



NORTH CAROLINA
RAILROAD
C O M P A N Y

Scott M. Saylor
President

March 28, 2014

Senator Kathy Harrington
Chair, Joint Legislative Transportation Oversight Committee
16 W. Jones Street Room 2113
Raleigh, NC 27601-2808

Representative Frank Iler
Co-Chair, Joint Legislative Transportation Oversight Committee
300 N. Salisbury St. Room 637
Raleigh, NC 27603-5925

Representative John A. Torbett
Co-Chair, Joint Legislative Transportation Oversight Committee
300 N. Salisbury St. Suite 538
Raleigh, NC 27603-5925

Mr. Mark Trogdon
Fiscal Research Division
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, NC 27603-5925

Re: Session Law 2013-360, Section 34.14(j)

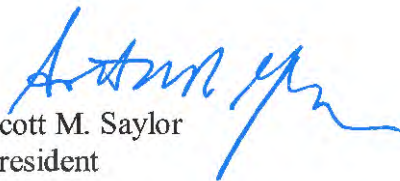
Dear Senator Harrington, Representative Iler, Representative Torbett, and Mr. Trogdon:

On behalf of North Carolina Railroad Company, I would like to submit to you the enclosed Property Assessment Report and Summary as required by Session Law 2013-360, Section 34.14(j). All of the properties except the Gibsonville property were acquired in the 1800's at inception of the NCRR. The Gibsonville property was acquired as exchange property (City of Gibsonville) for the original Gibsonville train station site (I.R.S. section 1031 exchange).

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919 - 954 - 7601 **phone** / 919 - 954 - 7099 **fax**

Please feel free to contact me with any questions you may have, or if you need any additional information.

Sincerely,


Scott M. Saylor
President

Enclosure (1)

cc: Fiscal Research Division Staff
Duane L. Long, Chairman
Members of the Board of Directors

North Carolina Railroad Company

Evaluation of Non-Operating Properties under S.L. 2013-360, Section 34.14.(j)

| <u>Page</u> | <u>Description</u> | <u>County</u> | <u>Nearest Town</u> | <u>Parcel ID#</u> | <u>Appraised Value</u> | <u>Appraisal Date</u> |
|-------------|-----------------------------|---------------|-------------------------|-----------------------|----------------------------|---------------------------|
| 1 | Burke Street Lot | Alamance | Gibsonville | 107493 | 39,200 | 12-12-2013 |
| 3 | Bridges Street Lot | Carteret | Morehead | 638620911461000 | 2,595,000 | 12-17-2013 |
| 5 | Newport Lot | Carteret | Newport | 634814246231000 | 9,500 | 12-17-2013 |
| 7 | Wye Property Ext. | Carteret | Morehead | 637616924807000 | 108,000 | 12-17-2013 |
| 9 | Wye Property | Carteret | Morehead | 637620923019000 | 600,000 | 12-17-2013 |
| 11 | Clarks Lot | Craven | Clarks | 8-221-035 | 1,725 | 12-11-2013 |
| 13 | Tiffany & Bright Sts. Prop. | Lenoir | Kinston | 11185 & 26555 | 224,070 | 01-12-2014 |
| 15 | Morrisville Former Depot | Wake | Morrisville | 0755-14-647S | 71,700 | 12-12-2013 |
| 17 | Waynesboro Lot | Wayne | Goldsboro | 2599119118 | 1,225 | 01-27-2014 |

Name: Burke Street Lot

Address: 320 Burke Street, Gibsonville, NC

Nearest Town: Gibsonville

County: Alamance

Land Area: 2.24 +/- Acres

Original Purchase Purpose (2005): NCRR owned the current Town Plaza of Gibsonville (acquired in 1852) as the location of the original Gibsonville Passenger Depot. The Depot building has been removed (date unknown), and the Town utilized the site for their Town Plaza, making substantial improvements. The Town wished to acquire the land, and in 2005 NCRR exchanged the Town Plaza parcel for the Burke Street Lot, both lots being nearly equal value at that time.

Current Use: Vacant

Structure & Improvements: None

General Description: A rectangle shaped property with 151.31 feet of frontage on Burke Street, a public maintained street along the east boundary of the parcel, bounded on the north by several older single family dwellings, vacant woodland to the east and NCRR railroad corridor to the south. The parcel is vacant and unimproved, and covered with mixed hardwoods and pines. The elevation drops from the western road frontage down to the east. Drainage is to the south under the railroad. Electric, public water and sewage and telephone are available to the site. Because of the topography, a sewer pump would be required to utilize the public sewer line.

