



North Carolina Department of Administration


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

State Property Office

November 30, 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.

SJF/tm

Cc: Moses Carey, Secretary
Fiscal Research Division

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GOVERNMENTAL OPERATIONS AGENDA INDEX

November 30, 2012

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

1. The Conservation Fund (AGRICULTURE) Transylvania County
2. Civil War Preservation Trust (CULTURAL RESOURCES) Johnston County
3. Wilmor Corp. (DENR-PARKS) Avery County
4. Donnie Johnson (DENR-PARKS) Washington County
5. Blue Ridge Conservancy (DENR-WILDLIFE) Ashe County
6. Hazel Rankin (NCA&TSU) Guilford County
7. Capital Facilities Foundation, Inc. (UNC-G) Guilford County
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10. Jerry Deese (UNC-P) Robeson County
11. University of North Carolina School of the Arts Foundation, Inc. (UNC-SA)
Forsyth County
12. James Hooper (WCU) Jackson County

DISPOSITION BY DEED: The following items are reported pursuant to NCGS 146-29.1

13. Department of Transportation (ADMINISTRATION) Cumberland County
14. Department of Transportation (AGRICULTURE) Sampson County
15. NC Museum of Art Foundation, Inc. (CULTURAL RESOURCES) Wake County

DISPOSITION BY LEASE: The following items are reported pursuant to NCGS 146-29.1

16. Kinston-Lenoir County Parks and Recreation Department (CULTURAL
RESOURCES) Lenoir County
17. NC Transportation Museum Foundation (CULTURAL RESOURCES) Rowan
County
18. City of Raleigh (DHHS) Wake County
19. City of Morganton (PUBLIC INSTRUCTION) Burke County
20. Wake County Public School System (PUBLIC INSTRUCTION) Wake County
21. The J. Douglas Dixon Partnership for Kids, Inc. (PUBLIC SAFETY) Granville
County

OTHER MATTERS: The following items are reported pursuant to
NCGS 146-29.1

- 22. Food Runners Collaborative, Inc. (AGRICULTURE) Wake County
- 23. The Healing Place of Wake County (DHHS) Wake County

ITEM FOR INFORMATION

- 24. LNR Southeast Investments, Inc. (ADMINISTRATION) Wake County

ACQUISITION BY DEED

ITEM 1

GRANTOR: The Conservation Fund

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

LOCATION: South of Rosman and Brevard, Transylvania County

AREA: ±342 acres (subject to survey)

UNIT COST: \$4,000/acre

CONSIDERATION: \$1,368,000 (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 Clean Water Management Trust Fund (\$600,000) and The Tennessee Valley Authority (\$768,000).

ITEM 2

GRANTOR: Civil War Preservation Trust

GRANTEE: State of NC, Department of Cultural Resources,
Division of State Historic Sites and Properties

LOCATION: Bentonville Battlefield, Johnston County

AREA: ±22.17 acres

CONSIDERATION: Gift

COMMENTS: Battlefield Addition. Property proposed for acquisition will be incorporated into the Bentonville Battlefield State Historic Site providing perpetual preservation and protection of the property.

ACQUISITION BY DEED

ITEM 3

GRANTOR: Wilmor Corp.
John H. Williams, President

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

LOCATION: U.S. Highway 105 near at Grandfather Mountain, Sugar Mountain,
Avery County

AREA: ± 32 acres

UNIT COST: \$35,000/acre

CONSIDERATION: \$1,120,000

COMMENTS: State Park Addition. Property proposed for acquisition is for inclusion in the Grandfather Mountain State Park. If acquired, it will protect high quality natural communities, buffer the Profile Trail from potential commercial development, and provide for much needed public parking and access. Funding for this acquisition is provided by Parks and Recreation Trust Fund.

ITEM 4

GRANTOR: Donnie Johnson

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

LOCATION: 723 Spruill Bridge Road (SR 1142), Creswell, Washington County

AREA: ± 52 acres (subject to survey)

UNIT COST: \$1,586/acre

CONSIDERATION: \$82,500 (subject to survey)

COMMENTS: State Park Addition. Property proposed for acquisition is needed for inclusion in the Pettigrew State Park. Funding for this acquisition is to be provided by Parks and Recreation receipts.

