

The Cost of the North Carolina International Terminal

In March 2008, CH2M Hill, Inc., consultants to the North Carolina State Ports Authority, delivered an estimate of the cost of the planned North Carolina International Terminal at Southport with its related land-side infrastructure—road and railroad improvements—of approximately \$1.8 billion. In February 2010, the US Army Corps of Engineers Wilmington District estimated the costs of the related channel dredging at \$1.2 billion, for a total project cost of \$3 billion.

The State Ports Authority later engaged P.F. Richardson Associates and TEC Inc. to review the plans and estimates with a view to identifying cost-saving options. In June 2010, those firms delivered a report with these estimates for the North Carolina International Terminal and related infrastructure:

Terminal development	\$2,505,106,000
Engineering and Permitting	127,459,000
Roadway and bridges	456,848,000
Railroad improvements	127,475,000
Channel dredging and related costs	<u>1,193,370,000</u>
Total	\$4,410,260,000

These estimates are for full buildout to a capacity of approximately 3,000,000 twenty-foot equivalent units (TEU) per year. A first stage of 1,000,000 TEU would cost \$2,950,565,000. (The full cost of the infrastructure would be incurred at the earliest stage.) A second stage to 2,000,000 TEU would add \$678,089,000, for a total of \$3,688,654,000.

For projects deeper than 45 feet, the State share of channel dredging would be 60%—approximately \$720 million. Thereafter, the State would pay 50% of the cost of maintenance dredging. Maintenance dredging has been estimated by the Corps of Engineers to be approximately \$4.5 million per year more than the cost of maintaining the existing channel. The annual cost of that maintenance ranges from \$12 million to \$15 million.

All of the costs except 40% of the dredging would be for the account of the State of North Carolina—approximately \$3.93 billion.

Note: The NCDOT Maritime Strategy Study draft report issued on February 15, 2012, included an estimate of \$6.1 billion for a project and associated infrastructure with a capacity of 1,300,000 TEU.