

Project Budget

The North Carolina State Ports Authority (the Authority) requests \$18,887,540 for the **Modernization and Revitalization of Barge Berths** project at the Port of Morehead City (the Port). As a rural, Historically Disadvantaged Community in an Area of Persistent Poverty, the Authority requests RAISE funds to cover the total investment required to install a new bulkhead and upgrade barge berthing facilities at the Port’s Phosphoric Acid Terminal, as shown in Table 1.

The Authority is committed to fully funding any cost overruns for this critical project to improve the state of good repair. The Authority has recently invested in capital improvements at both the Port of Morehead City and the Port of Wilmington totaling over \$350 million.¹

If awarded, all RAISE funds would be obligated in advance of September 30, 2028, and expended well in advance of September 30, 2033. Assuming a grant award by Q3 of 2024, the construction of the project is anticipated to be completed by mid-2027. The Authority is financially independent and is fully committed to covering any unanticipated cost increases or potential overruns, as documented in the Authority’s Memorandum of Understanding (MOU) with Nutrien.² The Authority proposes to complete all NEPA and design work separately from the Project, which will be wholly completed in Rural Census Tract 9704.02 as shown in Tables 2a-c. A detailed project budget is shown in Table 3. The cost estimate was formulated based on 90% design plans completed in January 2024.

Table 1: Project Funding Sources

Funding Source	Port of Morehead City Modernization and Revitalization of Barge Berths Project
RAISE Funds	\$18,887,540
Other Federal Funds	\$0
Non-Federal Funds	\$0
Total	\$18,887,540

Table 2a: Project Costs by 2020 Census Tract

2020 Census Tract(s)	Project Cost per Census Tract
Carteret County Tract 9704.02	\$18,887,540
Total	\$18,887,540

¹ <https://ncports.com/wp-content/uploads/2023/08/Port-Improvements-Flyer-2023.pdf>

² <https://connect.ncdot.gov/resources/PORTS2024/Documents/PCS%20NC%20Ports%20MOU%201-30-2024.pdf>

Table 2b: Project Costs by 2010 Census Tract

2010 Census Tract(s)	Project Cost per Census Tract
Carteret County Tract 9704.02	\$18,887,540
Total	\$18,887,540

Table 2c: Project Costs by Urban/Rural Designation

Urban/Rural	Project Costs
Urban	\$0
Rural	\$18,887,540
Total	\$18,887,540

Sources, Uses, and Availability

A Cost Commitment Letter from the Chair of the North Carolina State Ports Authority Board of Directors confirms the commitment of the Authority's funding, should the costs exceed RAISE grant funding. The North Carolina State Ports Authority, the applicant, is an enterprise agency for the State of North Carolina and is financially independent from the state. The Authority owns and maintains the Port of Morehead City and is well-positioned to immediately obligate and encumber funds to complement a RAISE grant award. The Authority will manage its contract bid process, with the North Carolina State Ports Authority Board of Directors and North Carolina State Division of Purchasing and Contracting providing final authority.

As established by the General Assembly, the Authority is financially independent. It is required to set service fees and rates for the use of its assets in such a manner that all anticipated operating costs are fully funded exclusively from those sources of revenue. The Authority's financial statements provide evidence of stable and reliable capital and operating fund commitments sufficient to cover estimated costs and demonstrate the availability of contingency reserves. Financial statements are available as part of annual audits by the Office of the North Carolina State Auditor, providing evidence of the level of reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements. The audit stated that the financial statements (the financial position, the changes in financial position, and cash flows) for the fiscal year ending June 30, 2023, were in accordance with generally accepted accounting principles.³

Contingency Amount

A 30% contingency is included in the Project budget to account for any potential changes in scope, schedule or procurement challenges. The Authority understands the final Project cost may increase and is committed to fully funding the Project should costs increase.

³ [North Carolina State Ports Authority - Financial Statement Audit](#)

Level of Design

As mentioned, the Project costs were based upon a 90% level of design completed by WSP Inc., USA in January 2024, which considered the findings of a site-specific geotechnical exploration program conducted by S&ME in August 2023.

Cost Estimates

The Project costs were developed on January 31, 2024, based upon a 90% level of design completed that same month by WSP Inc., USA, which considered the findings of a site-specific geotechnical exploration program conducted by S&ME in August 2023. The estimate assumes the implementation of the soldier pile wall option for the southeast corner, excludes a management reserve, and does not account for construction supervision and administration costs, which would be provided by the Authority in-kind.

Cost Share of Non-Federal Funding Match

As shown in Table 1, the Authority is requesting Federal funding for 100% of costs because the Project is entirely located in a Rural area. Additionally, Tract 9704.02 is also designated as a Historically Disadvantaged Community and Area of Persistent Poverty.

Table 3: Detailed Breakdown of Project Costs

Activity	Unit	Cost/unit	Quantity	Total	RAISE Fund %
Furnish Steel Sheet Pile	TON	\$2,500	965	\$2,412,500	100%
Install Steel Sheet Pile	EA	\$2,000	603	\$1,206,000	100%
Flowable Fill	CY	\$100	2100	\$210,000	100%
Furnish and Install Concrete Cap	CY	\$2,000	1820	\$3,640,000	100%
Repair existing pile cap	LF	\$400	1500	\$600,000	100%
Remove and Reinstall UHMW-PE Fenders	LF	\$600	1285	\$771,000	100%
Replacement of NE Corner Wheel Fender Assembly	LS	\$50,000	1	\$50,000	100%
Refurbish Existing Bollards	EA	\$1,250	22	\$27,500	100%
Remove and Reinstall Bull Rail	LF	\$100	1154	\$115,400	100%
New Bull rail	LF	\$200	196	\$39,200	100%
Furnish & Install Soil Anchors	EA	\$30,000	120	\$3,600,000	100%
Soil Anchor Testing	EA	\$10,000	8	\$80,000	100%
Excavation and Backfill	CY	\$120	900	\$108,000	100%
Asphalt Paving/Patching	SY	\$150	110	\$16,500	100%
Remove and Reinstall Riprap at NE Corner	CY	\$100	30	\$3,000	100%
Furnish & Install Riprap at SE Corner	CY	\$180	150	\$27,000	100%
Furnish HP18 King Pile	TON	\$2,500	72	\$180,000	100%
Install HP18 King Pile	EA	\$6,000	12	\$72,000	100%
Furnish and Install PC Conc Panels	CY	\$2,000	120	\$240,000	100%
Furnish & Install Tie Rods at SE Corner	EA	\$7,500	6	\$45,000	100%
Furnish & Install Concrete Deadman and Tunnel Closure	CY	\$1,200	30	\$36,000	100%
SE Corner Concrete Tunnel Demo	CY	\$400	30	\$12,000	100%
Subtotal				\$13,491,100	100%
Mobilization (10%)				\$1,349,110	100%
Contingency (30%)				\$4,047,330	100%
TOTAL				\$18,887,540	100%