ACQUISITION BY DEED

ITEM 5

GRANTOR: Blue Ridge Conservancy

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

LOCATION: Off of NCSR 1389, Pond Mountain Game Land, Hurricane Township,
Ashe County

AREA: ±281 acres

CONSIDERATION: Gift

COMMENTS: Game Land Addition. Property proposed for acquisition will be incorporated into the Wildlife Management Program to protect water quality, important wildlife habitat and provide recreational opportunities. The grantor obtained a portion of the funds to acquire this property from the Clean Water Management Trust Fund. The State will acquire the property subject to deed restrictions in accordance with the Clean Water Management Trust Fund grant.

ITEM 6

GRANTOR: Hazel I. Rankin

GRANTEE: State of NC, North Carolina A & T State University

LOCATION: 1006 Salem Street, Greensboro, Guilford County

AREA: ± 6,098 sq. ft. or 0.14 acre improved with ± 1,440 sq. ft. single story store with
apartment built in 1923

UNIT COST: \$1.31/sq. ft. – land
\$14.58 /sq. ft. – improvements

CONSIDERATION: \$29,000

COMMENTS: Campus Expansion. Property proposed for acquisition is contiguous to campus and strategically significant to the master plan. The improvements will be severed and the property will be used short term for parking. The site will ultimately be utilized for future construction. Funding for this acquisition will be provided by a U.S. Department of Education Title III grant.

ACQUISITION BY DEED

ITEM 7

GRANTOR: Capital Facilities Foundation, Inc.

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

LOCATION: 836 Neal Street, Greensboro, Guilford County

AREA: $\pm 23,500$ sq. ft. or ± 0.539 acre improved with an industrial building containing $\pm 3,030$ sq. ft. constructed in 1958

UNIT COST: $\pm \$8.72$ /sq. ft. – land

CONSIDERATION: \$205,000

COMMENTS: Campus Expansion. Property proposed for acquisition is adjacent to property recently acquired on behalf of the University for the construction of a new Student Recreation Center. This site will be utilized in the development of the new Center in accordance with the University's newly planned mixed-use Village. The proposed Village development will include student housing, a Campus Police Station and the construction of a pedestrian underpass beneath Oakland Avenue and adjacent railroad corridor. The improvements have no contributory value and will be severed by the contractor. Funding for this acquisition will be provided by campus parking receipts.

ITEM 8

GRANTOR: Capital Facilities Foundation, Inc.

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

LOCATION: 1409 West Lee Street, Greensboro, Guilford County

AREA: $\pm 24,524$ sq. ft. or ± 0.563 acre improved with an industrial office/warehouse containing $\pm 6,576$ sq. ft. constructed in ± 1940

UNIT COST: $\pm \$5.71$ sq. ft. – land
 $\pm \$28.51$ /sq. ft. – improvements

CONSIDERATION: \$327,500

COMMENTS: Campus Expansion. Property proposed for acquisition is one of several parcels being acquired along W. Lee Street for the development of the University's new Student Housing Mixed-Use Village. The proposed acquisition will be utilized in the construction of the new Student Recreation Center. The improvements will be severed by the contractor. Funding for this acquisition will be provided by parking receipts.

ACQUISITION BY DEED

ITEM 9

GRANTOR: Capital Facilities Foundation, Inc.

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

LOCATION: 1401 West Lee Street, Greensboro, Guilford County

AREA: $\pm 27,267$ sq. ft. or ± 0.63 acre improved with a commercial garage containing $\pm 5,068$ sq. ft. constructed in 1946

UNIT COST: $\pm \$13.94$ /sq. ft. – land
 $\pm \$8.88$ /sq. ft. – improvements

CONSIDERATION: \$425,000

COMMENTS: Campus Expansion. Property proposed for acquisition is adjacent to State owned land recently acquired along W. Lee Street for the development of the University's new Student Housing Mixed-Use Village. The proposed acquisition will be utilized in the construction of the new Student Recreation Center. The improvements will be severed by the contractor. Funding for this acquisition will be provided by parking receipts.

