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PROCEEDINGS OF A CONFERENCE ON COASTAL MANAGEMENT

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North Carolina State Univ. Center for Marine & Coastal Studies



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A CONFERENCE ON COASTAL MANAGEMENT

May 16-17, 1974
Beaufort, North Carolina

Center for Marine and Coastal Studies
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May 16, 1974

10:00 - 11:45 a.m.

SESSION I - THE STATE GOVERNMENT'S INTERESTS

ACHIEVING THE STATE'S ENVIRONMENTAL GOALS
THROUGH A
COASTAL MANAGEMENT PROGRAM

BY Dr. Thomas L. Linton
Director
N. C. Office Of Marine Affairs

The Coastal Area Management Act, in my opinion is something that brings a pro-development message to the coast of North Carolina. Many of you may find this a strange message to come out of this Act. What we had in mind in this legislation was to develop a system, if you will, to guide the course that development takes in coastal North Carolina. We did not have a system of observing things and scaling them and weighing them in relation to projects in Carteret County as related to something in Brunswick County, Dare County or anywhere in between. Without a comprehensive approach, we will end up with a piecemeal, patchwork in time that historically has turned out to be very bad. The pro-development message has with it an inserted word, and that is wise development, the planned growth of North Carolina, not a no-growth policy, as was charged when the opponents of the coastal bill spoke against the bill.

We need to turn around and take a look at what is going on in North Carolina. We have 666 thousand acres of closed shellfish waters. Take a look at the millions of acres of inland areas behind the sand dunes. We need a program that would give

a unified system of protection to the sand dunes so they could serve in the fashion and manner meant - that of a buffer from the storms. The old-timers on the coast know the value of these structures and we should learn from their lessons. Also, think of the many houses and businesses that have been washed into the ocean because of erosion. Think of the beach erosion and consequently, inland migration. There are very substantial economic outlays that the State and citizens of the State must face when improper development has occurred.

The environmental aspects of the Coastal Management Act cover more than just ducks, birds and fish. It includes man and his activities; and there we have very important items, something very dear to my heart, since my family and I are considered in the human race in some areas. I don't believe we should allow the fast buck artist to come into our coastal area from up-state or out of state and do a quick and dirty project that results in tremendous taxes and leaves the taxpayers of North Carolina holding the bag. We need a system established wherein coastal North Carolina can grow in an orderly fashion. Let us not be taken in by fast talkers that are here today and gone tomorrow. Many of you were at the meeting yesterday in Kinston and there I said that I had some good news and some bad news. The good news was that we had made an attempt to come to grips with what needs to be done in coastal management. We had gone to all the other states with coastal zones and the Federal Government had assembled all their

information, plans and schemes and a great depth of knowledge on how to manage coastal zones. The bad news is that we know just as much, if not more, than all the rest of them put together. We have on our shoulders the responsibility and need to construct our own system for North Carolina. The responsibility should be taken at home. It has to be done at home. There are no places outside we can really go. We can use bits of information but it will have to be a homegrown product and the results of that will be that in the long run it will be a better project.

This need for sharing of information and working together is something that should be venerated and worked on at the local level. We can bring into this process all those interested and involved in the Federal Government, State Government, the regional aspect and the county and the municipalities. We are all actors in this play. There is enough work for all of us to be kept busy a good number of years. The partnership that needs to be formed is one that thrives and one that survives because of mutual trust and cooperation where there is no need to protect your corner of the world, wherein you are insulated from all the others. This is a serious short coming and what has been attempted in the past.

Many people in this audience served on the Advisory Committee which drew up the basic draft of the bill, and many parts of it are intact in the Coastal Area Management Act recently enacted. The partnership aspect, if you will accept

my broad definition, is that of all of us working together in this. This is the philosophy we hope to engender. We need to use the approach of taking from the Office of Marine Affairs and let them serve as a source base or contact base. They have made maps and done studies in the various counties and regional groups and this information will be available. It will also serve as a means for putting people in touch with people. The main complaint coming from the hearings on record on the Coastal Bill is the matter of permits. When you need a permit you have to go to the State agencies in Raleigh and run all over the world, to fifteen or twenty places to get answers to specific questions. Hopefully, this can be coordinated in such a way that would provide a healthy appreciated environmental aspect. Previous studies have been done by counties and we feel this will be very beneficial to us as we go forth in the very limited time set forth in the bill to develop the Coastal Area Management Act.

There is another environmental component which is the appropriation. The General Assembly is trying to obtain funds from the federal grant pot, if you will, to provide the wherewithal to the State, county and municipalities to take part in this act. To do this we need to draft a series of work elements, bits of information need to be brought together and outlines and put this in our proposal and sent on for review by the various State agencies. Then it will be submitted in order to receive funds to do that part of the project. There is enough

work to go around. There is no need to worry about who will be getting all of the action. The idea of trying to come forth with a hearing on the coastal land in North Carolina is one that has been talked about and studied to some extent here in Carteret County and studied by a group of North Carolina students in Chapel Hill. This concept was brought about in essence because of the time involvement. The lack of information in other areas means that there is no place that we can go to and get all the answers. We must be looking to new horizons and plowing new ground.

