



North Carolina Department of Administration


Beverly Eaves Perdue, Governor
Moses Carey, Jr., Secretary

State Property Office

May 31, 2012

MEMORANDUM

TO: Senator Philip Berger, President Pro Tempore
Representative Thom Tillis, Speaker of House of Representatives
Co-Chairmen of the Joint Legislative
Commission on Governmental Operations

FROM: Speros J. Fleggas 
Deputy Secretary

SUBJECT: Notification of Land Transactions

Attached are real property matters requiring reporting and consultation.

SJF/tm

Cc: Moses Carey, Secretary
Fiscal Research Division

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**GOVERNMENTAL OPERATIONS AGENDA
INDEX**

May 31, 2012

**ALLOCATION: The following items are for consultation pursuant to
NCGS 143-341(4)g**

1. Department of Administration (AGRICULTURE) Wake County
2. North Carolina State University (AGRICULTURE) Wake County
3. Department of Administration (PUBLIC SAFETY) Wake County
4. Department of Agriculture and Consumer Services (NCSU) Wake County
5. Department of Environment and Natural Resources (UNC-W) Pender County

**ACQUISITION BY DEED: The following items are reported pursuant to
NCGS 146-22**

6. The Conservation Fund (AGRICULTURE) Transylvania County
7. Lumber River Conservancy (DENR-PARKS) Hoke County
8. Lumber River Conservancy (DENR-PARKS) Robeson County
9. The Conservation Fund (DENR-PARKS) Watauga County
10. Southern Appalachian Highlands Conservancy (DENR-WILDLIFE) Avery County
11. Herbert F. Swain (DENR-WILDLIFE) Brunswick County
12. Figure 8 (North Carolina), LLC (DENR-WILDLIFE) Brunswick County
13. The Nature Conservancy (DENR-WILDLIFE) Brunswick County
14. FIATP SSF Timber, LLC (DENR-WILDLIFE) Halifax County
15. Clark Raby (DENR-WILDLIFE) Macon County
16. The Nature Conservancy (DENR-WILDLIFE) Scotland County
17. The Nature Conservancy (DENR-WILDLIFE) Scotland County
18. John C. Harmon (DENR-WILDLIFE) Scotland County
19. Edenton-Chowan Development Partnership, Inc. (TRANSPORTATION) Chowan County
20. Thomas Menard (TRANSPORTATION) Graham County
21. East Carolina University Real Estate Foundation, Inc. (ECU) Pitt County
22. Dr. George Davis (ECU) Pitt County
23. Shirley Smith (ECU) Pitt County
24. Capital Facilities Foundation, Inc. (UNC-G) Guilford County
25. Jimmy Deese (UNC-P) Robeson County

**DISPOSITION BY DEED: The following item is for reporting pursuant to
NCGS 146-27(b)**

26. White Investment Company (AGRICULTURE) Sampson County

**DISPOSITION BY LEASE: The following items are for reporting pursuant to
NCGS 146-29.1**

- 27. Western North Carolina Alliance (ADMINISTRATION) Buncombe & Madison Counties
- 28. Friends of the Museum (CULTURAL RESOURCES) Carteret County
- 29. Wake County Public School System (PUBLIC INSTRUCTION) Wake County

**DISPOSITION BY SUBLEASE: The following items are for reporting pursuant to
NCGS 146-29.1**

- 30. The Botanical Garden Foundation, Inc. (DENR-WATER) Durham County
- 31. City of Raleigh (DENR-WATER) Durham County

**OTHER MATTERS: The following item is for reporting pursuant to
NCGS 146-30**

- 32. Estate of Virginia R. Price (DENR-PARKS) Wayne County

ALLOCATION

ITEM 1

GRANTOR: State of NC, Department of Administration

GRANTEE: State of NC, Department of Agriculture and Consumer Services,
Property and Construction Division

LOCATION: South west quadrant of Reedy Creek Road and Edwards Mill Road, Raleigh,
Wake County

AREA: ± 65 acres

CONSIDERATION: N/A

COMMENTS: Property proposed for reallocation will be utilized for additional parking during State Fair. When not utilized for parking, NCSU will use the land in conjunction with the nearby NCSU equine training facility.

