



Cape Fear Firebird

The Light of Save the Cape

June 1, 2015

That money talks, I'll not deny, I heard it once: It said, "Goodbye."
~ Richard Armour

Profligate Plans Pending

Our current State government, usually proud of its frugality and prudent use of our tax dollars, has some astounding plans pending to throw our money at the State Ports Authority:

- The Governor's budget and bond issue proposal, H940: \$200 million
- The House budget proposal, H97: \$40.1 million
- Senator Rabon's Senate Bill S217 \$35 million–every year!

What's going on here? Since its founding, the State Ports Authority has been self-sustaining; that objective is part of its mission statement. Even in its budget for fiscal year 2016, the Ports Authority states "After serving debt the Authority has ample funds available to fund capital projects."

So what's that new State money for? None of the proposed legislation specifies how the funds are to be used. And nowhere in the record do we see any justification, any analysis of the benefits to the State's commerce of this largesse. Or to us, the taxpayers.

A private corporation would not spend money in these amounts without an analysis of the return on investment. Lenders would not lend and investors would not invest without such analyses.

And a well-run government agency would not allocate taxpayers' money without rigorous analysis of the benefits to its constituency compared to the cost of the project. And compared to the benefits and costs of projects competing for funds. No such analysis is in the record for these funds.

We keep a close eye on the Ports Authority because of a record of spending on projects that have more to do with vanity than service to the State's economy. We see the Ports' 2015 Strategic Plan, an ambitious marketing plan, proposing capital spending but not providing any analysis of the return to the State of that investment. Or even to the Ports Authority itself.

Instead, the Ports Authority has been propagating extravagant figures about economic contribution of goods moving through the ports. That is a sales pitch, not investment analysis, and it is badly flawed. See Save the Cape's analysis:

<http://savethecape.org/stcwp1/wp-content/uploads/PDFs/Economic%20Effects%202015.pdf>

Ask not what the State can do for the ports. Ask only what the ports can do for the State.