In the process of attempting to obtain information, we have done a considerable amount of travel. And we took these sources down but did not find all the answers, which leads me back to the point that we need to develop our own answers at home. Many people have explained or described the Coastal Bill as the most far reaching legislation to come out of the North Carolina General Assembly in a great number of years. We must not be frightened by this golden opportunity. We have to go forth and do something in this new area in regards to the most magnificent piece of real estate in the world, coastal North Carolina. We must not hide our heads in the sand or do as the lady that got lost in the Dallas-Fort Worth Airport. She spent two days wandering around in this gigantic place which is the largest in the world. When she finally was retrieved by one of the attendants she then said she was never going to another airport. She said she was going home to watch TV like the Good

Lord intended her to do. We must not turn that much into
recluses. This is a new and golden opportunity, worth doing.

I hope that we, at the Office of Marine Affairs, can be
available to serve in a useful capacity to provide an
environment enjoyable to us all. The partnership arrangement
is the main environmental advantage and environmental need
that the State has in regard to Coastal Management.

OBSERVATIONS ON COASTAL MANAGEMENT
Dr. Lynn Muchmore, State Planning Officer

While the mention of coastal management turns most of our minds immediately to the conservation of physical resources - our seashore, our zones of fragile vegetation, our estuarine habitats - we all recognize after reflection that state government exists to serve the needs and promote the welfare of people. You have all heard the conundrum about a tree which falls in an uninhabited forest. The question occurs, does it make a sound? Well, perhaps, if the sound is described in sterile, physical terms as a disturbance of air molecules. But perhaps not if sound only exists when it is heard, when it falls upon the ears of one who can recognize it as sound, if it has an impact upon a human actor. Could we call a river polluted if, though ruined by municipal sewage, it flows through barren and unpopulated countryside to disappear in the vastness of an all-forgiving sea? The principles of discussion are similar, and you yourselves ponder the answer. But out of that discussion should emerge a recognition that welfare of our rocks, trees, and shoreline is of little importance in itself. We have never recognized our natural resources as a supreme interest. Although two justices recently suggested that we do so, we have never given our lakes, our hills, or our scenic areas standing in court. Nor do we give them votes at the polls. Natural resources are strictly a subordinate interest, subordinate to our concern for the social welfare, the human condition, our capacity to live comfortably, productively, happily. The polluted

river is a wrong strictly because of the effect it has upon people - the people who live beside it, who visit it, who swim in it, who drink from it, who directly or indirectly could derive benefit from it in its natural state. And so the concern of state government in any discussion of "coastal management processes" must be for the people who live within the coastal area, or who will live there in the future, or who depend upon the natural bounty of the sea and its borders. However we should decide to manipulate those coastal resources, our first priority must not be the resources themselves, but the people who are their beneficiaries.

When we talk of coastal management, we implicitly conceive a different system of resource allocation than presently exists. Not dramatically different, perhaps, but different nonetheless. A few new rules will be written, some new people will be involved, new criteria for public decisions will be adopted.

Local governments will be challenged to act where they have not acted before. Community groups will be called upon to speak where before they had no forum. And out of this activity, this debate, this controversy, will emerge a system which purports to channel coastal development in directions that it would not otherwise have taken.

Invariably, we economists will point out that an altered course of growth implies an altered pattern of costs and benefits. Political decisions made recently reflect judgment that the total costs of coastal management will be surpassed by total benefits.

I am confident that that is a correct judgment. But a question remains: Who will pay the costs and who will reap the benefits? Will a coastal management system benefit the rich and cost the poor? Will it benefit present coastal area residents and cost other North Carolinians? These questions, which I will call distributional questions, are at once the most interesting, the most perplexing, and the least well analyzed. From a state perspective, they may well be the most important, for their answers will determine whether coastal management can survive.

The evaluation of costs is an extremely troublesome conceptual problem, a process which even economists, who as a group have developed a solid theory of cost determination, find very difficult in practical application. I do not profess to give any simple answers. But I do wish to raise some issues which others at this conference may address more successfully than I.

One observation is certain: We have always operated a system, the market system, which does not, when left to itself under the prevailing mode of property ownership, assess the cost of natural resource consumption to the actual consumers. Consider an extreme but easily understood example.

A large middleclass subdivision perches upon an aquifer recharge area. Builders, in order to minimize selling prices, take advantage of the simplest waste disposal units available - individual cesspools for its residents. The benefit of this decision accrues directly to the home owner, whose shelter expense

is lower than would be the case if a more elaborate collection and treatment system were installed. The decision is a rational one within the framework of a free market because it does, after all, provide waste disposal most cheaply. But from a social viewpoint, from a state perspective, the decision may be very costly indeed. The costs will be borne, not by the home owner who has in effect consumed a natural resource in order to provide himself with a disposal unit, but by others who now face a deteriorated water supply and must resort to more expensive alternative sources or to a more complicated and costly purification process. The farmer who neglects to terrace cultivated hillsides or who uses a convenient stream to rid his feedlot of animal waste; the municipality or the industrial plant which refuses to purify effluents; the tourist who dumps accumulated garbage from his motor home onto the seashore; these are all consumers of natural resources who reap the benefits but who do not pay the costs of their consumption activity. The problem is not that consumption has occurred. We will always consume natural resources. Our national growth is grounded in such consumption. The problem is that avoiding costs through an abuse of natural resources is illusory. In fact, no savings occur; costs are simply shifted to others. And the market, left to operate without intervention or modification, provides no redress to this maldistribution of costs and benefits.