Zoning: RS-15, Single Family Residential (Detached—2.5 units per acre)

County Assessor Parcel ID#: 107493

County Assessor 2013 Valuation:
Total: \$39,550

Appraisal Report (as of Nov. 20, 2013):
Valuation: \$39,200
Highest & Best Use: See appraisal report. The property lies along the rail corridor.
Extraordinary Conditions: None

Phase I Environmental Report (as of Feb. 18, 2014):
Summary of Conditions: Assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property.

Name: Bridges Street Lot

Address: 306 Arendell Street

Nearest Town: Town of Morehead City

County: Carteret

Land Area: 1.986 Acres, including riparian rights

Original Purchase Purpose: Industrial and railroad use at eastern terminous of Atlantic & North Carolina Railroad. Rail spurs, industrial buildings and crew offices had been located on this parcel.

Current Use: Former railroad office building is leased and boat slips are managed for revenue.

Structure & Improvements: Boat docks and 1,739 sq. ft. office building.

General Description: Rectangular parcel with 330 feet of frontage on Arendell Street and 150 feet of frontage on Bridges Street, both publicly maintained streets. Riparian rights extend to channel and accommodates boat slips, bulk head, docks and utilities. A 1,739 sq. ft. masonry office building on the property.

Zoning: DB, Downtown Business

County Assessor Parcel ID#: 638620911461000

County Assessor 2013 Valuation:

Total: \$1,148,121

Appraisal Report (as of December 17, 2013):

Valuation: \$2,595,000

Highest & Best Use: High density residential waterfront development. However, the town has expressed interest in a roadway connector from Hwy 70 to Bridges Street (NCDOT traffic study pending).

Extraordinary Conditions: None

Phase I Environmental Report (as of February 7, 2014):

Summary of Conditions: Assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property. The site has historic RECs, but are not considered RECs at this time. The property is adjacent to a brownfield site proposed for development.

Environmental Restrictions: None

Title and Legal Property Issues:

Date Acquired: January 1, 1903
Title: See Title Report

Lessees/Licensees in Possession: Real estate office in office building and boat slips and riparian rights are managed by local management services firm

Encroachments: None



**North Carolina Railroad Company
Bridges Street Lot
Town of Morehead City, Carteret County**

Name: Newport Lot

Address: 123 Chatham Street

Nearest Town: Newport

County: Carteret

Land Area: 0.218 Acres

Original Purchase Purpose: Two wood frame warehouse buildings and railroad spur had been located partially on this parcel and partially within the NCRR railroad corridor and used as freight warehouses serving as a freight stop for the railroad. This building had been leased to local businesses, but the structure had deteriorated and was demolished in 2011.

Current Use: Vacant

Structure & Improvements: No structures. Fencing along Chatham St.

General Description: A triangle shaped parcel with 215 feet of road frontage on Chatham Street, a public street, 78 feet along the north property line, and 232 feet along the east side of the NCRR railroad corridor.

Zoning: CD, Commercial Downtown

County Assessor Parcel ID#: 634814246231000

County Assessor 2013 Valuation:

Total: \$69,726

Appraisal Report (as of Dec. 17, 2013):

Valuation: \$9,500

Highest & Best Use: Property is along the rail corridor and adjacent to a five-intersection roadway crossing that has been studied for possible crossing improvements over the past few years.

Extraordinary Conditions: None

Phase I Environmental Report (as of March 13, 2014):

Summary of Conditions: Assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property. The site has historic RECs, but are not considered RECs at this time.

Environmental Restrictions: Use of groundwater as a water supply is prohibited.

Title Report:

Date Acquired: April 15, 1903

Title: See Title Report

Lessee/Licensees in Possession: Town of Newport licenses property for maintaining landscaping

Encroachments: None



**North Carolina Railroad Company
Newport Lot
Town of Newport, Carteret County**

Name: Wye Property Extension

Address: Bridges Street

Nearest Town: Morehead City

County: Carteret

Land Area: 1.204 Acres

Original Purchase Purpose: Location to turn around locomotives and trains at the eastern terminus of the railroad.

Current Use: Held for future railroad purposes. Interim use by Licensee for outside storage of commercial materials and parking.

Structure & Improvements: None

General Description: A rectangular parcel fronting 106 feet on the north side of Bridges Street, extending back a distance of 525 feet and fronting 100 feet on the south side of Avery St. Bay St. "dead ends" into the subject parcel from the east approx. half way between Bridges St. and Avery Street. Bridges, Avery and Bay Streets are publicly maintained roadways. A sewer pipeline extends through the property from Bridges St. to Avery St. approx. 20 feet from the western property line. This utility line could adversely affect the placement of improvements on this parcel. Three landowners along the eastern property line between Bay St. and Avery St. assert deeds that overlap with the subject property and encroach into the overlap area. Two of the adjacent landowners use part of the subject property for driveway access to their residences.

