



Cape Fear Firebird

The Light of Save the Cape

June 3, 2011

If you find yourself in a hole, the first thing to do is stop digging.
–Will Rogers

Megaport Money Pit

The North Carolina International Terminal is back on the line. Placed “on hold” last July by the State Ports Authority, the \$4.4 billion container terminal planned for the Cape Fear River at Southport is again sucking up State funds. Here’s what’s happening:

- In 2006 the State Ports Authority spent \$30 million for 500 acres of woodland and 100 acres of marsh between the Brunswick Nuclear Plant and the Military Ocean Terminal at Sunny Point, the largest ammunition transshipment terminal in the world. This relatively inaccessible property is on the Cape Fear River, although the depth there is about one foot.
- The decision to purchase had been preceded by no planning or determination of need whatever. The Ports Authority then spent \$7 million on studies to justify the purchase.
- The \$30 million purchase price and the \$7 million in studies was financed entirely by debt, which has now grown to \$44 million, what with interest and transaction costs.
- The current market value of the property is \$12,735,720, according to the Brunswick County assessor.
- The NC Department of Transportation, the new proprietor of the State Ports Authority, has initiated a maritime strategy study, a \$1.7 million project to determine how North Carolina can become “a portal to the global economy.” The consultants will consider where to accommodate ships of 50-foot draft, including the proposed terminal site at Southport.
- The North Carolina Senate has removed from its version of H200, the budget bill, the prohibitions against spending State funds on the NCIT carried over in the House version from last year’s budget (sections 30.3(b) and 30.8). The House has accepted the Senate version.

The last item is the most frightening. It was not inadvertent. It represents a change of State policy from a year ago. In the same section of the budget bill, section 30.3, an appropriation of \$1,925,000 million to match Federal funding for five projects that do not actually have Federal funding creates a slush fund that can be used for other projects, such as the megaport.

The State administration obviously cannot let go of the dream of running with the big dogs in the port business, and continues to throw good money after bad. Only the General Assembly can stop this waste.