So the theme of any coastal management strategy must be to assess the full cost of development to those who reap the benefits of the development process. Any system we devise will, I suspect, be imperfect. Inequities will occur, and these will cause great public controversy. But we are facing such critical pressures that we can no longer afford to stand idly by. While mistakes will be made and are to be expected, we must be prepared to take the risk. Above all, we must continually study, think through, and evaluate the management system so that we understand the full ramifications of what we are doing.

For example, to spread the cost of natural resource consumption across a group which is distinct from the consumer as we have done is to provide the consumer with a subsidy. Subsidies are a well accepted instrument of American social policy. We have explicitly subsidized agricultural producers; we have subsidized students from minority families; we have subsidized defense contractors. We are now subsidizing industrial plants and municipalities who are permitted to dump their untreated wastes into our rivers and harbors. Under an effective coastal management system, these subsidies will be eliminated.

But there are some subsidies whose elimination may be inconsistent with other goals of social policy. By demanding more sophisticated and more costly construction techniques, will we make it more difficult for low-income families to purchase and own homes? When we impose environmental standards upon

small farmers, forcing them to bear the full costs of their environmental abuse, will we not so change the margin of economic survival that some small farms will disappear? Whatever the reaction of environmentalists to these questions, from the viewpoint of a state government whose interest is in the welfare of people, such questions must be faced squarely and directly. If we destroy the subsidy which we have permitted by allowing abuse of our natural resources, are we not obligated to provide also programs to reduce the disruptive impact of the new management system?

There can be no doubt that an effective coastal management program will increase the costs of development to the entrepreneur. But while the developer's costs increase, the total social costs of managed development will undoubtedly be less than before. The coastal management strategy must be to try to convert a proportion of this reduced social cost of development into an increase in the welfare of our coastal citizens by capitalizing on the real economic value of environmental quality.

Home builders may no longer be able to rely upon cesspools in high density residential areas, but may be forced to absorb previously unrecognized environmental costs in the form of higher expenditures for quality waste disposal techniques. Here again we arrive at a troublesome question. Will the increased private cost of development slow the pace of growth

in an area already plagued with chronic unemployment, lower than average per capita income, and severe outmigration? Quite frankly, I do not know. Moreover, I doubt the credibility of anyone who professes a confident answer to the question.

In part, it depends on the wisdom of those who operate the management system and the criteria they use for specific decisions; those cannot be predicted. If managed development were to become "no development" in response to demands of some environmentalists, then the impact on growth and income would surely be negative.

In part it depends upon the action of states whose coastal resources are competitive with those of North Carolina. If we raise the private costs of development and those competitors refuse to follow suit, then, at least in the short run, we stand at a competitive disadvantage in the market place. The likelihood that this might occur, it should be noted, is diminished as federal legislation becomes more effective.

In part it depends on the ability of private entrepreneurs to capitalize upon the benefits of effective coastal management and to generate new employment grounded in those benefits. A simple illustration: A coastal management program which reduces pollution in order to protect shrimping, thus retarding growth rates within the polluting industries, may

reduce total employment unless that retarded growth is offset by a corresponding increase within the shrimp fishing sector.

In part it depends upon the strength of the demand by outsiders for investment opportunities in the coastal area. Under certain fairly plausible assumptions, increased costs of investment may well stimulate a larger investment volume even though the number and size of investment projects may diminish. To the extent that is true, coastal management may directly increase economic activity within the coastal area.

But the greatest hope, I suppose, lies in the undisputed fact that individuals, and to an increasing extent industries, are acquiring a definite taste for well-planned and well-managed communities because they are confident in the long-range return investments in such communities. They expect to pay a premium for locating in those communities, and are not likely to be discouraged by increased cost levels in the magnitude which will result from a reasonable coastal management program. Any who doubt the strength of this sentiment should study the well-publicized case of Oregon. Oregon, everyone knows, has adopted a rather explicit policy of discouraging further growth. Its signs calling for outsiders to visit but not to stay have become famous. The result of that effort was curiously counter-productive. People and businesses are flocking to Oregon at an accelerated rate.

Why? Because it appears to be a state which has guaranteed the preservation of those natural and environmental amenities which make life richer and more comfortable.

I conclude: From a state perspective, a perspective which above all recognizes that a coastal management program must serve people rather than things, efforts to modify growth and development patterns by charging the full cost of resource consumption to the consumer are necessary and good. But we must understand that an effective program will generate a series of distributional consequences. State government must accept a responsibility to insure that the costs of coastal management do not fall with unreasonable severity upon persons or classes of persons whose opportunities and alternatives are limited. The subsidy we have previously granted in the form of permitting environmental abuse should not be continued. But some compensation must be called into play. If coastal resources are to be viewed as resources which benefit the State of North Carolina, then coastal area residents are entitled to call upon state government to assure that the cost of preserving those resources is not unjustly levied upon them alone. Should job loss threaten, the state should mobilize its recruitment forces to help attract environmentally compatible industry. This might be coupled with additional manpower training funds or similar program devices. Should housing shortages materialize, the state housing finance authority should prepare to support the mortgage market in the coastal

area. I quite frankly doubt that these negative impacts will emerge on any serious scale. But the point is that coastal management must be perceived as more than a bundle of new restrictions. It must be perceived, instead, as a comprehensive and positive effort on behalf of all North Carolinians to insure the quality of life - for our people.

