

MOREHEAD CITY NORTH CAROLINA

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David S. Whitlow
City Manager

March 17, 2014

Secretary Bill Daughtridge, Jr.
North Carolina Secretary of Administration
1301 Mail Service Center
Raleigh, NC 27699-1301

Dear Secretary Daughtridge:

Morehead City appreciates the opportunity to offer information regarding the importance of certain former North Carolina Railroad properties to the continued well-being of the local and regional economy and to request that control of these properties be granted to the Town either through ownership or some other mechanism.

Morehead City takes great pride in its waterfront. While not the quaint, manicured waterfronts of some communities, the Morehead City waterfront helps to preserve the working waterfront that was the reason for its founding. Everywhere on the downtown waterfront, one sees the water, of course, but also views of the port, the charter fleet and commercial seafood operations, various marine services and outfitters, and in the distance, the beach communities across the Bogue Sound. It is this different set of amenities that has been so vital to the Town and to the larger community as we work with our surrounding communities to try to attract tourists and new businesses alike and try to expand and diversify our economic base.

For the past three decades, Morehead City has invested heavily in improvements to the downtown waterfront. This is the area between South 4th Street and South 11th Street between Arendell Street and Bogue Sound. This small area is the focus of many of the regional activities that take place throughout the year as well as the primary tourist destination and focus of traditional business activity in Morehead City proper. Central to the waterfront are the former Railroad properties that have historically played a major role in downtown.

These activities draw attendees from across eastern North Carolina, going well beyond the immediate community to all parts of the state and out of state. While we can quantify much of the economic impact upon our community from these things, it is reasonable to assign significant value to the economic impact that extends to I-95 as travelers come to attend a festival or fish in a tournament, travel to the beach for a vacation or meeting, or come to celebrate the holidays.

Among the events that have a critical dependence upon the availability of the properties that we seek are:

- **The North Carolina Seafood Festival**
This event is the second largest festival in North Carolina, routinely drawing upwards of 200,000 visitors from North Carolina and beyond. Economic studies indicate that the impact of this festival is \$32,000,000 annually in Carteret County and surrounding communities. In addition to the impact on the local economy, the festival serves as the primary fund raising activity for dozens of non-profit and charitable organizations within the region, resulting in over \$3,000,000 since the beginning of the festival for these worthy organizations. In addition, the Seafood Festival itself has donated more than \$800,000 over the past 27 years in scholarships and support of other non-profit organizations across the region.
- **Fishing Tournaments**
Presently, fifteen fishing tournaments are held annually along the Morehead City waterfront. These tournaments include the Raleigh Saltwater Tournament, Reeling for Research, and one of the largest tournaments in the United States, the Big Rock Blue Marlin Tournament with a purse of over \$1,000,000. The tournaments bring several thousand active participants into the areas well as a strong contingent of observers. Collectively, the tournaments result in lodging and meals expenditures of over \$3,000,000 per year in Carteret County and surrounding areas, and factoring in other expenditures such as boat charters and goods and services, this value easily doubles to a more than \$6,000,000 total impact. In addition, the tournaments provide funding to other non-profit organizations amounting to more than \$500,000 in Carteret County and surrounding areas.
- **Seasonal Activities**
Morehead City hosts an array of activities through the year that draw tourists and local residents alike to the waterfront. These include Alive at Five, a Friday night concert series; the Crystal Coast Boat Show and Art Extravaganza in May of each year; July 4th fireworks; an artificial surface skating rink; the Crystal Coast Countdown celebrating New Year's Eve and other occasional events. Collectively, these events are responsible for providing downtown activities for 20,000 tourists and residents both during prime season and our off-season. While it is difficult to fully quantify the fiscal impact of these events, it is easily in excess of \$1,000,000 annually.
- **Charter Fishing Fleet**
The charter fishing fleet in Morehead City exists solely because of the availability of adequate docking along the waterfront in riparian slips owned by Morehead City and those formerly owned by the North Carolina Railroad. The charter boats and head boats provide opportunities for tourists and residents who don't have their own vessels and those wishing to go offshore to get access to some of the best fishing on the east coast. The existence of the fleet in Morehead City is responsible for thousands of visitors each year, paying for charters and head boats, buying lodging and meals, and doing all of the other things that our tourists do. These direct and indirect expenditures support dozens of jobs and have a huge positive impact for our businesses.

None of these activities would have developed in the way that they have in terms of size or location were it not for the availability of the former railroad properties. These properties have served in a

number of ways, including: the key amusement and performance venue for the Seafood Festival, the location for concerts and displays, the primary parking location for the charter fleet, the location for a skating rink and the central point for the New Year's Eve celebration. Without these properties, these activities would either have to move out of downtown or perhaps not occur at all. Morehead City has traditionally made the properties available at no cost to any non-profit user as well as providing public parking for any user, for profit or not-for-profit.

Katherine Davis Park has also served as the only public parking lot for more than three dozen businesses within a two block radius that do not have their own parking and are dependent upon either curbside parking or parking on the Katherine Davis lot. Included in the users of the parking lot are the entire charter fishing fleet, a head boat, several restaurants, clothing and gift shops, a bait and tackle shop, a diving business, two antique shops, and several offices. The loss of these 80+ parking places would make the continued operation of these businesses much more difficult, with a total shift to curbside parking, resulting in closures due to a loss of business or businesses leaving downtown for more suburban shopping center locations. It would also have a negative impact upon parking and access for many of the community uses and events, resulting in a shift away from the waterfront to other non-waterfront locations.

It is our contention that the former railroad properties are the key to our continued success and that of our region. Were we not successful in being able to continue to maintain control of these properties, years of planning and investment might be lost, and numerous businesses negatively impacted to the detriment of eastern North Carolina. Morehead City contributes significantly to our regional tourism and retail economy, boasting the second highest retail sales per capita of any jurisdiction in North Carolina. We need to be able to continue to support this success.

Very truly yours,



David S. Whitlow
City Manager