ITEM 2

GRANTOR: State of NC, North Carolina State University

GRANTEE: State of NC, Department of Agriculture and Consumer Services,
Property and Construction Division

LOCATION: Trinity Road, Raleigh Wake County

AREA: ± 9.57 acres

CONSIDERATION: N/A

COMMENTS: Property proposed for reallocation comprises a strip of land abutting Carter Finley Stadium and fronting Trinity Road. The land will be utilized by NCSU to improve parking during football games and other special events.

ALLOCATION

ITEM 3

GRANTOR: State of NC, Department of Administration

GRANTEE: State of NC, Department of Public Safety, North Carolina National Guard

LOCATION: District Drive, Raleigh, Wake County

AREA: ±11 acres

CONSIDERATION: N/A

COMMENTS: Reallocation. Property proposed for reallocation is located between District Drive and Wade Avenue adjacent to the North Carolina National Guard Joint Force Headquarters and Emergency Operations Center. The reallocation is necessary to facilitate the construction of helipads and associated parking. The helipads will support joint use with other agencies and are considered critical for use during states of emergency.

ITEM 4

GRANTOR: State of NC, Department of Agriculture and Consumer Services,
Property and Construction Division

GRANTEE: State of NC, North Carolina State University

LOCATION: South of Tryon Road and east of Yates Mill Pond Road, Raleigh,
Wake County

AREA: ±358 acres

CONSIDERATION: N/A

COMMENTS: Property proposed for reallocation will be utilized for future expansion of the NCSU Lake Wheeler Road Field Laboratory. The property would also accommodate other local off-campus field laboratory units.

ALLOCATION

ITEM 5

GRANTOR: State NC, Department of Environment and Natural Resources,
Division of Water Resources

GRANTEE: State of NC, University of North Carolina at Wilmington

LOCATION: Cowpen Landing Road, Wilmington, Pender County

AREA: 705.24 acres including a conservation buffer consisting of 5.14 acres

CONSIDERATION: N/A

COMMENTS: Reallocation of Wetlands. The property was acquired, in cooperation with the Army Corps of Engineers, to mitigate for environmental disruption resulting from the Wilmington Harbor Deepening Project. The University has been conducting research in this area for approximately ten years. Management of this site will enhance the University's biological research opportunities including the effects of the rising tide levels of the Cape Fear River.

ACQUISITION BY DEED

ITEM 6

GRANTOR: The Conservation Fund

GRANTEE: State of NC, Department of Agriculture and Consumer Services,
NC Forest Service

LOCATION: South of Rosman and Brevard, Transylvania County

AREA: Tract 1 - \pm 1,194 acres (subject to survey)
Tract 2 - \pm 214 acres (subject to survey)

UNIT COST: Tract 1 - \$3,600/acre
Tract 2 - \$4,673/acre

CONSIDERATION: \$5,300,000 (subject to survey)

COMMENTS: Forest Service Acquisition. Property proposed for acquisition is a portion of an 8,000-acre tract of land known as Headwaters, located in the Blue Ridge Mountains between Gorges State Park and Dupont State Forest. Acquisition of this site will insure the protection of high quality mountain habitat. It will be managed by the NC Forest Service as a working stewardship forest and will be enrolled in the game land program. The State's acquisition will be completed in phases as funds become available. Funding for this acquisition is provided by the Natural Heritage Trust Fund by using special indebtedness (COP's) authorized in Session Law 2007-323, Land for Tomorrow (\$4,300,000) and (\$1,000,000) receipts.

ITEM 7

GRANTOR: Lumber River Conservancy

GRANTEE: State of NC, Department of Environment and Natural Resources,
Division of Parks and Recreation

LOCATION: Three non contiguous tracts along the Lumber River, Blue Springs
Township, Hoke County

AREA: 219.91 acres

CONSIDERATION: Gift

COMMENTS: State Park Addition. Property proposed for acquisition is for inclusion in the Lumber River State Park. Acquisition of this property will provide protection of wildlife habitat, water quality and views along the Lumber River. Currently, the State holds title to a conservation easement encumbering this site as the grantor acquired the property with funds provided by a grant from the Clean Water Management Trust Fund.