SESSION I - THE STATE GOVERNMENTS' INTERESTS
AUDIENCE QUESTION AND ANSWER AND DISCUSSION

J. L. Dunning, National Park Service

Q. Dr. Linton, what would be the role of the Office of Marine Affairs in the overall system proposed?

A. Well, a player on the team, if you will. For example, last Friday we had a get together, Dr. Muchmore, Mr. Harrington and others, and we are in the process of dividing up the different work elements. One of the things that I am interested in is standardized maps and depositories for these. All maps will be available approximately 18 months from the effective date of the act. We need to have this plan developed and on the ground, so it is pressing that we divide up the labor and provide resources to the counties and other planning groups. My office does that.

Q. You are presently developing an inventory of what?

A. One part, just as an example of things to be done, is that new data needs to be collected and new task groups put together. Whatever it takes to get the job done, really.

Secretary Harrington, Moderator:

Q. What should be the role of the Office of Marine Affairs in the effort? Does anybody want to answer that question from the floor?

Jay Langfelder, N. C. State University:

Q. It looks like a major impact of this bill depends on how much of the coastal areas will be designated as critical

environmental areas. What percent will it be? Does anyone care to comment on that?

Mr. Harrington:

A. No. There are people in the audience working on drawing up the criteria for identifying areas of environmental concern. I think it is worthy of discussion, but I can't say that a percentage of the coastal area is going to be designated. It purely depends on the physical characteristics of the ground; what is on it and in it.

Dr. Linton:

A. We asked that principal state agencies each designate a contact person, if you will, to aid in designating the areas of environmental concern. That way we will hear from all the agencies through that contact person, and they can delegate it down, but each agency will have an opportunity to make its nominations and comments known as we then serve as a collecting spot for these comments. We are interested in having other groups make comments on this. As we were talking on the plane coming down this morning, we need to take this thing to the county and municipalities in the immediate area. This brings us back again to the proposition that we will need to be in this mess together.

Bob Simpson, N. C. Wildlife Federation:

Q. I have two questions. First of all, I saw a copy of the land use plan and it certainly didn't seem to include, at least the copy I saw, much consideration for the coastal

care. For example, I don't think it noted sand dunes except over 150 feet. There was no mention of islands or anything of this sort, in this comprehensive land use planning thing I saw. The main question I wanted to bring up is you are speaking of land use development, I appreciated very much what Dr. Muchmore said about economic development and continual growth. We are all in favor of growth and yet at what point can we no longer have these beaches available to the public? I don't know whether it can be answered. What are the limits to growth? Who in the audience wants to answer that?

William Smalley, Town Commissioner Office:

- A. Just go up to New Jersey and you will see the limits of growth, particularly the beaches. It is a history of nobody knowing what to do. Dr. Linton said that he went to different places and couldn't find the answers. I was talking to a young gentleman in the lobby this morning because I was here early and I said it all starts and ends with population explosion but I would like to ask a question of both Dr. Linton and Dr. Muchmore and the people sitting here. I would like to know if there is any way you gentlemen could suggest to the officials of small towns or county, how they can go about an educational program to explain to the people that the land use and the constructive use of land is beneficial to them, not only in land values but to taxes. You just don't bring industry in

and say it will lower taxes. It is going to raise them. Are there any plans in all these laws being written up to try to tell these people without sounding like a smart so and so. How can we get this across to them to let them know that this is trying to be constructive and not no-growth. How do we do that?

Dr. Linton:

A. The way to go about this in my opinion is go into the field, get out among them. You must go to the town commissioners, go to the town board, go to the people on the street. When the 1969 General Assembly voted for what seemed a sensible and enforcable plan, we went to each of the twenty-five boards of county commissioners and told them what we were trying to do and asked for their support. It got off to a very good start in the initial phases. That is what it is going to take now. Go down to where the action is and where the people are and explain what you are trying to do and not let it be a one-sided conversation. Let it be a two-way conversation. We got into some pretty heated two-way conversations that way. In my opinion the only way we are going to get this done is by going where the people are and sitting down to talk about this. There is going to be discord. There are people who can't live with it on both sides.

Mr. Harrington:

Q. Let me return to Bob Simpson's question, what are the limits

to growth, and let me ask that question of you. It is very easy for technicians to define density of population based on industry facilities and so forth; it is very easy to define the limits of water and waste and other capacities available to the area. The question is however, do you want to push those limits down in the town and county? The question is, do you want to phase out growth? Who wants to respond to that question? You are going to have to in some form or other in the next 24 months.

Barbara Carpenter, Citizens Representative of West Carteret:

A. I feel like there has to be a limit but it is only going to come because each one of us representing our own so-called special interest is going to be working together in the decision making. By doing that it is going to reach a balance. Therefore, limits will happen but I think it is going to have to come at the local level, through total people participation and being a part of the decision making together so a balance is made.

While I am up, I'd like to ask a question. I wonder if the state has some kind of tax re-evaluation for property that would be kept in its natural state?

Mr. Harrington:

A. There has been considerable attention, as I understand it, given to some parts of this problem by the State Land Policy Counsel Staff on Taxation. The question of re-evaluation as I am sure you will agree, is a very

complicated one. It has to be one that is designed in a comprehensive fashion, not just having one target in particular; the problems caused by this bill. And this bill has been the stimulus for this attention. About all I can tell you is there has been considerable thought given to this. There are people who are grappling with some of the very complex answers to it.

