



To the members of the Wilmington City Council and the community,

Please find the Consultant's Report of the Feasibility Study on the Rail Realignment Project. It has been my privilege to serve as Chair of this effort to assess the viability of relocating the current freight usage in the heart of the City to the west side of the Cape Fear River and up the industrial highway 421 corridor. The City of Wilmington's interests in the project have been seen as improving quality of life for citizens of the City, improving safety and mobility, and repurposing the current right-of-way for alternative transportation use. The feasibility study considered the engineering possibilities to build a new track, potential routes for the track and challenges created by environmental issues. In addition, the study also looked at potential costs for both parts of this project and some benefits, particularly to the City of Wilmington, CSX Rail and the State Port.

The final meeting of the Task Force resulted in agreement that the project should move forward, subject to further engineering, marketing studies, and funding sources. The Task Force also accepted the consultant's report for presentation to the City of Wilmington, as primary project sponsor.

The study shows seven potential alternative routes for the new track, with three recommended for further study, and assesses the opportunities for fixed rail transit-service using the existing right-of-way. The Environmental study indicates that potential environmental impacts can be managed and, with further study, may be a net positive when all air and water quality benefits are considered. The total cost for both sides of the river is estimated at \$752 million. While the study advocates two separate projects, it does not detail opportunities for overlapping, staging or value engineering.

It is important to understand what the Feasibility Study does not do. It does not address impacts for shippers located out of the study's tight designated area. It also does not address possible benefits for the 421 corridor itself, especially as New Hanover County adds water and sewer to the area. It does not address regional or state-wide shipping impacts. And it makes certain assumptions that for both the Port of Wilmington and CSXT the current beltline is adequate, though not desirable for Wilmington residents, particularly as train and truck traffic to the port increases.

The timing of the study preceded a new 5-year plan by NC State Ports. It does not include such impacts on the community as Enviva, Vertex, the Queen City Express, the coming Intermodal

Facility in Rocky Mount (the Carolina Connector), and a potential connector from Columbus County. There are no assessments of the impact of the improvements in the Panama Canal and the arrival of larger container ships. The consultant did not have historic numbers for those impacts as they are part of a recent, rapidly changing shipping scene.

Unaddressed potential Economic Development opportunities include the Pender County Industrial Park and potential additional freight traffic through the investments of R.J. Corman's purchase and renovation of the Carolina Southern Railroad which connects Myrtle Beach, Mullins and Whiteville.

Unaddressed or unquantified community benefits include enhanced transit mobility for city residents, improved access to affordable housing and jobs, safe student access to UNCW across College Road, increased tax base and revenues from transit oriented development, health benefits from a more walkable city, etc.

This project has been presented in many individual meetings to community leaders, US and NC Legislators, and to Civic Clubs, environmental groups, etc., and in two public hearings. All regional, local government boards have seen a presentation, with the exception of New Hanover County beach communities. While it is no secret that I want to see this project happen, it has become apparent that an awful lot of other people in many different roles also want to see it happen.

The Feasibility Study does conclude that the City of Wilmington should move forward with its efforts to create this transformational project. It will require partners, the most important of which will be CSXT, without whom the project does become unfeasible. I and others have worked to build a relationship with CSXT in an effort to keep them in the loop. Their level of interest is yet to be determined, pending additional information as to the merits and funding of the project.. There are potentially other partners as well.

Next steps include a Marketing Study that will assess future benefits and should include ways to create a Public-Private Partnership and a further Engineering of the new route to hone the cost, consider ways to reduce the cost, and further assess what is needed for permitting. There will have to be contacts with the Federal Surface Transportation Board and other government agencies.

It is not hard to imagine a coming 'perfect storm' as the number of trains through the City increases and the Port's growth continues as rapidly as it is moving currently. Mobility for both cars and trucks will be affected, with approximately 20 minute waits at train crossings, multiple times per day. The cost in yesterday's dollars brought to present value to build the Martin Luther King Jr. Parkway would total over \$300 million today. The cost for the I-140 bypass will top \$600 million. Combined, they do not create the opportunities that this project will create for the City and regional and state commerce and shipping.

Thank you for the opportunity to participate in this effort. Thank you to the funding partnership of the City of Wilmington, the Wilmington Urban Area MPO, and the NC DOT. I also want to thank Glenn Harbeck, Planning Director for the City of Wilmington and John Cease, President of Clear Track Ahead and knowledgeable freight train consultant. They both have done a lot of meetings and greetings with me! I also want to thank the members of the Task Force for their time and attention to this project: Jim Van Derzee with CSXT; Laura Blair with the State Ports; Pat Batleman with the WMPO; Arthur Pettaway with the NC DOT and his predecessor Marc Hamel; Frank Williams, Chair of the Brunswick County Commissioners; Beth Dawson, former New Hanover County Commission Chair; Earl Sheridan with the Wilmington City Council; and Randy McIntyre with MCO Transport. I also want to thank Mike Kozlosky, Executive Director of the MPO who served as Project Manager and who brought a great deal of professional knowledge, time and effort to this project.

Sincerely,

Laura W. Padgett
Chair, Mayor's Task Force on Rail Realignment