ACQUISITION BY DEED

ITEM 8

GRANTOR: Lumber River Conservancy

GRANTEE: State of NC, Department of Environment and Natural Resources,
Division of Parks and Recreation

LOCATION: Three non contiguous tracts along the Lumber River, Wisharts Township,
Robeson County

AREA: ±173 acres

CONSIDERATION: Gift

COMMENTS: State Park Addition. Property proposed for acquisition is for inclusion in the Lumber River State Park. Acquisition of this property will provide protection of wildlife habitat, water quality and views along the Lumber River.

ITEM 9

GRANTOR: The Conservation Fund

GRANTEE: State of NC, Department of Environment and Natural Resources,
Division of Parks and Recreation

LOCATION: Off of Highway 105, Banner Elk, Watauga County

AREA: ±155.75 acres

UNIT COST: \$8,998.39/acre

CONSIDERATION: \$1,401,500

COMMENTS: State Park Addition. Property proposed for acquisition is needed for inclusion in the Grandfather Mountain State Park. Funding for this acquisition is provided by the Natural Heritage Trust Fund using special indebtedness (COP's) authorized in Session Law 2007-323, Land of Tomorrow (\$921,000) and a private gift (\$480,500).

ACQUISITION BY DEED

ITEM 10

GRANTOR: Southern Appalachian Highlands Conservancy
Carl Silverstein, Executive Director

GRANTEE: State of NC, Department of Environment and Natural Resources,
Wildlife Resources Commission

LOCATION: Pisgah Game Land, off Roaring Creek Road (NCSR 1132), Roaring Creek
Township, Avery County

AREA: ±136 acres (subject to survey)

UNIT COST: \$3,677/acre

CONSIDERATION: \$500,000 (subject to survey)

COMMENTS: Wildlife Management Program. Property proposed for acquisition will be incorporated into the Wildlife Management Program to protect water quality, important wildlife habitat and provide wildlife recreational opportunities. The property is subject to conservation restrictions which are conducive to the Wildlife Management Program. Funding for this acquisition is provided by the Natural Heritage Trust Fund using special indebtedness (COP's) authorized in Session Law 2007-323, Land for Tomorrow.

ACQUISITION BY DEED

ITEM 11

GRANTOR: Herbert F. Swain and wife Benita, Robert Swain and wife Rose, and Gloria Swain (widow)

GRANTEE: State of NC, Department of Environment and Natural Resources,
Wildlife Resources Commission

LOCATION: Sunny Point Access Road, Smithville Township,
Brunswick County

AREA: ±83.38 acres

UNIT COST: \$1,500/acre

CONSIDERATION: \$125,070

COMMENTS: Wildlife Management Program. Property proposed for acquisition will be incorporated into the Wildlife Management Program to protect water quality, important wildlife habitat and provide wildlife recreational opportunities. Funding for this acquisition is provided by the Natural Heritage Trust Fund using special indebtedness (COP's) authorized in Session Law 2007-323, Land for Tomorrow (\$62,535) and the Federal Land and Water Conservation Fund (\$62,535).

ACQUISITION BY DEED

ITEM 12

GRANTOR: Figure 8 (North Carolina), LLC
M. Ashton Hudson, President

GRANTEE: State of NC, Department of Environment and Natural Resources,
Wildlife Resources Commission

LOCATION: Bell Swamp Road (SR 1406) and Pinch Gut Road (SR1401), Bolivia,
Brunswick County

AREA: ±712 acres

UNIT COST: \$1,900/acre

CONSIDERATION: \$1,354,000

COMMENTS: Wildlife Management Program. Property proposed for acquisition will be incorporated into the Wildlife Management Program to protect water quality, important wildlife habitat and provide wildlife recreational opportunities, as well as improved access to the Green Swamp Game Land. Funding for this acquisition is provided by the Natural Heritage Trust Fund using special indebtedness (COPs) authorized in Session Law 2007-323 (\$677,000) and the Federal Land and Water Conservation Fund (\$677,000).

