

**Town Council Minutes  
Morehead City, North Carolina**

**Wednesday, July 17, 2013  
Special Meeting/Joint Meeting with  
Carteret County Commissioners**

The Honorable Council of the Town of Morehead City met in Special Session/Joint Meeting with the Carteret County Commissioners on Wednesday, July 17, 2013, at 3:00 p.m., at the Crystal Coast Civic Center located at 3505 Arendell Street, Morehead City, North Carolina to be briefed by North Carolina State Ports Authority on wood pellet operations and other port matters. Those in attendance were:

MAYOR: Gerald A. Jones, Jr.  
MAYOR PRO-TEM: Harvey N. Walker, Jr.  
COUNCIL: George W. Ballou  
Bill Taylor

Demus L. Thompson  
Diane C. Warrender

CITY MANAGER: David S. Whitlow

CITY CLERK: Jeanne M. Giblin

OTHERS: Town of Beaufort: Ann Carter, Marianna Hollinshed, John Hagle; Carteret County: Terry Frank, Jimmy Farrington, Bill Smith, Robin Comer, Greg Lewis and Elaine Crittenton; North Carolina State Port Authority: Jeff Miles; and many others

**Wood Pellet Facility at the North Carolina State Port in Morehead City**

Morehead City Mayor Gerald A. Jones, Jr., opened the meeting at 3:00 p.m., welcomed the attendees and introduced Jeff Miles, Acting Executive Director of North Carolina State Ports Authority and stated that at previous meetings the project was only a concept, now the State Port in Morehead City wishes to present further information on the plans. Mayor Jones stated that no decisions were planned to be made, the purpose of the meeting was to receive information.

Carteret County Commissioner Greg Lewis also opened the meeting and welcomed the attendees.

Jeff Miles gave a slide presentation on the project stating that the plans which were previously proposed in October 2012, have changed significantly. Those plans were for a much larger project with greater impacts on the local community and have since been scaled down in proportion. The project will be known as North Carolina Forest Product Export Facility. He stated that recently a North Carolina Maritime Study showed where the Port could impact effectively and that was by focusing on break and break-bulk products and supporting agriculture exports. He commented that the Port strives to be a “good neighbor” but also needs to generate tonnage growth. If port tonnage falls under one million [1,000,000] tons per year, it would be difficult to obtain funds for the Army Corps of Engineers for harbor maintenance and dredging.

He continued that the project has adapted to the actual market demand for wood pellets. The project would be a phased concept starting with the construction of one [1] dome structure to initially house the product with an additional dome being constructed as market needs increase. The facility would be state-of-the-art with the risk of overheating mitigated by aeration systems. The port would use many of the facilities and equipment currently on site to minimize startup costs and the construction of the dome would require approximately 12 to 15 months.

Mr. Miles explained that the wood pellets would arrive by train three [3] times per week, with approximately 65 extra train cars per week and claimed there would virtually no effect on vehicular traffic as the train cars would be handled on the Port site. The early phase of the project would require 10 to 12 additional ships per year. He demonstrated the site of the 150 feet high domes on a map stating that each dome holds 37,000 tons capacity.

Mr. Miles stated that while minimal jobs would be created at the Port, jobs would be increased in the timber market and transportation areas. He continued that the initial estimates of the market were significantly overstated.

The elected officials concerns were mainly containment of the product, dust control features and potential for combustion.

**Whole Logs Exporting Business**

Upon a question from County Commissioner Greg Lewis, Mr. Miles reported on the exportation of whole logs from the Port and the necessity for their fumigation by methyl bromide before being shipped. Mr. Miles stated that the product is used agriculturally and is allowed to dissipate into the atmosphere. The company, Royal Pest Solutions, has applied for the necessary permits.

When the question period was opened for the public the main concerns were:

- Height of the domes.
- The negative environmental and health aspects of fumigating the logs.
- Necessity to keep the Town of Beaufort informed of the project.
- Controlling the operations of the wood pellets inside the domes to negate combustion problems.
- Additional train traffic through Morehead City and vehicular backups.

Mayor Jones summed up the meeting stating that when more information became available another such meeting would be called.

***Councilwoman Warrender MOVED, seconded by Councilman Thompson, and carried unanimously, to adjourn at 4:25 p.m.***

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Gerald A. Jones, Jr., Mayor

Attest:

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Jeanne M. Giblin, City Clerk