



The Village of Bald Head Island

June 21, 2010

(Various Addressees)

Subject: Village of Bald Head Island Opposition to the North Carolina International Terminal

Dear _____:

The Village Council of Bald Head Island, by unanimous vote, opposes the development of the North Carolina International Terminal (NCIT) and requests that no further taxpayer monies be allocated to this project. Rather, monies and studies should be allocated to address un-met mitigation commitments made by the U.S. Army Corps of Engineers (USACE) and State of North Carolina in support of the 2000 shipping channel (Channel) and harbor deepening project.

Local residents and Bald Head Island (BHI) property owners who live in other North Carolina municipalities overwhelmingly support the BHI position against the NCIT. An Island-wide survey of property owners found that less than 2% expressed support for the NCIT. Our opposition to the NCIT represents a broad spectrum of citizens who own property in an environmentally unique area on a barrier island with State-owned public beaches.

Bald Head Island has been severely damaged since 2000, if not before, by accelerated beach and protective shoal erosion caused by expansion and continuing maintenance of the navigation Channel serving the Port of Wilmington. See photos, Exhibit A hereto. Documented damage includes adverse environmental impact on the unique area ecologies, habitat loss, and permanent loss of Island infrastructure, public beaches and private property. This on-going damage has yet to be fully investigated and controlled either by the USACE or the State of North Carolina, the sponsor of the navigation Channel work done a decade ago.

Mitigation programs promised by the USACE and the State of North Carolina in conjunction with the 2000 expansion of the navigation Channel have not been funded or completed. To remediate the Channel erosion, the Village of BHI, entirely at its taxpayers' expense, was required to undertake a \$16,975,365.00 beach renourishment project, which recently concluded in April 2010. The \$5,000,000.00 committed by the N.C. Division of Water Resources for this project was removed from the 2009-2010 State budget. Although the cost of the Village project was high, the cost of inaction was higher. Bald Head's irreplaceable habitat (including rare sea turtles, Plover birds and SeaBeach Amaranth plant species), homes and public infrastructure are worth saving.

The federal government has not allocated funds for the USACE-scheduled 2010-2011 maintenance dredging of the Channel, which would provide sand to BHI under the Wilmington Harbor Project's Sand Management Plan. Since neither the federal nor state governments have met their existing



The Village of Bald Head Island

obligations to remediate environmental and property impacts from the existing shipping Channel, contemplation of a greatly enlarged shipping channel is misplaced.

Also, the premises underlying the NCIT project appear flawed. Current cost estimates are unrealistically low; resultant jobs creation and economic benefits are overstated. The environmental impacts are beyond quantification and not realistically capable of mitigation. Increased light, air, sound, and water pollution, as well as security issues at the adjacent Brunswick Nuclear Power Plant and Sunny Point Military Ocean Terminal, would result from the NCIT. The highly desirable natural resource-based recreation, tourism, and retirement nature of the Brunswick County coast would be lost forever to the citizens of North Carolina.

We request that the General Assembly focus its efforts on addressing and eliminating the severe problems resulting from the existing Wilmington Harbor Project by: (1) funding all unaddressed and outstanding mitigation commitments made in support of the earlier expansion; (2) finding and funding a solution to navigation Channel-caused erosion of State-owned BHI beaches and protective shoals; and (3) maximizing the performance of the existing Wilmington Harbor Project. Accepting that a newer, bigger port on the same river will dramatically improve North Carolina's struggling economy defies a decade's experience. It must be recognized that the Cape Fear River is a shallow water river made deep by the USACE in order to accommodate larger and larger ocean-going ships and that this approach may have already passed the point of realistic economic viability or positive return.

We fully support the need to create additional jobs in North Carolina. However, the NCIT is not an appropriate and viable "straw" for the State Legislature to grasp in these times of severe budgetary constraint. The overall cost and risk of such a venture to state taxpayers is simply not appropriate and not affordable. The capital outlay for infrastructure, the new navigation channel, and the terminal structure are huge, but the "hidden costs" of the indicated damage to fisheries, wetlands, and the environment; increased security risks; lost tourism and recreational economic contributions; and health costs resulting from air and water pollution also will be significant and have not been addressed.

The Village Council of Bald Head Island respectfully requests that the General Assembly and appropriate state agencies correct the existing (and foreseen) problems resulting from the 2000 Channel expansion project before spending any amount of taxpayer money on a non-viable project such as the NCIT.