ITEM 13

GRANTOR: The Nature Conservancy

GRANTEE: State of NC, Department of Environment and Natural Resources,
Wildlife Resources Commission

LOCATION: Bell Swamp Road (SR 1406) and Pinch Gut Road (SR1401), Bolivia,
Brunswick County

AREA: ±463 acres

CONSIDERATION: Gift

COMMENTS: Wildlife Management Program. Property proposed for acquisition will be incorporated into the Wildlife Management Program to protect water quality, important wildlife habitat and provide wildlife recreational opportunities, as well as improved access to the Green Swamp Game Land.

ACQUISITION BY DEED

ITEM 14

GRANTOR: FIATP SSF Timber, LLC
Samuel R. Grice, Manager

GRANTEE: State of NC, Department of Environment and Natural Resources,
Wildlife Resources Commission

LOCATION: Mary Chapel Road (NCSR 1117), Conocannara Township,
Halifax County

AREA: ±6.96 acres

UNIT COST: \$4,023

CONSIDERATION: \$28,000

COMMENTS: Wildlife Management Program. Property proposed for acquisition will be incorporated into the Wildlife Management Program to protect water quality, important wildlife habitat and provide wildlife recreational opportunities and will provide access to the Tillery Game Land. Funding for this acquisition is provided from the National Wild Turkey Federation (\$7,000), NC Wildlife Habitat Foundation (\$7,000), James W. Cogdell Heritage Foundation (\$7,000) and WRC Agency funds (\$7,000).

ITEM 15

GRANTOR: Clark Raby

GRANTEE: State of NC, Department of Environment and Natural Resources,
Wildlife Resources Commission

LOCATION: 10190 Bryson City Road, Franklin, Macon County

AREA: ±54 acres (subject to survey)

UNIT COST: \$13,000/acre

CONSIDERATION: \$702,000 (subject to survey)

COMMENTS: Needmore Game Land Addition. Property proposed for acquisition will be incorporated into the Wildlife Management Program to protect water quality, important wildlife habitat and provide wildlife recreational opportunities. Funding for this acquisition is provided by the Natural Heritage Trust Fund using special indebtedness (COP's) authorized in Session Law 2007-323, Land for Tomorrow (\$351,000) and the Federal Land and Water Conservation Fund (\$351,000).

ACQUISITION BY DEED

ITEM 16

GRANTOR: The Nature Conservancy

GRANTEE: State of NC, Department of Environment and Natural Resources,
Wildlife Resources Commission

LOCATION: Off of Hill Creek Road, Spring Hill Township, Scotland County

AREA: ±42.5 acres

UNIT COST: \$1,329/acre

CONSIDERATION: \$59,000

COMMENTS: Sandhills Game Land Addition. Property proposed for acquisition will be incorporated into the Sandhills Game Land and will be utilized to protect and enhance water quality, important wildlife habitat and will provide hunting and wildlife recreational opportunities for sportsmen. Funding for this acquisition is provided by the Wildlife Resources Commission Sandhills Mitigation Fund.

ITEM 17

GRANTOR: The Nature Conservancy

GRANTEE: State of NC, Department of Environment and Natural Resources,
Wildlife Resources Commission

LOCATION: Hwy 15-501 near Slate Circle (SR1332), Scotland County

AREA: ±16.226 acres

UNIT COST: \$2,465.18/acre

CONSIDERATION: \$40,000

COMMENTS: Sandhills Game Land Addition. Property proposed for acquisition will be incorporated into the Sandhills Game Land and will be utilized to protect and enhance water quality, important wildlife habitat and will provide hunting and wildlife recreational opportunities for sportsmen. The United States Department of Defense (DoD) partially funded The Nature Conservancy's (TNC) acquisition of the property and required TNC to enter into a cooperative agreement with the DoD that provides the DoD access and use of the property for military training purposes and protection for the endangered Red Cockaded Woodpecker. Therefore, the State's acquisition is subject to deed restrictions for these purposes. The restrictions have no negative impact on the management plan for this property. Funding for this acquisition will be provided from the WRC Sandhills Mitigation Fund.