Zoning: CH, Highway Commercial

County Assessor Parcel ID#: 637616924807000

County Assessor 2013 Valuation (not adjusted for portion of corridor not included in appraisal):
Total: \$278,472.00

Appraisal Report (as of December 17, 2013):

Valuation: \$108,000

Highest & Best Use: Assemblage for retail sales

Extraordinary Conditions: Sewer pipeline may affect placement of improvements

Phase I Environmental Report (as of March 13, 2014):

Summary of Conditions: Assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property.

Environmental Restrictions: None

Title report:

Date Acquired: April 28, 1887

Title: See Title Report

Lessees/Licensees in Possession: Licensed for Commercial storage & parking. License fees are in dispute.

Encroachments: Licensee claims ownership and three adjoining landowners have deeds that overlap with NCRR property line.



**North Carolina Railroad Company
Wye Parcel Extension
Town of Morehead City, Carteret County**

Name: Wye Property

Address: Arendell Street

Nearest Town: Morehead City

County: Carteret

Land Area: 3.44 Acres

Original Purchase Purpose: Location to turn around locomotives at the eastern terminus of the railroad and by industrial tenants and adjoining landowners utilizing the railroad for materials delivery (grain silos).

Current Use: Held for future railroad purposes. None except for interim uses by third parties under agreement.

Structures & Improvements: Approximately 700 feet of railroad tracks are located along the eastern property line. The tracks were disconnected from the NCRR main line tracks through Morehead City for roadway paving at the request of NCDOT about 2005, and the cantilevered signal structure remains in place on Arendell St. for re-connection as needed. There are short term commercial and residential uses of portions of the site under agreements with adjoining landowners.

General Description: A parcel generally triangular in shape with 100 feet of roadway frontage on Bridges Street (the top of the triangle). All of the frontage on Arendell St is part of the rail corridor. The parcel adjoins the NCRR railroad corridor along the bottom of the triangle. Arendell St. is wholly within the NCRR railroad corridor. Preserving the corridor, the area between Arendell St. and the south side of the parcel would be important to potential uses for rail corridor purposes. The north-south sides of the triangle are curved inward. On the west is a subdivision of single family houses and on the east are commercial land uses.

Zoning: CH, Highway Commercial

County Assessor Parcel ID#: 637620923019000

County Assessor 2013 Valuation (not adjusted for portion of corridor not included in appraisal):
Total: \$1,336,500

Appraisal Report (as of December 17, 2013):

Valuation: \$600,000

Highest & Best Use: See appraisal report. The track area is the only remaining spur track connecting to the rail corridor for any future train siding or station off the main line.

Extraordinary Conditions: The portion of the NCRR railroad corridor along the southern

boundary of the subject property was not included in the appraisal. The subject property would have exposure to Arendell St., but a driveway on or off Arendell Street would have to cross the NCRR corridor.

Phase I Environmental Report (as of March 13, 2014):

Summary of Conditions: Assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property. The site has historic RECs, but are not considered RECs at this time.

Environmental Restrictions: Use of groundwater as a water supply is prohibited.

Title Report:

Date Acquired: April 28, 1887

Title: See Title Report

Lessees/Licensees in Possession: Five (5) residential permits for yards and two commercial licenses.

Encroachments: None



**North Carolina Railroad Company
Wye Parcel
Town of Morehead City, Carteret County**

Name: Clarks Lot

Address: 140 Wetherington Road (Private)

Nearest Town: New Bern

County: Craven

Land Area: 0.38 Acres

Original Purchase Purpose: Railroad house/office

Current Use: Vacant

Structure & Improvements: None

General Description: A rectangle shaped property with 250 feet of frontage on Wetherington Road (a private road). Wetherington Road is wholly within the NCRR rail corridor and is not publicly maintained.

Zoning: None

County Assessor Parcel ID#: 8-221-035

County Assessor 2013 Valuation:
Total: \$8,000

Appraisal Report (as of December 11, 2013):
Valuation: \$1,725
Highest & Best Use: Assemblage. Property is along the rail corridor
Extraordinary Conditions: Lot does not have frontage on a public roadway

Phase I Environmental Report (as of February 14, 2014):
Summary of Conditions: Assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property.
Environmental Restrictions: None

Title Report:
Date Acquired: November 29, 1938
Title: See Report

Lessee/Licensees in Possession: None

Encroachments: None

Other Issues: Lot is not on a public roadway—land-locked. Adjacent landowner's deed description overlaps with a portion of this parcel.



