



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**



JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

March 17, 2025

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

FROM: Kristin Walker *Kristin Walker*

SUBJECT: Council of State Meeting Notification

The next Council of State (COS) meeting is scheduled for 9:00 am on Tuesday, April 1, 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 April 1st Council of State agenda should be submitted by March 18, 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

April 1, 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/April25COS>

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B.	Approval of the March 4, 2025 Minutes		
C.	Interest Matters/Bond Resolution	Brad Briner	
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NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

INVESTMENT MANAGEMENT DIVISION

April 1, 2025

MEMORANDUM

TO: The Council of State

FROM: Bradford Briner
State Treasurer

SUBJECT: CURRENT STIF RATE AND REPORT ON THE EARNINGS CREDITED TO THE
GENERAL AND HIGHWAY FUNDS FOR THE TIME PERIODS INDICATED

Short-Term Investment Fund (STIF)
Annualized Net Cast Return

Current Month (Februaury)
4.94%

The earnings of the Short-Term Investment Fund credited to the General Fund and Highway Funds are shown below:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Highway Trust Fund</u>	<u>Total Highway Funds</u>
March 2025 Credits	\$45,370,308	\$	\$9,059,586	\$ 9,059,586
2024-25 Fiscal Y-T-D Credits	\$480,582,416	\$	\$85,354,457	\$85,354,457
2023-24 Fiscal Y-T-D Credits	\$492,378,252	\$35,472,635	\$28,125,442	\$63,598,077

Fund earnings and STIF Return provided by DST Financial Operations

Division.

FIRE INSURANCE MATTERS
FUND CONDITION REPORT

State Property Fire Insurance Fund
Fund Condition April Council of State
(Cumulative Since January 1, 2025 as of February 28, 2025)

Beginning Balance	7/1/2024	14,144,519.06
Premium Received		34,927,090.00
Legislative Funding		0.00
Reinsurance Reimbursement		50,768,975.50
Interest Income		1,324,837.33
Realized Gain - Sale of Investments		0.00
Total Revenue		87,020,902.83
Losses Paid (Fund)		11,749,898.18
Losses Paid (Reinsurer)		0.00
Return of Expenditure		0.00
Reinsurance Premium Paid		0.00
Realized Loss - Sale of Investments		0.00
Administrative Expenses		1,783,404.52
Total Expenditures		13,533,302.70
Fund Balance	2/28/2025	87,632,119.19

PROPERTY INSURANCE LOSSES

March 2025

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

1. UNC-Charlotte
Location of Loss: Woodward Hall
Cause of Loss: Water
Coverage Type: All Risk Special Form
Date of Loss: 7/28/2024
Loss Number: 20250003-60005005
Amount of Loss: \$65,685.88

COUNCIL OF STATE
STATE PROPERTY INDEX

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STATE PROPERTY MATTERS
ACQUISITION BY DEED

ITEM 1

GRANTOR: Pork Palace, LLC
Dean C. Hilton, Registered Agent
Allison Barbour, Chief Financial Officer

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

LOCATION: NC Hwy 53 E, Elizabethtown, Bladen County

AREA: ±237 acres

UNIT COST: \$3,375.52/acre

CONSIDERATION \$800,000

COMMENTS: Game Land Addition. Property proposed for acquisition is for inclusion in Whitehall Plantation Game Land. In addition to providing additional public hunting opportunities, this acquisition will also provide another access point for Whitehall Plantation Game Land. 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: The Nature Conservancy

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

LOCATION: Stoneyfield Drive, Sandhill Township, Moore County

AREA: ±304.91 acres improved with two single-family residences totaling
±6,637 sq. ft.

UNIT COST: ±\$5,107.52/acre – land
±\$255/sq. ft average – improvements

CONSIDERATION: \$3,250,000

COMMENTS: State Natural Area Addition. Property proposed for acquisition is for inclusion in Weymouth Woods State Natural Area. This site consists of highly significant habitat for the Red Cockaded Woodpecker. Property is subject to a Cooperative Agreement from the US Army, which limits development on the property.