ACQUISITION BY DEED

ITEM 18

GRANTOR: John C. Harmon

GRANTEE: State of NC, Department of Environment and Natural Resources,
Wildlife Resources Commission

LOCATION: Sneads Grove Road (NCSR 1001), Marsten, Laurel Hill Township, Scotland
County

AREA: ±50.02 acres

UNIT COST: \$2,000/acre

CONSIDERATION: \$100,000

COMMENTS: Sandhills Game Land Addition. Property proposed for acquisition will be incorporated into the Sandhills Game Land and will be utilized to protect and enhance water quality, important wildlife habitat and will provide hunting and wildlife recreational opportunities for sportsmen. Funding for this acquisition is provided by the WRC Sandhills Mitigation Fund.

ITEM 19

GRANTOR: Edenton-Chowan Development Partnership, Inc.
Formerly Edenton-Chowan Development Corporation
Roland H. Vaughan, President

GRANTEE: State of NC, Department of Transportation, Division of Highways

LOCATION: State Road 1114, Edenton-Chowan Industrial Park Ph II A, Edenton
Chowan County

AREA: Two contiguous parcels consisting of ±11.51 acres

CONSIDERATION: Gift

COMMENTS: Consolidation of DOT Division One Operations. Property proposed for acquisition will be utilized to relocate several division-wide operations to this location. Consolidation of these operations will greatly improve logistical issues within the Division. The property will be acquired subject to protective covenants.

ACQUISITION BY DEED

ITEM 20

GRANTOR: Thomas K. Menard and Martha J. Menard

GRANTEE: State of NC, Department of Transportation, Division of Highways

LOCATION: 2247 Tallulah Road, Robbinsville, Graham County

AREA: ±169,448 sq. ft. or 3.89 acres improved with a one-story wood frame office building containing 1,148 sq. ft. and an insulated metal building containing 3,703 sq. ft.

UNIT COST: \$0.92/sq. ft. – land
\$39.90/sq. ft. – improvements

CONSIDERATION: \$350,000

COMMENTS: DOT Maintenance Operations. Property proposed for acquisition is needed to expand the operations of the Graham County Maintenance Facility. The existing maintenance yard consists of less than two acres and is bisected by a secondary road. Acquisition of this site will allow all maintenance operations to be on one site. Funding for this acquisition is provided by appropriations in accordance with Session Law 2011-0145.

ACQUISITION BY DEED

ITEM 21

GRANTOR: East Carolina University Real Estate Foundation, Inc.

GRANTEE: State of NC, East Carolina University

LOCATION: 285 Easy Street, Greenville, Pitt County

AREA: $\pm 411,206.40$ sq. ft. or ± 9.44 acres improved with $\pm 15,885$ sq. ft. industrial flex building and a 1,350 sq. ft. wash building, built in 2000

UNIT COST: \$0.69/sq. ft. – land
\$60.42/sq. ft. – improvements

CONSIDERATION: \$1,325,000

COMMENTS: ECU Transit Facility. Property proposed for acquisition is needed for the University's bus fleet and support vehicles. ECU Transit has outgrown its current leased facility that is in poor condition. The design and condition of the improvements at the proposed new facility are excellent for ECU Transit's intended use of the property. The site is fenced and has ample space to park ECU Transit's 40 transit buses and support vehicles. The Foundation acted as an intermediary for the expedient purchase of this property due to another buyer. The Foundation will also be reimbursed for direct expenses associated with this acquisition. Funding for this acquisition is provided by Student Life receipt funds. This item has been approved by the ECU Board of Trustees and the Board of Governors.