**North Carolina Railroad Company
Clarks Lot
Craven County**

Name: Tiffany & Bright Streets Property

Address: Tiffany Street

Nearest Town: Kinston

County: Lenoir

Land Area: 6.79 Acres

Original Purchase Purpose: The present railroad spur on this property originally extended across this parcel and then down the middle of Shine Street (to the west) to several industrial customers. The areas north and south of the present spur on this parcel had numerous warehouse buildings and track that served industrial customers.

Current Use: Vacant

Structure & Improvements: Concrete pad, fencing and railroad spur track

General Description: A triangular shaped parcel bounded on the North by Bright Street, on the west by Tiffany Street, on the south by Olive Street, and on the northeast by NCRR railroad corridor. A 1,000 foot storage track, with switches at both ends is located within the NCRR railroad corridor (adjacent to the parcel) and an 850 foot long industrial spur track extends onto this parcel. The southern 4.5 acres is within a special flood hazard area limiting its use.

Zoning: I-2, Industrial

County Assessor Parcel ID#: 11185 & 26555

County Assessor 2013 Valuation:
Total: \$31,025

Appraisal Report (as of January 12, 2014):
Valuation: \$224,070
Highest & Best Use: Commercial; Property is along the rail corridor
Extraordinary Conditions: None

Phase I Environmental Report (as of March 10, 2014):
Summary of Conditions: Two previous reportable incidents involving underground storage tanks and a third incident involving assessment of groundwater related to a scrap metal facility on the site have been reported. Letters of No Further Action were issued by DENR on all three incidents.

Environmental Restrictions: Use of groundwater as a water supply is prohibited.

Name: Morrisville Lot

Address: Morrisville Carpenter Road

Nearest Town: Morrisville

County: Wake

Land Area: 0.299 Acres

Current Use: Licensed for interim use to adjoining property owner for building encroachment and customer parking.

Original Purchase Purpose: This lot is the remaining portion of the original three acre site acquired for the Morrisville former freight depot and passenger station. Over the years, land has been sold on several occasions, and this is the remaining land.

Structures & Improvements: None (see encroachments section below)

General Description: The parcel is "L" shaped having 58 feet of frontage on Franklin Upchurch Sr. Street, extending back 113 feet to Morrisville Carpenter Road, and fronting 143 feet on Morrisville Carpenter Road. Lot does not have driveway access to Morrisville Carpenter Road due to its close proximity to the grade crossing but does have good visibility. The subject parcel wraps around an adjoining parcel. The adjoining parcel has a retail building that encroaches onto the subject parcel, but such use is covered by a license agreement between NCRR and the land owner. A 20 foot easement along the western lot line for a water line limits the use of the lot along this area.

Zoning: HCV, Historic Crossroads Village

County Assessor Parcel ID#: 0755146440

County Assessor 2013 Valuation:

Total: \$39,204

Appraisal Report (as of November 25, 2013):

Valuation: \$71,700

Highest & Best Use: Non-residential retail, office or restaurant types of uses; Property is along the rail corridor

Extraordinary Conditions: Obligation to remove building from the subject property at the termination of the License Agreement.

Phase I Environmental Report (as of March 13, 2014):

Summary of Conditions: Assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property.

Environmental Restrictions: None

Title Report:

Date Acquired: November 30, 1852

Title: See Title Report

Lessees/Licensees in Possession: License with individual for parking and for building encroachment

Encroachments: Adjacent building encroachment



**North Carolina Railroad Company
Morrisville Lot
Town of Morrisville, Wake County**

Name: Waynesboro Lot

Address: Old Waynesboro Road

Nearest Town: Goldsboro

County: Wayne

Land Area: 0.710 Acres

Original Purchase Purpose: This lot was at the terminus of a spur that sprung off the NCRR mainline track near the Neuse River until the 1860s. Its purpose was to be a point of transfer for river barge freight traffic to and from rail and for a water station for steam engines. A freight warehouse was established on this lot, but, as river traffic diminished, it was rented and later burned down.

Current Use: Vacant

Structures & Improvements: None

General Description: An irregular parcel fronting the Neuse River. This parcel does not have frontage on a public roadway and is bounded on three sides by land of the Old Waynesboro Commission, Inc. (nature and historic park).

Zoning: Indeterminable

County Assessor Parcel ID#: 2599119118

County Assessor 2013 Valuation:
Total: \$1,130

Appraisal Report (as of January 27, 2014):

Valuation: \$1,225

Highest & Best Use: Timber or possible limited recreational use.

Extraordinary Conditions: Site has limiting factors of no access, no frontage on public roadway, no access to utilities, and located within an AEFW Flood Zone/Floodway.

Phase I Environmental Report (as of March 13, 2014):

Summary of Conditions: Assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the property.

Environmental Restrictions: None

Title Report:

Date Acquired: April 6, 1854

Title: See Title Report

Lessees/Licensees in Possession: None

Encroachments: None