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

ITEM 2 (Continued)

Funding for this acquisition is provided by North Carolina Land and Water Fund (\$1,550,000) and the federal Land and Water Conservation Fund (\$1,700,000). 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 3

GRANTOR: Town of Belville

GRANTEE: State of North Carolina, State Highway Patrol

LOCATION: 63 River Road, Belville, Brunswick County

AREA: ±31,927 sq. ft. or ±0.71 acre improved with a one-story building containing ±6,100 sq. ft., built in 2017

UNIT COST: \$18.92/sq. ft. – land
\$248.36/sq. ft. – improvements

CONSIDERATION: \$2,100,000

COMMENTS: New Headquarters. Property proposed for acquisition will be utilized as a new State Highway Patrol Troop B, District VI, Headquarters. Funding for this acquisition is provided by funds authorized in Session Law 2023-134, House Bill 259. 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: The North Carolina A&T Real Estate Foundation, Inc.
Sheena German, Director of Real Estate

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

LOCATION: 408 Banks Street, Greensboro, Guilford County

AREA: ±5,120 sq. ft. or ±0.12 acre improved with a single-family dwelling containing 1,034 sq. ft., built in 1923

UNIT COST: \$4.88/sq. ft. – land
\$116.05/sq. ft. – improvements

CONSIDERATION: \$145,000

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

ITEM 4 (Continued)

COMMENTS: Campus Expansion. Property proposed for acquisition is needed for future expansion in accordance with the campus master plan. The grantor will be reimbursed for direct expenses associated with this acquisition. The improvements will be severed by the contractor. 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.

ITEM 5

GRANTOR: The North Carolina A&T Real Estate Foundation, Inc.
Sheena German, Director of Real Estate

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

LOCATION: 413 Boyd Street, Greensboro, Guilford County

AREA: ±5,115 sq. ft. or ±0.12 acre improved with a single-family dwelling
containing 905 sq. ft., built in 1923

UNIT COST: \$4.89/sq. ft. – land
\$138.12/sq. ft. – improvements

CONSIDERATION: \$150,000

COMMENTS: Campus Expansion. Property proposed for acquisition is needed for future expansion in accordance with the campus master plan. The grantor will be reimbursed for direct expenses associated with this acquisition. The improvements will be severed by the contractor. 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.

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

ITEM 6

GRANTOR: The North Carolina A&T Real Estate Foundation, Inc.
Sheena German, Director of Real Estate

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

LOCATION: 511 Boyd Street, Greensboro, Guildford County

AREA: $\pm 6,534$ sq. ft. or ± 0.15 acre with a dilapidated, uninhabitable single-family dwelling containing 828 sq. ft., built in 1923, having no contributing value

UNIT COST: \$5.51/sq. ft. – land

CONSIDERATION: \$36,000

COMMENTS: Campus Expansion. Property proposed for acquisition is needed for future expansion in accordance with the campus master plan. The grantor will be reimbursed for direct expenses associated with this acquisition. The improvements will be severed by the contractor. 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.

ITEM 7

GRANTOR: The North Carolina A&T Real Estate Foundation, Inc.
Sheena German, Director of Real Estate

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

LOCATION: 505 Boyd Street, Greensboro, Guildford County

AREA: $\pm 6,400$ sq. ft. or ± 0.15 acre improved with a single-family dwelling containing 1,092 sq. ft., built in 1923

UNIT COST: \$3.90/sq. ft. – land
\$114.47/sq. ft. – improvements

CONSIDERATION: \$150,000

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

ITEM 7 (Continued)

COMMENTS: Campus Expansion. Property proposed for acquisition is needed for future expansion in accordance with the campus master plan. The grantor will be reimbursed for direct expenses associated with this acquisition. The improvements will be severed by the contractor. 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: Hibriten Mountain, LLC
James Bach Hogan, Manager

LESSEE: State of North Carolina,
Department of Agriculture and Consumer Services

LOCATION: Hibriten Mountain Road, Lenoir, Caldwell County

TERM: Twenty-five years effective April 1, 2025 or possession

AREA: ±0.27 acre

RENTAL: \$1.00 for the term

COMMENTS: New Lease. New lease for the Division of North Carolina Forestry Service to utilize the communications tower located on Hibriten Mountain.