ITEM 10

GRANTOR: Jerry Deese

GRANTEE: State of NC, University of North Carolina, 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: Campus Expansion. Property proposed for acquisition is contiguous to State-owned property recently acquired for campus expansion in accordance with the master plan. Acquisition of this property is needed to relocate athletic fields from the core campus which will provide the necessary land for construction of future academic buildings. Funding for this acquisition is provided by carry forward funds.

ACQUISITION BY DEED

ITEM 11

GRANTOR: State of NC, University of North Carolina School of the Arts Foundation, Inc.

GRANTEE: State of NC, University of North Carolina School of the Arts

LOCATION: 212 Waughtown Street, Winston-Salem, Forsyth County

AREA: $\pm 34,848$ sq. ft. or ± 0.8 acre

CONSIDERATION: Gift

COMMENTS: Campus Expansion. Property proposed for acquisition is located within the core campus and will be partially utilized to accommodate the construction of a new library in accordance with the master plan.

ITEM 12

GRANTOR: James Hooper

GRANTEE: State of NC, Western Carolina University

LOCATION: 395 Buzzards Roost Road Cullowhee, Jackson County

AREA: ± 14.93 acres improved with a single family dwelling containing $\pm 2,040$ sq. ft. built in 1951

UNIT COST: \$120/sq. ft. – improvements
\$47,233/acre – land

CONSIDERATION: \$950,000

COMMENTS: Campus Expansion. Property proposed for acquisition is contiguous to campus on three sides and is needed for campus expansion. Acquisition of this property will expand the campus footprint and provide protection from private development that is not conducive to future campus development. The improvements will be severed by the Department of Administration, State Surplus Property. The grantor will lease the property back for two years at no cost. Funding for this acquisition will be provided by Institutional Auxiliary Funds.

DISPOSITION BY DEED

ITEM 13

GRANTOR: State of NC, Department of Administration,
Division of Veterans Affairs

GRANTEE: State of NC, Department of Transportation

LOCATION: NC Highway 210, Sandhills State Veterans Cemetery, Spring Lake,
Cumberland County

AREA: ± 9.905 acres

CONSIDERATION: \$364,140

COMMENTS: Disposition. Property proposed for disposition is needed for the Department of Transportation (DOT) Highway 210 widening project. The DOT project includes widening Highway 210 to six lanes and closing a section of NC Highway 24/87 (Bragg Boulevard) which currently traverses Fort Bragg Military Reservation. Consideration includes compensation for the acquisition of a permanent utility easement consisting of $\pm 1,089.0$ sq. ft. (0.025 acre) and a temporary construction easement consisting of $\pm 192,360.96$ sq. ft. (4.416 acres). The temporary construction easement will terminate upon completion.

ITEM 14

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

GRANTEE: State of NC, Department of Transportation

LOCATION: Roseboro Industrial Park, Hwy 24, Sampson County

AREA: ± 27.64 acres

UNIT COST: \$2,384/acre

CONSIDERATION: \$65,900

COMMENTS: Disposition. Property proposed for disposition is surplus to the Department of Agriculture and Consumer Services. This site is being acquired as right of way for the new Highway 24 by-pass project in Roseboro.

DISPOSITION BY DEED

ITEM 15

GRANTOR: State of NC, Department of Cultural Resources

GRANTEE: North Carolina Museum of Art Foundation, Inc.

LOCATION: Blue Ridge Road and Wade Avenue, Raleigh, Wake County

AREA: ±35 acres

CONSIDERATION: Gift

COMMENTS: Disposition. Proposed disposition will provide additional funding resources to benefit the North Carolina Museum of Art. The gift is subject to agreement on the survey and the deed with terms acceptable to the Department of Administration and the Attorney General's Office. The terms of the conveyance will require that the Grantee use the property or any income arising from the property for Grantee's corporate purpose of supporting the NC Museum of Art or for such other purpose as may be permitted by NC G.S. §146-29.1, and subject to a reversionary interest in favor of the State. The NC Museum of Art Foundation, Inc. is a 501(c)(3) Corporation.

