

SUPPLEMENTAL AGENDA TO COUNCIL OF STATE – OCTOBER 3, 2006

OTHER MATTERS

Approval is requested for the acceptance, by separate deeds of gift, of two contiguous tracts of land from the Friends of the Museum, N. C. Maritime Museum, Inc., covering 5.629 acres and approximately 31 acres respectively, located in Beaufort, Carteret County, and fronting on Gallant's Channel. A deed covering the 5.269 acres parcel has been executed and recorded in Book 870, Page 577, Carteret County Register of Deeds Office. A deed covering the 31 acres is pending execution and registry. This property was acquired by the Friends and will be used by the State for the purpose of expanding the facilities and programs of the Maritime Museum, Department of Cultural Resources. Purchase funds of \$3,200,000 and expenses such as appraisals, surveys and environmental work were provided by the Natural Heritage Trust Fund (\$450,000) and appropriations by the N. C. General Assembly (\$3,000,000). Subsequent to the land purchase, the Friends secured loans and improved this waterfront property with bulkheads and dockage. The debt associated with these improvements is outstanding and the property will be acquired subject to two deeds of trust in the principal amounts of \$3,900,000 and \$995,000. Part of this outstanding debt will be retired by the sale of right of way to the Department of Transportation for the relocation of the US 70 Bridge over Gallant's Channel (\$4,000,000). The remainder of the debt may be retired by revenue generated by the property, funds raised by the Friends, appropriation, Contingency and Emergency Funds, or some combination thereof. The property has an estimated value of \$36,000,000.

SEE ATTACHED ADDENUM

**ADDENUM TO THE AGENDA ITEM ON GALLANT'S CHANNEL LAND
TRANSACTION**

The deed covering the 31 acres has been executed and recorded.