Q. I can't help but think there should be some incentive if a man chose not to develop his property.

Dr. Linton:

A. In the 1974 Session of the Legislature, there was a farm land proposal that was an attempt to give people who are keeping their land in agricultural production a tax break. This taxation tool and the extension of services tool are two of the best things we have in my opinion to get this job done. If a person is willing to keep his land undeveloped, he needs a tax incentive.

Mr. Harrington:

A. A rather broad system of tax recognition for preservation of property is already in place. The problem is that the tools are not connected with each other. There is tax relief by donating your property to the State for management. That is an example of existing tax relief. The system needs to be on rather a broader spectrum of differential taxation.

Clare Funderberg, Wrightsville Beach:

Q. I want to get back to over-population. The only example I could give is that I think a good farmer knows that he can only raise one cow for good production per acre. Would we do less for human-beings? I think there should be some measure. We can't lift our bridge over the inland waterway. There needs to be some management of the number of people on an island.

And while I'm up I'd like to ask you, it's been a concern to me since Hurricane Hazel back in 1954 that we have a firm berm because a berm was pumped over from our estuarine water. We didn't know in those days that they were for the most part breeding grounds. We were promised that in two years we would not have clam and oyster shells on our beach. That did not happen. Every year the northeasterners take that berm away and every year the U. S. Government and we pay the taxes to restore them. I am sidewalk engineering, but I believe that the old jetties we had back before 1954 which gave us the Wrightsville Beach strand with no clam and oyster shells under us was very sufficient. I am not an engineer and if there is one present, please tell us when its berm is going to work. When the waves go over it and are trapped under our houses and then go back over, how are we going to get rid of the clam and oyster shells?

Unidentified:

- A. A book has just been published and I'll have it here tomorrow, which tells very clearly about the futility of trying to control beach erosion by any means, jetties or berms. It all goes back to people trying to think that the shoreline is stable. You can't build houses to the shoreline. If you try to stop it in one place, it eats away in another. The only other thing is what the human element injects into the picture, such as dredging and building and construction. The best thing is not to build on them. If you do, you take your chances.

Dr. Linton:

- A. One thing should be remembered. Those projects were done because the public wanted them put in there.

Unidentified:

- Q. How much will the local boards be able to vary from the State guidelines? I'm on the other side of the fence. If a community wants to carry on its own, will it be able to set its own, or are they going to have to take the word of the State?

Dr. Muchmore:

- A. I will be frank with you. Sure, sitting at this table we don't know what the exact nature of those guidelines is going to be. My own perspective of the guidelines is a very, very broad type of standard within which local government will have considerable latitude. It looks like

there are several different ways to write the guidelines. One way to do it is for the State to pass general guidelines and allow enough latitude for critical problems in your area for the local officials and people to make their own decisions. The guidelines are being drafted now, there are several people working on them. The guidelines will be presented in all open and public hearings and public discussion. If you want to contact me directly on a particular point of view with respect to how the guidelines should look, I am perfectly open to receive it. This is partly an educational process for us too. We are feeling our way around looking for the most appropriate way to do this important job. I say this without pretending to articulate any official policy. I feel there will be wide latitude for local government and they will have considerable discretion with respect to some critical problems.

Mr. Harrington:

- A. The guidelines, in draft form, will go before 12 or 15 Commissioners, who will have a great deal to say about the content of the guidelines. The staff draft will presumably want to have a uniform standard for all counties. If a given area's soil has specific bearing characteristics or similar characteristics, the standard for that would be uniform; that it could support an X density under the given conditions. Now what was put on that soil would depend upon the county plan and whether it wanted a shopping

center, airport, residences, farms or forests. What we will try to do is provide technical analysis for the capability of the ground to advise the county on what the ground is capable of supporting and let them decide what to put on it. That is the intent of the State guidelines.

Unidentified:

A. This is a statement in response to the gentleman who asked about getting knowledge back to the grass roots level. I think the most powerful and effective medium is visual, either movies or TV. It can't be done as it has been tried in the past by debating at noon on Sunday on TV. People don't watch that. The Coastal Management Land Use Issue should be presented in a format that is entertaining and something people will watch, then you will start getting to people at the grass roots level. One of the biggest problems of showing on TV at a local level is that it is expensive and I think this is one area where a lot of money needs to be designated. A good motion picture that is entertaining will get a lot of information across and a lot of feedback will come from it.

Edith Marsh, Marine Science Counsel:

Q. This is related to the same question about getting information to the grass roots level. I want to ask Dr. Linton if there is such a thing as a speaking bureau where a gentleman who wanted to have a town meeting at Yaupon Beach could call you and you could send someone out who knew the

subject. I know you can't make all the speeches. I really think this would be an effective help for your small communities. A county-wide meeting would be possible with someone who could answer the technical questions local people may not be able to answer.

Dr. Linton:

A. That is one of the things envisioned. There is a group already in existence that has this sort of activity as part of its duties. The Office of Marine Affairs will provide an education service. If you want a speaker, we can line up someone.

Q. I think it ought to be publicized that this is available.

N. C. Department of Environmental Education:

In response to that lady's question and the man from Yaupon Beach, we have a slide presentation on exactly what they are talking about, taking in a range of things. It is not too far above the level of anybody that you would like for us to talk to. If anybody might be interested in hearing our presentation we are at the Office of Urban Affairs, North Carolina State University. Contact: Eric Slaughter, P. O. Box 5125, NCSU, Raleigh, N.C. 27607, Tel. 737-3211.