DISPOSITION BY LEASE

ITEM 16

LESSOR: State of NC, Department of Cultural Resources, Historical Sites and Properties, CSS Neuse and Governor Caswell Memorial

LESSEE: Kinston-Lenoir County Parks and Recreation Department
Bill Ellis, Director

LOCATION: CSS Neuse and Governor Caswell Memorial, 2612 West Vernon Avenue, Kinston, Lenoir County

TERM: Twenty years effective December 1, 2012 or possession

AREA: ±13.05 acres of land which is part of the 44 acre Caswell Memorial site

ANNUAL RENTAL: \$15,000

COMMENTS: New Lease. The Lessee will use and maintain the leased area for overflow parking to access its adjacent water park and community center. In addition, the land will be used as a park and access to the Neuse River. Improvements planned by the Lessee include a boardwalk along the river, a canoe launch/takeout set on the Neuse River and the rehabilitation of a boat shelter for a picnic area or performance pavilion. The Lessee will be responsible for all grounds maintenance, including the adjacent Lessor's land.

ITEM 17

LESSOR: State of NC, Department of Cultural Resources, Historical Sites and Properties, North Carolina Transportation Museum

LESSEE: North Carolina Transportation Museum Foundation, a 501 (c)(3) non-profit
Roy Johnson, President

LOCATION: 411 South Salisbury Avenue, Spencer, Rowan County

TERM: Three years effective December 1, 2012 or possession

AREA: ±40,987 sq. ft. of office, gift shop, storage and shop space

ANNUAL COST: \$4,800

COMMENTS: New Lease. The Foundation will operate a gift shop, tourist train and assist with the execution of special events at the Museum. In addition, the Foundation restores rail cars and locomotives and collects railroad rolling stock in order to further the mission of the Museum and interpret the history of transportation in North Carolina.

DISPOSITION BY LEASE

ITEM 18

LESSOR: State of NC, Department of Health and Human Services

LESSEE: City of Raleigh

LOCATION: Dorothea Dix Campus, Raleigh, Wake County

TERM: Seventy-five years effective December 31, 2012 or possession with one 24-year renewal option

AREA: \pm 325 acres

ANNUAL RENTAL: \$500,000 plus 1.5% annual increases

COMMENTS: New Lease. The lease will allow the City of Raleigh to implement a master plan for a park on the Dix property. The State may continue occupancy for up to 15 years. The rent will be decreased by the same percentage as the acreage occupied by Department of Health and Human Services (DHHS) bears to the 325 leased acres. So long as any of the leased acreage is occupied by DHHS, DHHS will maintain the entire leased acreage, provided that the City shall maintain any portion of the leased acreage that the City uses or occupies in accordance with their park master plan. The State will review and approve any improvements and severances planned for the site to the extent required by statute.

ITEM 19

LESSOR: State of NC, Department of Public Instruction,
North Carolina School for the Deaf

LESSEE: City of Morganton
Mel L. Cohen, Mayor

LOCATION: West side of US 64 and fronting on Henredon Road, North Carolina School for the Deaf, Morganton, Burke County

TERM: Twenty years effective December 1, 2012 with one 20-year renewal option

AREA: \pm 75' x \pm 75' tract of land

UNIT COST: \$1.00 for the term

COMMENTS: Renewal Lease. Renewal lease for a water pump station. The City of Morganton has been maintaining this pump station since 1961.

DISPOSITION BY LEASE

ITEM 20

LESSOR: State of NC, Department of Public Instruction

LESSEE: Wake County Public School System (WCPSS)

LOCATION: Governor Morehead School, Raleigh, Wake County

TERM: Twenty years effective August 1, 2013 or possession with two 5-year renewal options

AREA: 29,292 sq. ft. of exclusive space and \pm 29,412 sq. ft. of non-exclusive space which will include offices, classrooms, auditorium, gymnasium, and cafeteria. Athletic fields are also shared.

