

The Authority is committed to seeking community input through public involvement, particularly engaging the disadvantaged communities near the Port and other Port tenants that may be affected by the Project. Engagement will begin upon award announcement and continue through project completion.

Environmental Risk Assessment

NEPA Status

NEPA review has not yet started. While the barge berths will be replaced within the bulkhead's existing footprint, an Environmental Assessment (EA) is anticipated because the work will take place in water. As mentioned in the USDOT Discussions section below, this approach was informed by MARAD. With a grant award in 2024 Q3, the Authority anticipates receiving environmental approval by mid- 2025.

Approvals and Permits

It is anticipated that the Authority will apply for and obtain all necessary permits prior to the start of construction, including USACE Section 404/408 permits and compliance with Section 106, Section 7 of the ESA with coordination through USFWS and NOAA Fisheries, and revisions to the Port's existing NCDEQ CAMA (Coastal Area Management Act) permit. A Section 401 water quality certification may be required depending on whether a Nationwide Permit or Individual Permit is appropriate. The Project schedule anticipates the typical timeframe for acquiring these permits, including preparation of permit requests, pre-application meetings, environmental analyses, and review periods. Permits are anticipated to require a total of 5-7 months from preparation to approval. The Authority is prepared to begin this process immediately upon award and does not anticipate any delays associated with these permits.

Environmental Studies

As the Project will take place within the bulkhead's existing footprint, there are no known environmental impacts. Permitting process requirements include compliance with federal laws such as the National Environmental Policy Act, Endangered Species Act, and National Historic Preservation Act to safeguard people's health, the environment, endangered species, and cultural resources. The Project will perform any environmental, biological, or cultural analyses or assessments necessary as determined by these processes to protect environmental resources.

USDOT Discussions

The Authority met with MARAD the first week of February 2024 to discuss the NEPA and permitting processes for this project, including the necessary modification of their existing CAMA permit. Given that the Project is currently at 90% design, MARAD advised the Authority to pause work until a grant is awarded. The Authority remains ready to quickly deliver the Project to meet critical operational needs.

ROW Acquisition

The Project will not acquire any right-of-way.

Public Engagement History and Project Approach

The Authority has hosted public meetings related to a PIDP grant they received in 2021 for rail improvements on Radio Island. The improvements at the Radio Island Terminal have

allowed the Authority to further develop relationships with the local community, including stakeholders in the hospitality & tourism sector; government sector including military bases Camp Lejeune and Marine Corps Air Station in Cherry Point, and educational organizations including Carteret County Schools and Carteret County Community College. Part of this prior outreach included sending letters and email notifications to Homeowner's Associations (HOAs) in the area. For the 2021 PIDP project, the HOAs asked the Authority to adjust the schedule to avoid high tourist season. The Authority adjusted the project schedule to accommodate this request and has taken this feedback into account when developing this Project schedule.

The Authority will build on these past engagement efforts to develop a robust stakeholder outreach plan for the *Modernization and Revitalization of Barge Berths* project. Stakeholders will include those identified in prior outreach, the town of Morehead City, and other tenants at the Port.

State and Local Approvals

The Project application includes a commitment letter from the Authority, a resolution of support from the Down East Rural Planning Organization (RPO), a letter of support from NCDOT Secretary Hopkins, and a letter of support from Nutrien. An MOU outlining project roles and responsibilities between Nutrien and the Authority is also included.¹

Project Risks and Mitigation Strategies

The Project is located within the bulkhead's existing footprint, so environmental uncertainties and risks are anticipated to be minimal. Due to the nature of the Project, there are no risks associated with real estate acquisition. The Authority is seeking 100% federal share and remains fully committed to funding any potential cost overruns, mitigating risk associated with uncommitted local match. Given that the Project will take place within the footprint of the existing barge berths and the Authority has a positive working relationship with its surrounding communities as demonstrated by previous public engagement and the letters of support included in this application, the risk from lack of support is also very low.

Technical Capacity

Federal Funding and Project Delivery

The Authority possesses a well-established track record of effective administration of Federal funds and delivering complex construction projects on time and within budget.