ACQUISITION BY DEED

ITEM 22

GRANTOR: Dr. George Edward Davis

GRANTEE: State of NC, East Carolina University

LOCATION: 1800 West Fifth Street, Suite 8, Greenville, Pitt County

AREA: ±2,274 sq. ft. medical office condominium along with common area ownership built in 1961

UNIT COST: \$101.72/sq. ft. – improvements

CONSIDERATION: \$231,300

COMMENTS: Medical Office. Property proposed for acquisition is the last of ten medical office condominiums to be acquired by the State within the Medical Pavilion complex located at the ECU Medical School. Funding for this acquisition is provided by Medical Faculty Practice Plan funds.

ITEM 23

GRANTOR: Shirley Savage Smith

GRANTEE: State of NC, East Carolina University

LOCATION: 205 East 10th Street, Greenville, Pitt County

AREA: ±9,152 sq. ft. or ±0.21 acre improved with a ±2,400 sq. ft. brick building, built in 1965

UNIT COST: \$15.30/ sq. ft. – land
\$16.67/ sq. ft. – improvements

CONSIDERATION: \$180,000

COMMENTS: Campus Expansion. Property proposed for acquisition is contiguous to campus and needed for campus expansion in accordance with the master plan for academic buildings. The improvements will be severed by the Department of Administration, State Surplus Property. Funding for this acquisition will be provided by Auxiliary Overhead Receipts Funds.

ACQUISITION BY DEED

ITEM 24

GRANTOR: Capital Facilities Foundation, Inc.

GRANTEE: State of NC, University of North Carolina at Greensboro

LOCATION: 1301, 1317 & 1319 West Lee Street and
1300, 1306-1308 Haywood Street, Greensboro, Guilford County

AREA: $\pm 230,868$ sq. ft. or ± 5.30 acres improved with an industrial building containing
 $\pm 52,869$ sq. ft. constructed in 1940, with additions constructed between 1955 &
1986 and an office building containing $\pm 1,908$ sq. ft. constructed in 1953

UNIT COST: \$22.09/sq. ft. – land
\$0/sq. ft. – improvements

CONSIDERATION: \$5,100,000

COMMENTS: Student Recreation Center. Property proposed for acquisition is needed for the construction of a new Student Recreation Center in accordance with the campus master plan. The University's current Student Recreation Center was designed with 10,000 students in mind and the campus has now grown to over 18,000 students. The proposed new Center would be contiguous to the University's newly planned mixed-use Village on the southern edge of campus along the Lee Street corridor, which will include student housing, a Campus Police Station and the construction of a pedestrian underpass beneath Oakland Avenue and adjacent railroad corridor.

The University owns almost all nearby properties, except for this 5.30 acre parcel identified for the new Student Recreation Center. The project costs, inclusive of land, are \$90.2 million. The subject property appraised for \$1.906 million in 2010 (\$1.685 million with demolition estimates deducted), though the University's analysis indicates that, notwithstanding consideration of economic development benefits and campus expansion practicalities and needs, the replacement cost of constructing the improvements that exist on the property would cost approximately \$5.4 million. The City of Greensboro has indicated that this is an area in serious need of redevelopment and has identified this area for reinvestment and redevelopment. The City indicates that the various expansion projects at the University when completed, including the Student Recreation Center, will generate more than \$590 million in new spending between 2014 and 2023, create 945 new jobs and boost local property tax revenues by \$7.5 million.

An existing manufacturing company on the site would continue to operate for up to an additional year at no cost, except for utilities and maintenance, pursuant to a lease to be entered into with the State. Upon termination of that lease, the improvements would be severed by a contractor. The State will also reimburse the Foundation for direct expenses associated with this transaction. Funding for this acquisition will be provided by Student Facilities Fee Receipts. This item has been approved by the UNCG Board of Trustees and the Board of Governors.

ACQUISITION BY DEED

ITEM 25

GRANTOR: Jimmy Deese

GRANTEE: State of NC, University of North Carolina at Pembroke

LOCATION: Cornith Road, Pembroke, Robeson County

AREA: ±3.52 acres (subject to survey)

UNIT COST: \$25,000/acre

CONSIDERATION: \$88,000 (subject to survey)

COMMENTS: Relocate Athletic Fields to Provide Space for Academics. Property proposed for acquisition will be utilized for the university's athletic facilities. Existing athletic facilities, currently in the core of the campus, will be relocated to the proposed site which will provide needed space on the main campus for the construction of academic buildings. Funding for this acquisition is provided by carry forward funds.