ITEM 2

LESSOR: JPB & Investors 2222-2224 Chapel Hill-Nelson Hwy, LLC
John R. Buchheit, Managing Member

LESSEE: State of North Carolina, Department of Health and Human Services,
Division of Child Developmental Services Agency

LOCATION: 2222 & 2224 East NC 54 Highway, Durham, Durham County

TERM: Ten years effective October 1, 2025, or possession with one 5-year
renewal option

AREA: ±16,698 sq. ft. of office space

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

ITEM 2 (Continued)

UNIT COST: \$25.48/sq. ft. (average) including utilities, water/sewer, janitorial & parking
\$33.98/sq. ft. (average) renewal option

ANNUAL RENTAL: \$425,431.64 (average)
\$567,398.00 (average) renewal option

COMMENTS: New Lease. New lease to replace a 5-year lease for ±13,204 sq. ft. with the last lease period average annual rental of \$271,914 or \$20.59/sq. ft., including utilities, water/sewer, janitorial, and parking. The increased space is needed to accommodate additional staff. Lowest of four proposals received through advertising. Space accessible to the disabled. 100% State Funds.

ITEM 3

LESSOR: MHR Development, LLC
Mildred H Roughton, Managing Member

LESSEE: State of North Carolina, Department of Transportation,
Division of Motor Vehicles

LOCATION: 2808 S. Croatan Highway Suite A, Nags Head, Dare County

TERM: Five years effective May 1, 2025, or possession with one 5-year renewal option

AREA: ±2,320 sq. ft. of office space

UNIT COST: \$26.62/ sq. ft. – including water/sewer and parking
\$29.28/ sq. ft. renewal option

ANNUAL RENTAL: \$61,758.48
\$67,934.40 renewal option

COMMENTS: New Lease. New lease to replace a 10-year lease for ±2,320 sq. ft. of office space with the last lease period annual rental of \$56,144 or \$24.20/sq. ft. including parking. One proposal received through advertising. Space accessible to the disabled. 100% State Funds.

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

ITEM 4

LESSOR: Beacon Industrial LLC
Mildred Roughton, Managing Member

LESSEE: State of North Carolina, Department of Transportation,
Division of Highways

LOCATION: 3301 Jones Sausage Road, Garner, Wake County

TERM: Five years effective January 1, 2025, or possession with one 5-year
renewal option

AREA: ±4,519 sq. ft. of office space

UNIT COST: \$9.49/sq. ft. (average) – including utilities, janitorial, water/sewer and
parking
\$13.26/sq. ft. (average) renewal option

ANNUAL RENTAL: \$42,892.38 (average)
\$59,924.55 (average) renewal option

COMMENTS: New Lease. New lease replacing a 3-year lease for ±3,485 sq. ft. of office space with the last lease period annual rental of \$37,568.30 or \$10.78/sq. ft. including utilities, janitorial, and parking. The lower of the two proposals received through advertising was chosen. Space accessible to the disabled. 100% State Funds.

ACQUISITION BY EASEMENT

ITEM 1

GRANTOR: Kilby's Livestock Market, Inc.

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

LOCATION: off Armory Road, North Wilkesboro, Wilkes County

AREA: ±0.026 acre

CONSIDERATION: Gift

COMMENTS: Proposed easement is needed for the installation and maintenance of a sewer line and appurtenant equipment servicing the North Wilkesboro National Guard Armory.

STATE PROPERTY MATTERS (Continued)
DISPOSITION BY LEASE

ITEM 1

LESSOR: State of North Carolina, North Carolina A&T State University

LESSEE: Campus Real Estate Holding Corporation, LLC (formerly The NCA&T University Foundation, LLC)
Kim Cameron, President, North Carolina A&T Real Estate Foundation, Inc. (sole member of Lessee)

LOCATION: Aggie Suites, Pride Hall, Child Development Laboratory and Alumni-Foundation Event Center, NCA&T campus, Greensboro, Guilford County

TERM: Thirty-five years effective May 1, 2025, or possession

AREA: ±19.59 acres

RENTAL: \$1.00 for the term

COMMENTS: Amended and Restated Ground Lease. On June 1, 2004, the Council of State approved a ground lease (the “2004 Ground Lease”) from the State to The NCA&T University Foundation, LLC (the “Foundation”) to allow for the development of several housing and student support facilities on the campus of NCA&T State University. To finance the construction of these projects, the Foundation incurred \$21,000,000 in student housing revenue bonds (“2004B Bonds”). In 2015, the Foundation refinanced some of the previously issued bonds associated with the project and incurred \$22,495,000 in bonds (the “2015A Bonds”). A portion of the 2004B Bonds and the 2015A Bonds remain outstanding and the Foundation plans to refinance these bonds to provide funding for renovations and related capital improvements for many of the original projects. The refinancing will involve the issuance of new student housing revenue bonds in an aggregate amount not to exceed \$50,000,000 (the “2025 Bonds”). The projected closing time frame of the refinancing is April 2025.

