A 600-Acre Non-Producing Asset

How do you realize value?
The Problem

• The Ports Authority needs money for debt service and capital projects.
• The General Assembly is stingy.

The Solution

• Give the State value for its money: transfer the Southport property to the State for a new park to induce capital appropriations.
• Tap Federal and private funds for parks and conservation projects.

The General Assembly recognizes that a critical need exists in this State to protect, preserve, and conserve the lands in our State that have natural or cultural significance.

--S402, May 20, 2013
Can you sell the site?

Brunswick County has a glut of industrial sites.

The DAK plant in Navassa will close in September, putting 1600 acres on the market.

The Southport site is poorly located, relatively inaccessible, and one-third marsh.

Brunswick Nuclear Plant limits uses.

International Logistics Park

1100 acres

Mid-Atlantic Logistics Center

960 acres
Ports Authority Debt

Debt growth

Annual Long-Term Debt Service

Long-Term Debt

2023 obligation includes end-of-term balloon payment on container crane lease

Source: 2010 bond issue official statement
Capital Projects

Source: Moffatt & Nichol draft report, October 2012

Source: March 31, 2013 financial statement
Income

Average annual debt service through 2022: $5.9 million
Approximate average annual capital expense: $15 million
Total annual cash requirement: $20.9 million

Annual appropriation from the General Assembly ???????
The Park Plan—the Drivers:

- The Ports Authority requires new funds to serve State business, especially agribusiness; debt capacity is nearly exhausted.
- The Ports Authority is supposed to be self-supporting; the General Assembly does not favor subsidy.
- The State will ultimately be compelled to provide funds to the Ports Authority; the State should receive something in return.
- The Federal government has programs of grants for parks and conservation projects, particularly for coastal areas.
- The NCDENR Parks and Recreation Division has not created a new State park in four years. Funds are not available.
- Brunswick County, the seventh largest in land area and one of the fastest growing in the State, does not have a State park.
- The General Assembly’s environmental image needs attention.
North Carolina is the sixth most visited state in the nation
● Tenth most visited county in the State

● Visitors spent $300 million in the County in 2012

● State and local tax revenue from visitors was $47 million in 2011

● Economic impact of tourism in 2011 was $418 million

● Seasonal population is 2.6 times permanent population; 180,000 vacationers

Brunswick County does not have a State park!

All figures from NC Department of Commerce, Division of Tourism, Film and Sports Development
ECONOMIC CONTRIBUTION OF VISITORS TO SELECTED NORTH CAROLINA STATE PARKS

$289 million in annual sales attributable to non-local visitors to State parks—ten times the NCDENR Parks and Recreation Division budget

(Does not include fees for camping and expenditures by local visitors)

- 5000 full-time equivalent jobs

- A national study by Michigan State University in 2009 showed ten dollars in economic benefits for every dollar spent on parks
Fort Fisher State Recreation Area

- 750,000 annual visitors—45% non-local
- $14.5 million spent annually by non-local visitors
- Ratio of economic benefits to operating budget is over 25 to 1

All figures from NC Department of Commerce, Division of Tourism, Film and Sports Development
The Park Plan—the Positives:

- The Ports Authority property includes important natural communities and themes not adequately represented in the State parks System.
- The property includes uplands and cleared areas that can be improved for camping and exhibits without loss of habitat.
- The property is part of a larger ecosystem including State Natural Areas across the river and Natural Heritage Areas at Sunny point that support many rare and endangered species. Brunswick County has more rare species than any other county.
- Brunswick County has a seasonal population of 280,000 and is underserved in public recreational facilities.
- State parks yield economic benefits of ten times the operating cost.
Map prepared for Save the Cape by NCDENR
Implementation

Define the plan
• Determine and respond to Parks Division needs and objectives
• Biological survey of site
• Develop concept with architectural illustrations
• Prepare economic impact analysis

Explore financing possibilities
• Federal grants for land acquisition—NOAA?
• Private funding for improvements—Duke Energy?

Promote the plan
• Build public support—meetings, media contact
• Enlist support of conservation organizations
• Obtain resolutions of County and municipal boards
• Enlist support of legislative delegation
• Enlist support of port customers
• Consult with Governor and legislative leadership