Dr. Linton:

A. Another way this could be handled is by working in conjunction with that group in trying to get a system set up in which we could come in with a presentation and get the people to know one another. Then if you have a question,

you could call and feel confident and comfortable in calling and asking for speakers.

Bill Godwin, Chairman Area Regional Commission:

Q. That tax situation worries me a little bit. In a ten county area there are a lot of potential acres that might be described as areas of environmental concern and if the State comes and says we are going to lower taxes to this particular peice of land, it is going to alter the tax base of our counties. I think that if anything is done along those lines, it should be done on a county basis. The tax evaluation is on a county basis now and I think the county commissioners involved should be considered. If there is a drastic alteration there ought to be some funds available to make up the lost revenues from taxes.

Mr. Harrington:

A. Well, Bill, you reflect an obvious point of concern. Nobody in State Government is talking about coming into the county and changing the taxes. You raise a point that needs to be discussed in more detail. I don't mean to do it at this meeting. The whole question of differential taxation needs detailed discussion. When you talk about coastal area management, when you talk about State land use planning, everybody starts thinking that the State is going to do this to you with a police power approach. There are policies and alternatives which need to be discussed and brought before our Legislative Representatives. Differential taxation, public services, roads, sewer, water, police,

trash collection, subsidies of all sorts, there is a whole array of policy alternatives with respect to how you treat land. They need to be discussed and set out and explained to the people. We are doing that now. The General Assembly already said you will build a road this way, you will levy taxes in that way, and certain groups get tax benefits. These are all land use policy alternatives. The point is that not everybody looks at these things. The effect of each, is not considered in the context of the whole. They are considered, generally speaking in the context of a single issue. When we talk about differential taxation we are not talking about coming down there in 12 mos. and saying you can't tax this piece of property or that, what we are talking about is examining tax treatment as an alternative with an incentive and land use tax, land that has water and sewer has a higher tax value than land that does not. The capability of the land to support residential construction is an alternative that would go into the classification system. That is what we are talking about. If you give on one hand, you take on the other.

Colonel Barry Segraves:

Q. I would like to make some observations and maybe wind up with a question. I have pointed out on numerous occasions that the National Environmental Policy action does contain innumerable references to the necessity for people to live compatibly with everything we are trying to do. It also

mentions that problem that we have finally centered our attention on is not a new idea. I had an opportunity almost seven years ago on the Board of Conservation and Development to express the newcomers concern for what was happening to the coastal area of N. C. I predicted that in 15 years we would look like Bill Smalley's Jersey Shore. I said two years ago here at Morehead City that I reduced the time. I think it is logical that it will be less. We all hear so much about and recognize the problem of population explosion. Those of us that are new here liked what we saw 8, 10, 20 years ago, but we can't put a fence around ourselves and keep it that way. Several years ago I made the recommendation of developing a coastal area management program, and now the Legislature has finally done what we see before us today.

I think local governments have always had the prerogative of maintaining, if you will, the character of the environment in which their people live. Yet the human pressures to develop areas are continuing. We are putting new and constant restraints on this development. Most of these restraints are well directed but we are finding that developers are willing to comply with these requirements and the buying public is willing to pay the price. What we see is a continuous move to total development over a period of time and we hope it is responsible development. With the trend moving in that general direction, the

question of public access arises.

If we do keep these lands in the market place and responsible developers do come in and develop and continuously usurp, is the public being denied access to these areas? The answer in a real sense to these questions is yes.

I think we have seen a trend in the State of North Carolina in the last 4, 5, 6 years where the state is obtaining controls and is directing processes to control many of these evils that we have talked about before. Since we are evolving this plan, is there any thought toward approaching our friends in the Federal agencies to actually let us control these factors to a degree?

Colonel Albert C. Costanzo, U. S. Army Engineer:

A. With respect to the Army Corps of Engineers and our role in this, our role is not one of zoning. We don't have the authority, I don't believe the Federal Government will have a role in zoning. We do have on the books certain laws that the Congress has given to us to enforce and for that authority to change, for that law to be relinquished in order to do that it will take new legislation, a new Congressional Act passed. I am not sure what the role of the Federal Government will be in seeing that the States comply with the plan. I do know the laws in the Army Corps of Engineers are on the books. I would prefer more controls at the State level and I believe that in North Carolina you already have one step there. You have your North Carolina

Dredge and Fill Law on the books.

For many years we looked to the State for comments on dredging and filling because the applicant had to apply for a Federal Application. We have worked with Tom Linton in Sports Fisheries and he developed one form whereby the applicant has a State permit and Federal permit.

I think the emphasis should be on how we can streamline the process between the State and Federal applicants, so they do not have to submit two forms, one to State and one to Federal agencies.

- Q. I didn't ask my question very well. I didn't mean to imply that the Federal agencies who have responsibility by Act of Congress should relinquish any of the charges placed upon them by Congressional Act. I am speaking more specifically to a better liason between State and Federal agencies that needs to be established in order that we can streamline these processes and be more effective in acheiving compliance with the total State and Federal requirements.