Sincerely yours,

J. Andrew Sayre, Mayor
Village of Bald Head Island

Attachment: Council Resolution Opposing the NCIT

Wilmington Harbor Navigation Project
Entrance Channel Maintenance Dredging (2009)
Shoreline Assessment of Bald Head Island, NC

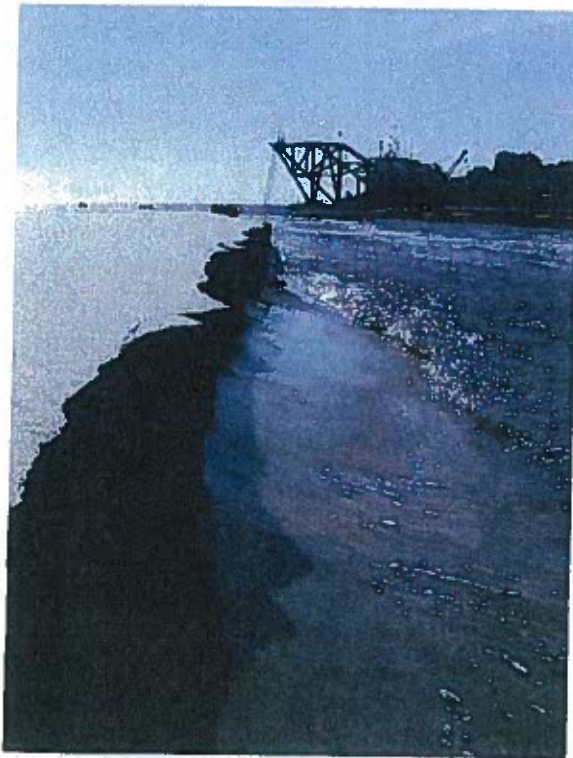


Figure 1: Photos of dredge operations at the Point by Dr. Paul Hearty (March 2009)

**A RESOLUTION OF THE VILLAGE OF BALD HEAD ISLAND
OPPOSING THE NORTH CAROLINA INTERNATIONAL TERMINAL**

WHEREAS, the Village Council of the Village of Bald Head Island (“Village”) appointed an Ad Hoc Committee to work in conjunction with the Village Shoreline Protection Committee to study and make recommendations concerning the proposed North Carolina International Terminal (“NCIT”); and

WHEREAS, the proposed NCIT would involve construction of an intermodal shipping container terminal for ocean going vessels at Southport, North Carolina, including shipping channel (“Channel”) deepening and widening in the vicinity of Bald Head Island; and

WHEREAS, the Ad Hoc Committee attended public hearings; reviewed studies and documents from the North Carolina State Ports Authority, U.S. Army Corps of Engineers (“USACE”) and other stakeholders regarding the NCIT; and conducted a survey of Island property owners and residents regarding the NCIT; and

WHEREAS, the Ad Hoc Committee and Shoreline Protection Committee provided information and recommendations to the Village Council regarding the NCIT which have been duly considered; and

WHEREAS, the Ad Hoc Committee and Shoreline Protection Committee strongly recommend the adoption of the herein Resolution; and

WHEREAS, opposition to the NCIT is overwhelmingly supported by local residents and communities, including Bald Head Island (“BHI”) residents, and local property owners residing in other municipalities throughout North Carolina; and

WHEREAS, BHI has been severely damaged since 2000, if not before, by accelerated beach and protective shoal erosion caused by expansion and continuing maintenance of the navigation Channel serving the Port of Wilmington; and

WHEREAS, documented damage to BHI includes adverse environmental impact on the unique area ecologies, habitat loss, and permanent loss of Island infrastructure, public beaches and private property; and

WHEREAS, Mitigation programs promised by the USACE and the State of North Carolina in conjunction with the 2000 expansion of the navigation Channel have not been funded or completed; and

WHEREAS, the federal government has not allocated funds for the USACE scheduled 2010-2011 maintenance dredging of the Channel, which would provide sand to BHI under the Channel Project's Sand Management Plan; and

WHEREAS, further expansion of the shipping Channel is certain to exacerbate the rate and extent of damage to BHI and its unique ecosystems, as well as to the thousands of acres of adjacent natural areas under the care and protection of state and federal authorities; and

WHEREAS, the premises underlying the NCIT project appear flawed, as current cost estimates are unrealistically low and resultant jobs creation and economic benefits are overstated; and

WHEREAS, the environmental impacts are beyond quantification and not realistically capable of mitigation. Increased light, air, sound, and water pollution, as well as security issues at the adjacent Brunswick Nuclear Power Plant and Sunny Point Military Ocean Terminal, would result from the NCIT; and

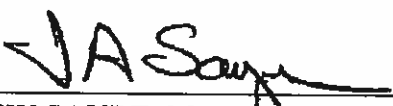
WHEREAS, the annual transport of many thousands or millions of shipping containers would be unduly disruptive and harmful to many Brunswick County communities; and

WHEREAS, the highly desirable natural resource-based recreation, tourism, and retirement nature of the Brunswick County coast would be lost forever to the citizens of North Carolina.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Bald Head Island that:

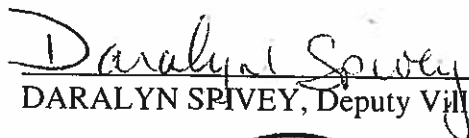
1. The Village opposes further study or construction of the NCIT.
2. The Village urges the General Assembly and Agencies of North Carolina to:
 - a. fund all unaddressed and outstanding mitigation commitments made in support of the 2000 Channel;
 - b. find and fund a solution to Channel-caused erosion of state-owned BHI beaches and protective shoals; and
 - c. maximize the performance of the existing Wilmington Harbor Project.

Adopted by the Village of Bald Head Island Council on this the 18th day of June, 2010.



J. ANDREW SAYRE, Mayor

ATTESTED:



DARALYN SPIVEY, Deputy Village Clerk