DISPOSITION BY DEED

ITEM 26

GRANTOR: State of NC, Department of Agriculture and Consumer Services

GRANTEE: White Investment Company
James White Sr., President

LOCATION: Roseboro Industrial Park, Highway 24, Roseboro, Sampson County

AREA: ± 7.37 acres

UNIT COST: \$4,145/acre

CONSIDERATION: \$30,550

COMMENTS: Property proposed for disposition is surplus to the Department of Agriculture and Consumer Services. This site is adjacent to property owned by the grantee which is being acquired as right of way by the North Carolina Department of Transportation for the new Highway 24 by-pass project in Roseboro. The grantee is operating a trucking company on its existing property and wishes to acquire the subject state-owned property to relocate their business.

DISPOSITION BY LEASE

ITEM 27

LESSOR: State of NC, Department of Administration

LESSEE: Western North Carolina Alliance
Julie Mayfield, Executive Director

LOCATION: Three isolated and separate islands within the French Broad River, Buncombe and Madison Counties

TERM: Three years effective July 1, 2012 or possession

AREA: Clayton Branch Island – 1.8 acres
Whittier Branch Island – 1.6 acres
Nocona Sliding Island – 2.9 acres

RENTAL: \$1.00 for the term

COMMENTS: New Lease. These islands will be used for paddle trail development and paddle-in only camping. There will be no permanent structures constructed on any of these islands and only minimal improvements would be made by the Lessee to include clearing invasive species and improving access in and out of the river.

ITEM 28

LESSOR: State of NC, Department of Cultural Resources

LESSEE: Friends of the Museum, North Carolina Maritime Museum, Inc.
Rich Olsen, President

LOCATION: Gallants Channel, West Beaufort Road, SR 1170, Beaufort, Carteret County

TERM: Ten years effective July 1, 2012 or possession with one 10-year renewal option

AREA: ±10.63 acres of land

UNIT COST: \$1.00 for the term

COMMENTS: New Lease. The Friends of the Museum will maintain the property and docks. A new 5,000 square foot multi-use facility and donor brickyard using private funding will be constructed to support the Maritime Museum's programming and events. The facility will revert to the State at the termination of the lease. Approval is also requested for any future utility easements associated with the new construction.

DISPOSITION BY LEASE

ITEM 29

LESSOR: State of NC, Department of Public Instruction

LESSEE: Wake County Public School System (WCPSS)

LOCATION: Governor Morehead School, Raleigh, Wake County

TERM: One year effective July 1, 2012 or possession

AREA: \pm 21,393 sq. ft. of exclusive space and \pm 45,766 sq. ft. of non-exclusive space which will include offices, classrooms, auditorium, gymnasium, and cafeteria. Athletic fields are also included.

UNIT COST: \$10.00/sq. ft. – exclusive space
\$3.80/sq. ft. – non-exclusive space

ANNUAL RENTAL: \$387,840.80 including utilities, maintenance and repairs

COMMENTS: New Lease. The Lease will allow WCPSS to establish and operate the Wake Young Women's Leadership Academy on a portion of the Governor Morehead School campus. The Academy includes girls in grades six to "thirteen" who reflect the diversity of the WCPSS and will provide an opportunity to complete a high school diploma, some college credit, and/or an Associates degree in what the WCPSS intends to be a highly supportive and academically challenging learning environment. The Governor Morehead School and Department of Health and Human Services will continue to utilize other areas of the campus.

DISPOSITION BY SUBLEASE

ITEM 30

SUBLESSOR: State of NC, Department of Environment and Natural Resources,
Division of Water Resources

SUBLESSEE: The Botanical Garden Foundation, Inc.