Mr. Harrington:

- A. We addressed the North Carolina Legislature in a manner we thought would be compatible with the Federal Coastal Zone Management Act of 1971. Part of that Federal Bill says that Federal agencies exercising authority in the coastal area of any state which has an approved plan will conform their activities to that states' plan. We don't know what that means yet, but one indication is that maybe we'll be

working in that direction.

Unidentified:

I think the question is more of regulatory decisions;
land management control and areas designated by the Congress.

Colonel:

The Offices of Coastal Management which is under the Department of Congress already has formed a group and is staffing up for an inter-governmental relations group which will get the Federal Government coordinated with the States' as far as these coastal management plans. It remains to be seen how it will be developed.

Bill Smalley:

This nice lady said something that we all ought to think about. It boils down to that one cow per acre. Somebody ought to start figuring how many people per acre before they start.

Mr. Harrington:

Just a flat figure would not be hard to come by. The data can be derived and a series of alternatives can be presented and will be presented. In order to do the job effectively, the public must make the decision on how many people they want an acre in their own jurisdiction. The question needs to be involved at the local level.

D. E. Benton, Jr., Elizabeth City:

In reference to what you asked earlier on the limits of development, that question has to be related to the total picture in a locality. It has to be related to per capita

income, the assets in that area. It is nice to sit here and philosophize on this one problem of fragile areas. There are people in these areas and, as was pointed out earlier, they are the ones who have to make a living. They should be considered. The State I think has a wonderful tool to work with to bring together the areas that need special attention and raise the per capita income. There are other factors needed to allow us to be able to handle this.

Dr. Muchmore:

I am very dubious about any simple answer to the question of how many people you can support. That may be a harsh thing to say in light of the comments from the audience. The one cow per acre is an appropriate one but in some ways misleading. How many cows you can support on an acre depends on your grazing practices and how much you fertilize and how much rain you get and a whole host of other things. I don't think you can really say. I am very hesitant to promote the view that the State is somehow going to develop the set of recommended limits on how many people you have per acre on a given portion of coastal land. I don't think we have the technology to do that. How your capacity is related very closely to the way in which you develop. This sardines in a can thing is very inappropriate. If you throw sardines haphazardly in a can you have one capacity, but if you use a plan you can pack a whole lot more of them in. I don't suggest this, I know the expression is what

we all fear. I don't think it is up to the State to try to tell Carteret County people what they should have or can have. I think it is up to us to work with you to make some recommendations on the most rational way to grow.

Growth is here to stay. We are concerned with how we grow and that whatever growth occurs, occurs in a somewhat orderly and rational fashion. There is a need not to eliminate the consumption of natural resources but to minimize the abuse of natural resources.

Joe Thomas, Quadrant Corporation:

I don't think we should be talking about limiting our growth, people growth, until we start thinking about stopping our waste. When I mean waste, I am talking about buying a pound and throwing half of it away. We have got one rat for every person in the U. S. We have got two and a half dogs and cats for each person. So if we have to talk about limits, lets limit dogs and cats and rats before we start limiting people. Most of us are in a minority status. More than half of our population is less than 25 years old. I don't think we should limit ourselves but eliminate wastefulness and grow in the proper direction.

Unidentified:

You said that you wanted a good input from local people in the development of these plans. I question the existence of a rational educational program or a comprehensive educational program to in fact inform the people. We will

have to have it in order to have an effective input and I think this is something we need to get on with. I don't believe there exists or will exist enough films or enough speakers bureaus to do the job. We will need a total educational program to move the program ahead.

Mr. Harrington:

The guidelines for the plan are to be published in draft form by the Commission by September 30 and will be subject to review by the local government and the public. They will then be adopted two months after that by the end of November. This is just a start. If guidelines appear to be inadequate over a period of time, they can be amended. The schedule for the release of the guidelines is to be adopted finally, but adopted and published for comment by that time.

Steve Tilley:

It seems to me that the public hearings we have had in the past are very unsatisfactory for everyone involved. What are your plans to start getting information and response back from the people rather than just sending out information and speakers to the people?

Mr. Harrington:

I don't have an answer to that. I am sure that as soon as any local plan is publicized and some property owner finds out that there is a green or yellow striped color on his property, you are going to get the response; you are going

to get questions about what that means.

Robert Kerner, Duke Lab:

I think the problem here is not, are you going to get a response when that man finds the yellow flag but how can the public have input in the decision of what color flag will be put on that land. It has to come before.

Mr. Harrington:

There is a requirement to conduct six public hearings down here on the coast this summer and we will plan as much as possible for a series of additional meetings. We are faced with the problem of educating our commissioners. We are not financially able to move the State government down here to the coast, nor do we intend to.

Marshall Smith:

I would like to suggest having the meetings at night. If you don't have it a night the working man can't come. If you'd have it at 6:00 in the afternoon, you'd get a real cross-section of people.

ADJOURNED FOR LUNCH.

May 16, 1974 1:30 - 3:00 p.m.

SESSION II - LOCAL GOVERNMENTS" INTERESTS

GRAHAM PERVIER, Currituck County Manager

"The Currituck Plan" has had the active support of both the Scott and Holshouser Administrations. Our primary reservation about the bill is that we are not enthusiastic about permit-letting superstructure. Our major disappointment over the legislation is that it was not able to consolidate the present system of permits and permit-letting procedures.

