free to contact me at 919-426-5610 or via email at michael.arnold@osbm.nc.gov.

¹ Seven of the rules relate to the conduct of the Council’s meetings. The remaining six rules relate to how the Council adopts or applies the other seven rules. Thus, if the seven rules regarding the Council’s meetings are unnecessary, then so too are the other six rules.

² The Council’s rules expire on November 1, 2025, likely before the review process can be completed. Thus, to the extent the Council or RRC conclude any of the Council’s rules are necessary, the Council will need to vote to readopt these rules.

CHAPTER 01 - DEPARTMENTAL RULES

06 NCAC 01 .0101 ADMINISTRATION

The Council shall be served by a secretary who shall be appointed by the Governor. In the absence of the Governor, the Lieutenant Governor shall preside. In the absence of the Lieutenant Governor, the Council shall be chaired by a member of the Council to be determined by the order in which members are listed in Article III, Section 7 of the North Carolina Constitution.

*History Note: Authority North Carolina Constitution, Article III, Section 2,7,8;
Eff. February 3, 1976;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

06 NCAC 01 .0102 PURPOSE

The Council of State shall function as an executive advisory committee to aid in the establishment and implementation of policy. It shall also act as statutorily mandated.

*History Note: Authority North Carolina Constitution, Article III, Section 8;
Eff. February 3, 1976;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

06 NCAC 01 .0103 MEETINGS

The Council of State shall convene at such times and places, as the Governor shall deem necessary.

*History Note: Authority G.S. 147-13;
Eff. February 3, 1976;
Amended Eff. July 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

06 NCAC 01 .0104 LOCATION

The Council of State has no permanent office or staff. Matters to be brought before the Council of State should be submitted to the Council's Secretary through the Office of the Governor unless by statute or specific rule they must first be presented to an executive department for transmittal to the Council.

*History Note: Authority G.S. 147-13;
Eff. February 3, 1976;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

06 NCAC 01 .0105 PROXIES

No proxies will be counted in order to establish a quorum for conducting business.

*History Note: Authority G.S. 147-13;
Eff. February 3, 1976;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

06 NCAC 01 .0106 AGENDA

The agenda for each Council of State meeting shall be compiled by the Council's Secretary. The Secretary is authorized to make sufficient inquiries and request sufficient information to insure that the Council will have

adequate information with which to consider any agenda item. On each agenda there shall be an occasion provided for any individual Council of State member to bring before the Council any other matter desired.

*History Note: Authority G.S. 147-13;
Eff. February 3, 1976;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

06 NCAC 01 .0107 RECORDS OF MEETINGS

The minutes of the Council of State meetings shall be kept by the Secretary and shall be compiled into the journal of the Council of State. The journal shall be kept in the Office of the Governor and shall be open to public inspection during regular business hours.

*History Note: Authority G.S. 132-1; 147-13;
Eff. February 3, 1976;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

CHAPTER 2 - RULE-MAKING PROCEDURES

06 NCAC 02 .0101 PRELIMINARY STEPS FOR RULE-MAKING

In those instances where the Council of State must approve a rule adopted by an executive department or when it adopts a rule itself, proposed text for the rule must be submitted to the Council for review beforehand. The proposed text shall be submitted by the executive department responsible for administering the statute to which the proposed rule relates. The executive department must follow Chapter 150B of the General Statutes on rule-making before submitting its recommendation to the Council. The hearing procedures applicable to that executive department apply. The Council may initiate rule-making in those matters which require its approval.

History Note: Authority G.S. 126-12; 143-260.8(g); 143-341(4),(8)(k); 143-345.1; 146-1; Eff. February 3, 1976; Amended Eff. May 1, 1989; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

06 NCAC 02 .0102 PETITIONS FOR RULE-MAKING HEARINGS

Whenever any person submits a petition for rule-making relating to matters for which the Council of State must approve or promulgate rules, the chief executive official of the responsible department shall determine if the public interest will be served by granting the request. If the request is denied, the petitioning party may appeal that decision to the Council of State by filing a request for review of the denial decision with the secretary to the Council within 15 days after receipt of the notice of denial. If the Council determines that a hearing would serve the public interest, it may direct the chief executive official of the responsible executive department to designate a hearing officer and conduct a rule-making hearing or the Council itself may conduct a rule-making hearing.

History Note: Authority G.S. 126-12; 143-260.8(g); 143-341(4),(8)(k); 143-345.1; 146-1; Eff. February 3, 1976; Amended Eff. May 1, 1989; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

06 NCAC 02 .0103 ADOPTION OR APPROVAL OF RULES

Upon completion of the departmental rule-making process, the department will forward proposed rules which must be approved or adopted by the Council, along with a record or minutes of the rule-making hearing and any other written submissions desired, to the Council's secretary for inclusion on the agenda of the Council's next meeting. The Council may request such other information as it deems necessary and appropriate from the department.

History Note: Authority G.S. 126-12; 143-260.8(g); 143-341(4),(8)(k); 143-345.1; 146-1; 147-13; 150B-9; Eff. February 3, 1976; Amended Eff. May 1, 1989; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

06 NCAC 02 .0104 FILING OF RULES

Rules adopted by the Council of State are recorded in the journal of the Council and are codified pursuant to the provisions of the North Carolina Administrative Procedure Act with the rules of the executive department responsible for administering the rules and related statutes.

History Note: Authority G.S. 147-13; 150B-59; Eff. February 3, 1976; Amended Eff. May 1, 1989; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.

CHAPTER 4 - DECLARATORY RULINGS

06 NCAC 04 .0101 DECLARATORY RULING PROCESS

Any person substantially affected by a rule approved or adopted by the Council of State may request a declaratory ruling as to either the manner in which the rule applies to a given factual situation, if at all, or as to whether a particular rule of the Council is valid. Such persons may also request either type of declaratory ruling concerning the statute under which the rule was adopted. All requests for declaratory rulings shall be submitted to the executive department responsible for administering the statute to which the rule relates. All such requests shall be in accordance with the administrative procedures of the responsible executive department. The chief executive officer of the responsible executive department shall respond to the request in accord with the applicable administrative procedures of the department. The chief executive officer of the responsible department shall also notify the Council of any such request received and the department's proposed disposition thereof. The Council may, in its discretion, review and amend any such proposed departmental declaratory rulings. It may also take such other action in regard thereto as it deems necessary.

*History Note: Authority G.S. 147-13; 150B-17;
Eff. February 3, 1976;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

06 NCAC 04 .0102 RECORDS OF DECLARATORY RULINGS

A record of all declaratory ruling proceedings shall be maintained in the executive department responsible for administering the statute to which the questioned rule relates. The record shall be maintained in accordance with the department's administrative procedures. Also, a record of the dispositions of all such declaratory ruling proceedings shall be kept in the Council journal.

*History Note: Authority G.S. 147-13; 150B-17;
Eff. February 3, 1976;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*

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OTHER DISCUSSION

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