LOCATION: Penny's Bend Nature Preserve, Falls Lake, Durham County

TERM: Twenty-one years two months effective August 1, 2012 or possession

AREA: 84.04 acres

RENTAL: \$1.00 for the term

COMMENTS: Renewal Sublease. Sublease will allow The Botanical Garden Foundation, Inc. to continue management of the Penny's Bend area. Penny's Bend has very distinctive geology and soils and as a result, supports many rare and endangered species. The Foundation protects the rare plants by mowing and controlled burns in specific areas, undertakes research projects, and hosts education programs. The site is open to the public and is used by many for walking, fishing and nature study. The Army Corps of Engineers has approved this transaction.

ITEM 31

SUBLESSOR: State of NC, Department of Environment and Natural Resources,
Division of Water Resources

SUBLESSEE: City of Raleigh

LOCATION: Forest Ridge, Falls Lake, Wake County

TERM: Twenty-one years two months effective August 1, 2012 or possession

AREA: ±586 acres

RENTAL: \$1.00 for the term

COMMENTS: New Sublease. New sublease for a proposed park site located on the Peninsula of Falls Lake. The City will develop, operate and manage this park to include an adventure education center and overnight lodge, lakeside center, multi-use activity areas, mountain biking and hiking trails along with a secondary park entrance with parking, a picnic shelter, disc golf and trails.

OTHER MATTERS

ITEM 32

Donation by Estate Settlement. In a hand-written Will, Mrs. Virginia Reneau Price, late of Wayne County, devised the largest portion of a ± 213 acre tract of farm and forest land (the "Ninth Spring Farm") to the State. The Ninth Spring Farm is adjacent to the Cliffs of the Neuse State Park and is part of the existing Master Plan for the Park. In her Will, Mrs. Price expressed her desire that, if possible, the Ninth Spring Farm be included in the North Carolina Parks System as a means of honoring her late husband, former Wayne County Commissioner Dallas W. Price. However, also in her Will, Mrs. Price nonetheless devised a portion of the Ninth Spring Farm to Mack L. Grady and wife, Heather H. Grady (the "Gradys"), who have farmed portions of said land under lease from Mrs. Price for a number of years. In addition to the Ninth Spring Farm, Mrs. Price devised portions of parcels of land totaling ± 8 acres lying in or near the Town of Seven Springs (the "Seven Springs Property") to the State and the Gradys. The Gradys themselves already own and farm a separate ± 17.8 acre tract of land lying adjacent to the Ninth Spring Farm and Cliffs of the Neuse State Park (the "Grady Property")

Because Mrs. Price's Will was not entirely clear regarding the division of her land between the State and the Gradys, the Department of Environment and Natural Resources (Division of Parks and Recreation) and the Gradys have entered into an agreement to resolve all of the ownership and partition issues pertaining to the Ninth Spring Farm and the Seven Springs Property (the "Agreement")

In furtherance of the Agreement, approval of the Council of State is sought for the State of North Carolina, subject to due diligence satisfactory to the State, to accept the Ninth Spring Farm and those portions of the Seven Springs Property described in said Will and, thereafter, to:

1. accept a deed from the Gradys conveying (a) all of their interest in the Ninth Spring Farm (less and except ± 50 acres of said Farm the State will deed to the Gradys) and (b) ± 4 forested acres of the Grady Property lying adjacent to the Ninth Spring Farm and Cliffs of the Neuse State Park;
2. accept a Conservation Easement from the Gradys encumbering those ± 50 acres of Ninth Spring Farm deeded to them and for all of the Grady Property, less and except those ± 4 acres conveyed to the State, with a limitation to certain agricultural uses;
3. convey all of the State's interest in the Seven Springs Property to the Gradys by deed;
4. lease to the Gradys ± 20 acres of existing pasture land within that portion of the Ninth Spring Farm to be owned by the State, said lease to be for a term of five years or unless earlier terminated at the option of the State, with additional five year renewal option(s) in consideration of specified maintenance duties for the term; and
5. enter into an easement and maintenance agreement with the Gradys for easement rights and maintenance obligations for certain access easements extending over and upon the Ninth Spring Farm and the Grady Property.