The Authority was awarded a FY21 PIDP to rebuild the rail tracks on Radio Island, a FY22 RAISE grant to build a new Intermodal Facility at the Port of Wilmington (\$22M), and a FY23 PIDP grant (\$11M) to relocate the Port of Wilmington's North Gate. Additionally, between 2001 and 2024, the Authority has received and effectively executed 30 grants from the Department of Homeland Security's Port Security Grant Program (PSGP), demonstrating its experience in Federal grant management, administration, and execution. The Authority's recent investment in capital improvements at both the Port of Morehead City and Port of Wilmington has surpassed \$350 million.²

¹ <https://connect.ncdot.gov/resources/PORTS2024/Pages/default.aspx>

² <https://ncports.com/wp-content/uploads/2023/08/Port-Improvements-Flyer-2023.pdf>

The Authority has full confidence that funds can be obligated in advance of the June 30, 2028, deadline and expended well ahead of 2033. As previously described in the Schedule section, the Authority is ready to deliver the Project expeditiously to address urgent safety and operational needs, with the reconstructed barge berths anticipated to be operational and the Project complete in 2027. The Authority will manage its contract bid process, with the Authority Board of Directors and North Carolina State Construction Office providing final authority.

Federal Regulations

The Authority prioritizes the use of goods, products, and materials produced in the United States by all of America's workers by incorporating these terms and conditions into Federal financial assistance awards. The Authority does not anticipate any iron/steel, manufactured materials, or construction materials needed for this project that would not comply with Build America, Buy America requirements. The Authority shall follow the guidance, terms, and conditions of applicable awards and shall include language in bidding contracts that none of the funds provided under the award may be used for a project for infrastructure unless it meets the requirements.

Project Planning

The Authority has actively collaborated with Carteret County to integrate its projects related to road and rail access into the county's long-range transportation planning efforts. Several improvements at the Port of Morehead City are documented in the current Carteret County Comprehensive Transportation Plan (CTP)³ including enhancing the rail capacity, upgrading US 70 to optimize accessibility to the Port among other benefits, and constructing the Northern Carteret Bypass—a four-lane divided freeway to alleviate congestion on US 70 that will benefit the incoming traffic to Port.

Project Delivery

The Authority has demonstrated its capability to manage construction projects by successfully completing various capital projects in recent years, highlighted in **Table 2**, including the \$47 million replacement of Berth 8 to accommodate larger cranes and vessels, \$23.2 million for the relocation of a liquid bulk pier and dredging of the turning basin to allow for larger ships, and rail improvement project completed at Radio Island just last year.

³ <https://eccog.org/wp-content/uploads/2022/09/Carteret-Co-CTP-Report-FINAL.pdf>

Table 2: Recent Successfully Delivered Projects of Similar Scope and Complexity.

<i>Project Name</i>	<i>Description</i>	<i>Project Cost</i>
<i>Rail Facility Upgrade at Radio Island (an auxiliary of the Port of Morehead City)</i>	Upgrade the aging rail infrastructure on Radio Island that includes 6,100 feet of new track, 25,000 feet of ballast and ties, replacement of 10 turnouts, and improvement of four rail crossings to meet higher track safety standards. Completed in 2023.	\$2.1 M
<i>Berth 8 Replacement</i>	Replacement of Berth 8 entirely to facilitate the accommodation of larger cranes and vessels. Completed in 2018.	\$47 M
<i>Relocation of Liquid Bulk Pier at Port of Wilmington</i>	Relocation of the liquid bulk transfer facility serving Kinder Morgan to Berth 1 and dredging the turning basin to accommodate larger ships.	\$23.2 M
<i>Refrigerated Container Yard at Port of Wilmington</i>	Development of a state-of-the-art refrigerated container yard with racks and plugs for 540 new refrigerated containers. Completed in 2020.	\$13.5 M
<i>Container Yard Paving</i>	Redevelopment of the area into a storage yard capable of handling containers, with upgraded utilities and lighting. Completed in April 2020.	\$5.1M
<i>Automated Container Interchange Gate Complex</i>	Development of a fully automated container gate with advanced technologies to increase capacity, at the Port of Wilmington. Completed in February 2021.	\$25 M