In connection with the closing of the transaction, approval is sought to amend and restate the 2004 Ground Lease for the following purposes: (i) extend the Ground Lease term from 2051 to 2060, which will match the proposed maturity date of the 2025 Bonds; (ii) change the name of the lessee from the Foundation to Campus Real Estate Holding Corporation, LLC; and (iii) remove a housing facility known as Aggie Terrace from the premises description. On January 30, 2025, the UNC Board of Governors approved the proposed amendment and restatement of the 2004 Ground Lease.

STATE PROPERTY MATTERS (Continued)
DISPOSITION BY EASEMENT

ITEM 1

GRANTOR: North Carolina Appraisal Board (the “Appraisal Board”)

GRANTEE: City of Raleigh

LOCATION: 5830 Six Forks Road, Raleigh, Wake County

EASEMENT AREA: ±239 sq. ft. (±0.005 acre)

CONSIDERATION: \$8,850

COMMENTS: Utility Easement. Pursuant to N.C.G.S. § 93E-1-5(h), the Appraisal Board has the power, subject only to the approval of the Governor and Council of State, to acquire, hold, encumber, alienate, and otherwise deal with real property in the same manner as a private person or corporation. The proposed easement is needed over land owned by the Appraisal Board for the construction, installation, maintenance, and operation of power lines, poles and appurtenant equipment to accommodate the City’s Six Forks Road Improvements Project. The proposed project will create a safe corridor for pedestrian, bicycle and vehicular traffic. Approval is sought for the Appraisal Board to grant the easement described above.

SEVERANCE

ITEM 1

PROPOSED ACTION: Severance by demolition

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

LOCATION: 283 Old State Farm Road, Agric Upper Mountain Research Station, Laurel Springs, Ashe County

STRUCTURE: Old Office Bldg #7, built in 1945, containing 508 sq. ft., Complex #5-2, Asset #8

COMMENTS: This structure is in poor condition and no longer serves a useful purpose. Demolition will be handled by a contractor.

STATE PROPERTY MATTERS (Continued)
SEVERANCE (Continued)

ITEM 2

PROPOSED ACTION: Severance by demolition

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

LOCATION: 265 Test Farm Road, Agric Mountain Research Station, Waynesville, Haywood County

STRUCTURES: 1) Tobacco Barn, built in 1945, containing 2,013 sq. ft., Complex #44-4, Asset #11
2) Tobacco Barn-Burley #11, built in 1945, containing 2,013 sq. ft., Complex #44-4, Asset #12

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

ITEM 3

PROPOSED ACTION: Severance by Demolition

DEPARTMENT/AGENCY: State of North Carolina, Department of Natural and Cultural Resources, Archives and History

LOCATION: Tryon Palace, 610 Pollock Street, New Bern, Craven County

STRUCTURE: Greenhouse/Potting Shed, built in 1980, containing ±1,776 sq. ft., Complex #25-10, Asset #25

COMMENTS: This building has been declared unsafe due to its age and poor condition. The building will be demolished, and the site will be used to construct a new facility. Demolition will be handled by a contractor.

STATE PROPERTY MATTERS (Continued)
OTHER MATTERS

ITEM 1

Lease Amendment. On July 9, 2019, the Governor and Council of State approved a 5-year acquisition lease consisting of $\pm 7,291$ sq. ft. of office space from Oakwood Properties, LLC on behalf of the Department of Commerce, Division of Workforce Solutions (DWS) in Rocky Mount, Nash County. The annual rent is \$134,884 or \$18.50/sq. ft.

On November 5, 2019, the Governor and Council of State approved a lease revision to include two 5-year renewal options. First renewal at an annual rental of \$156,366.94 or \$21.45/sq. ft. and second renewal at an annual rental of \$181,274.14 or \$24.86/sq. ft.

During the initial term, DWS adopted a hybrid work schedule policy, thus requiring less office space. The agency desires to reduce their office space to $\pm 5,798$ sq. ft. beginning with the first renewal at an annual rental of \$124,367.10 or \$21.45/sq. ft. and the second renewal at an annual rental of \$144,138.28 or \$24.86/sq. ft. With approval of the Council of State, the lease will reflect these changes. All other terms and conditions will remain the same.

OTHER DISCUSSION

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