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

ANNUAL RENTAL: \$404,686 including utilities, maintenance and repairs, plus 2.5% annual increases during the term and renewals

COMMENTS: Renewal 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 LEASE**File No. 39-BM**

ITEM 21

LESSOR: State of NC, Department of Public Safety, Division of Adult Correction

LESSEE: The J. Douglas Dixon Partnership for Kids, Inc.
Leslie Sewell, Chairman of BoardLOCATION: Across from John Umstead Hospital Campus, 12th Street, Butner, Granville County

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

AREA: ±12.92 acres

RENTAL: \$1.00 for the term

COMMENTS: New Lease. Lessee will construct a child care facility on the site which will offer high quality, low cost child care to all State employees in the Butner area. The facility will initially serve 95 children, expanded to 139 children when an after-school program is established. The initial construction will consist of a 15,000 sq. ft. building but may be expanded to as much as 30,000 sq. ft. over the term of the lease. All plans will be reviewed and approved by State Construction. The improvements will become property of the State at the end of the term.

OTHER MATTERS

ITEM 22

Lease Amendment. On November 6, 2001, the Governor and Council of State approved a 25-year lease disposition with one 10-year renewal option consisting of 6.8 acres of land at the State Farmers Market, Raleigh, Wake County for Food Runners Collaborative, Inc., to build a facility that will house and operate Meals on Wheels and the Inter-Faith Food Shuttle. With the approval of the Council of State, the lease will be amended to include a second, 10-year renewal option which would, if taken, extend the lease to September 10, 2047.

ITEM 23

Lease Amendment. On October 5, 1999, the Governor and Council of State approved a 25-year lease disposition with one 10-year renewal option consisting of 4.377 acres of land on Dorothea Dix Campus, Raleigh, Wake County for The Healing Place of Wake County, to build a residential shelter for homeless individuals with substance abuse problems. The Lessee now wishes to expand the parking area and construct 4 additional buildings to meet current needs. With the approval of the Council of State, the lease will be amended to add 6.098 acres to the site and extend the term to September 10, 2027, to include one, 10-year renewal option. In addition, authorization is requested to grant utility easements on an as-needed basis to support the infrastructure developed on the property.

ITEM FOR INFORMATION

ITEM 24

Blount Street Contract. Pursuant to S.L. 2003-404, the Department of Administration (DOA) was authorized to sell certain property within and adjacent to the Blount Historic District in Raleigh at such time that the Department determined that any portion of the property was no longer needed for State purposes and that it is in the best interest of the State to sell that property. The property in question consists of 21 acres within an area bordered by North Person Street, Jones Street, North Wilmington Street and Peace Street. Following a competitive bid process and lengthy negotiations with the selected proposer concerning the details of the complex urban infill development project, the State entered into a contract for the sale of the Blount Street property in 2006 with LNR Southeast Investments, Inc. (LNR). The contract provided for LNR to purchase the Blount Street property in four phases for approximately twenty million dollars and to develop the area in such a manner that would satisfy the mandate of S.L. 2003-404.

To date, LNR has purchased the two phases of the Blount Street property, bordered by North Person Street, Polk Street, North Wilmington Street and Peace Street, for ten million dollars. Following the general decline in the real estate market in late 2008, LNR requested an extension of time to purchase the remaining two phases of the Blount Street property. The State and LNR entered into a contract amendment that extended the closing date of the last two phases to January 2014 and in exchange, the State retained the office structure known as Hawkins Harkness House. Due to the slow recovery of the real estate market, LNR has requested that it be released from its contractual obligation to purchase the remaining two phases of the Blount Street property. The DOA, in consultation with the Attorney General's Office, has consented to this request and in exchange for the release LNR will pay the State a fee of one million dollars and will also authorize the disbursement of the earnest money deposit (\$200,000) to the State. The remaining phases of the Blount Street property and structures located thereon will be developed or disposed of, in whole or part, in a manner that best satisfies the needs of the State in furtherance of the earlier statutory mandate, in the best judgment of DOA, after proper submission to the COS for approval and after any required reporting or consultation with the Joint Legislative Commission on Governmental Operations, unless some other, statutory procedure is later provided. This item was reported to the Joint Legislative Commission on Governmental Operations.