

Disposition of Property by Ground Lease — NC State University

ISSUE OVERVIEW

The University of the North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with certain acquisitions and dispositions of real property. The NC State University Board of Trustees requests authorization to dispose of property by ground lease at the Central Crops Research Station, 13223 US Business Hwy 70 West, Clayton, North Carolina.

For over 70 years, NC State has partnered with the United States Department of Agriculture – Agricultural Research Service (USDA-ARS) to carry out cooperative research for joint projects and co-location of personnel at research sites and facilities in North Carolina. NC State has an existing cooperative agreement with USDA-ARS to provide their personnel access to university land and facilities and shared responsibility and use of USDA-owned facilities and equipment. The entire property, which includes approximately 523 acres, will be ground leased for a term of 20 years, with an option to extend for an additional 20 years, at a nominal rate of \$1 per year.

This ground lease establishes non-exclusive property rights that substantiate USDA-ARS investment of funds to improve state land as contemplated in the cooperative agreement. USDA-ARS and NC State will jointly identify land improvement projects to be funded and, after receiving the required approvals from NC State and other entities, will be executed by USDA-ARS for the benefit of Research Station operations. The ground lease will establish property rights through a long-term ground lease that will support USDA-ARS funding to improve state land.

The NC State Board of Trustees approved the disposition by ground lease on September 6, 2024.

RECOMMENDATION

It is recommended that the Board of Governors approve this request. This item requires approval by the Council of State.

**STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
DISPOSITION OF REAL PROPERTY**

Institution or Agency: North Carolina State University

Date: September 5, 2024

**The Department of Administration is requested, as provided by GS 146-28 et seq., to dispose of the real property herein described by purchase, lease, rental or other (specify).
Ground Lease**

This disposition is recommended for the following reasons:

NC State University is requesting approval of a non-exclusive ground lease to the United States Department of Agriculture, Agricultural Research Service (USDA ARS) at the Central Crops Research Station for a period of twenty (20) years with a twenty (20) year renewal option. This non-exclusive ground lease will formalize real property rights consistent with the cooperative management of the property by the two entities. Specifically, the non-exclusive lease will allow the USDA ARS and NC State to work together to identify land improvement projects to be funded and carried out by the USDA for the benefit of Research Station operations, with the prior approval of NC State University.

Description of Property: (Attach additional pages if needed.)

13223 US Business Hwy 70 West, Clayton, NC - See Exhibits B.

Estimated value: \$0

Where deed is filed, if known: Johnston County, NC Register of Deeds

If deed is in the name of agency other than applicant, state the name: N/A

Rental income, if applicable, and suggested terms: N/A

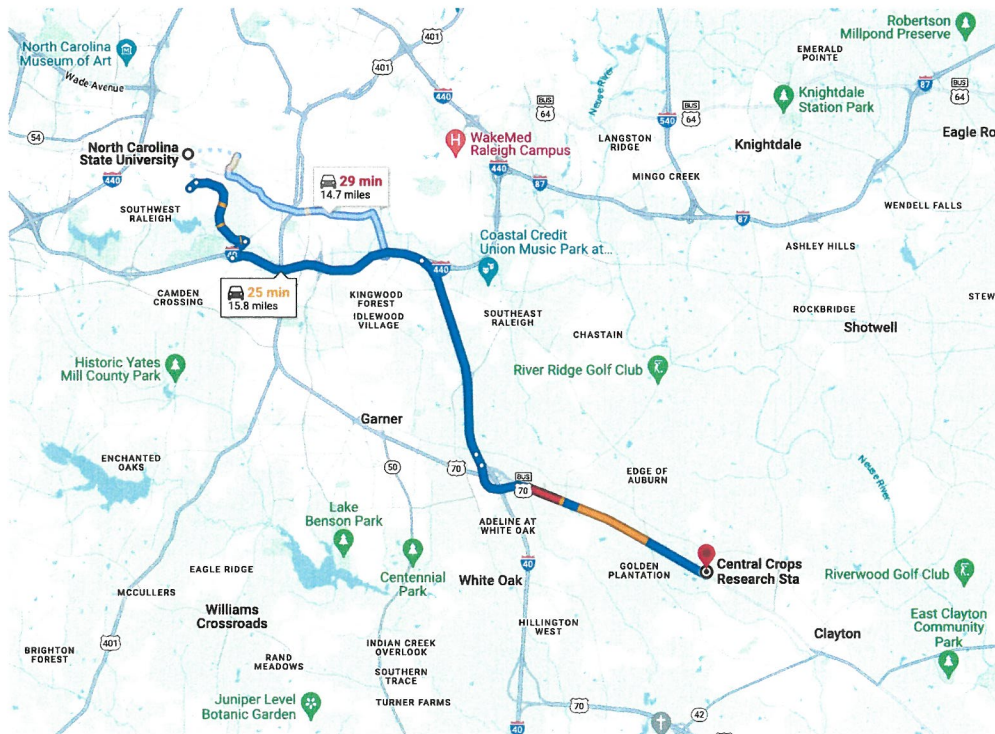
Funds from the disposal of this property are recommended for the following use: N/A

(Complete if Agency has a Governing Board.)

Action recommending the above request was taken by the Board of Trustees and is recorded in the minutes thereof on September 6, 2024 (date).

Signature 
Title: Assistant Secretary, Board of Trustees

Disposition by (Non-Exclusive) Ground Lease – USDA – Agricultural Research Service



Central Crops Research Station – Clayton, NC

