



# Cape Fear Firebird

*The Light of Save the Cape*

April 1, 2011

*This land is your land, this land is my land.*

–Woody Guthrie

## ***A Plan for the Land***

In our forays into public records initiated a few weeks ago, we discovered a plan for disposition of the site for the North Carolina International Terminal that is almost too good to be true, and although it has not been announced, we cannot bear to withhold it from the public.

In 2006, the North Carolina State Ports Authority purchased a 600-acre site on the Cape Fear River near Southport, intending to use it for a very large deepwater container terminal. It seemed like a good idea at the time, even though the water there is not deep and the container terminal at Wilmington was running at about half its capacity. The purchase price was \$30 million, all borrowed. That debt has now grown to \$44 million, what with engineering studies and debt service.

With the latest estimate of the cost of the North Carolina International Terminal (since renamed the Global Transport) coming in at \$4.4 billion and an abundance of capacity at other ports becoming obvious, the Ports Authority is faced with the challenge of extricating itself from that debt.

They are equal to the task. The plan is a symphony of serendipity. Here it is:

- An unnamed institutional investor seeking a tax shelter will purchase the property, financing the purchase with a combination of cash and non-recourse secured notes issued to the Ports Authority with payment terms matching the Port Authority's debt.
- A portion of the upland areas will be used for a renewable energy development and demonstration site, to be operated by UNCW. The investor will acquire the windmills, solar facilities, and the like and take the energy tax credits. The electricity will be sold in a long-term take-or-pay contract sufficient to service the notes and finance the equipment.
- The marsh areas and upland areas with the greatest diversity of vegetation will be donated to a consortium of tax-exempt organizations. They in turn will enter into an agreement with the NC Department of Environment and Natural Resources for operation of the site as a botanical preserve and garden. This will be devoted to the diverse naturally-occurring plants of the region, such as carnivorous plants and know-nothing transplants.

The investor gets a tax shelter. Progress Energy gets electricity. North Carolina gets an important natural asset. The region gets an economic boost and new jobs. Renewable energy technology gets advanced. The State Ports Authority gets a payment stream to service its debt.

The State Ports Authority had planned to announce the plan today, but postponed the announcement for fear that no one would believe a such a statement made on April 1.