Summarizing our expectations, we think a great deal depends on mutual respect between the State and local government. To make the act work, local governments must accept that the State has a legitimate interest in the coastal area, and, in turn, expect the same kind of respect from the State for local interests. One of our biggest concerns is that the State respect existing local plans in formulating the planning requirements under the Act.

We don't want to invent the wheel all over again. We would caution everybody as you get involved to get everybody in the planning process from the beginning. Otherwise you bring someone in late and they have to back track to catch up with you, and evaluate the alternatives you have already been through.

An important aspect in the implementation of the act will be the quality of the staff. This will be more important than the composition of the Coastal Resources Commission itself because the staff really has to lead in the implementation of this type

of legislation. The executive director of the Commission and the staff are going to have to be extremely competent or problems with the permit system will arise.

The State should not expect to use the permit system to acquire recreation areas. I speak from our experience in Currituck; a permit-letting planning system just will not do this. It is no substitute for the willingness of the people to buy the areas they want for recreation. If the people of North Carolina want recreational areas, in the coastal zone, they are going to have to pay for them.

We hope that the permit-letting system will be expeditious, we have heard this afternoon how it takes an unreasonably long time for a permit. Existing permit-letting agencies are terribly understaffed.

Planning costs money. We have already spent \$44,000.00 on the Currituck plan and are in the process of spending \$34,000.00 this year. The developers have paid for most of "The Currituck Plan".

Planning takes courage. It took a great deal of courage when the Board of Commissioners declared a moratorium and refused to approve new subdivision plots for almost 15 months while the Currituck plan was in progress and they took a great deal of heat during that 15-month period. The Chairman of the Planning Board pushed for at least 10 years for good planning for Currituck County and was subjected to unbelievable abuse and vilification.

CITY GOVERNMENTS' INTERESTS

By Herb Dugroo,
Nags Head City Manager

Usually a speaker has to start off with some type of joke in order to get the attention of the audience. I thought it might be a joke when Steve called and asked me to represent towns and cities in the program that we have here this afternoon. The first thing that went through my mind that day was - why me? I don't have any problems. I am perfectly relaxed and content in my town of Nags Head. I have a land use plan that is adopted. I have a planning ordinance and zoning ordinances, all adopted. I have a planning board that works as no other planning board probably works. I have subdivision ordinances adopted. I have sedimentation ordinances adopted by the State. I have a dunes protection officer who works at his job. We require all development to be a certain distance behind the barrier dune. I don't have any problems. We established areas of vital concern ourselves. We created special planning districts which were adopted after public hearings. I really don't have any problems. I don't have any problems, why am I here? All I have to do is put a fence around my town and relax. Now, who am I kidding?

I look around and I am sure that other towns and counties can do the same thing and yet I see very little evidence of good control ordinances and land use planning. I admit that we are in the process of updating our zoning ordinance and have contracted in the fiscal year 1974 and 1975 to have our

subdivision ordinances updated.

I am going on record and state that Article Seven Part 1113-101 of the Act is lacking in an important item in describing a cooperative State and local program.

Emphasis has to be placed on cooperation between city and county governments, between city governments, between regional planning areas, and between city, town, county and State agencies. I must look to the State for assistance. We are a small town of 484 people and we are just like others on the outer strand. Seven or eight months of the year we have a population of 10 to 50 to 100 thousand. Now, these are vital important facts to us. We must look somewhere for guidance. We have to have expertise for orderly growth and development. I can't afford it, frankly, Dare County can't afford it either. We have about 8,800 people in our whole county which is a goodly section of North Carolina, and I only hope that a good Act, fair and equitable to town and county alike will bring about a better working relationship between the numerous local and State agencies.

I am vitally concerned with the attitudes of some of the agencies regarding development. I smile when the Coastal Management Act differentiates as to who has jurisdiction over minor subdivisions and major subdivisions. There just ain't no such thing. Each has to be treated on it's own merit as to the areas of vital concern. If I were a developer, I might take issue with that differentiation especially since prime rates have

been 12% plus. How many minors make a major? When the town is 11.4 miles in length and 2 miles wide at the widest place, what is a minor and major area? My vital concern is that most of the people look upon bricks and mortar as the criteria to development. I can control brick and mortar but services, sewage, water, trash collection, fire, police protection are our vital concerns. These concerns are what this Act should make an all out effort to achieve. If we can control these areas, the rest of it will fall in line.

We are probably blessed with the fact that this Act didn't become a law when it first started out several years ago in its embryonic stage. The economic picture has changed so much that now we have a breathing space. You will be surprised at how many plans have been on the board for two or three years in my area alone and have been shelved because of lack of money. Heaven help us if we don't have something to control them when the flood gates are again open.

Now is the time to allow all of us, town, county and State alike to work to salvage what is left of our area and to rectify the mistakes that have been made in the past. We have got to grow and we shall grow with proper planning which will benefit the town, county and State alike.

The fears about the act are many. I have read the papers, listened to TV and radio. The views are that the State won't consider input from towns and counties. As you know, we probably will raise more ruckous than anyone else in all the coastal areas.

If this is a fact, I challenge the same land use plan applying to Carteret County and Nags Head or to any other counties or associated towns and counties within the coastal area act. I believe that the State is asking - maybe that's not even the right word - I believe they are pleading for help when it comes down to finally putting this Act into use and if we don't pick up the guantlet and help them carry it, then we have nobody to blame but ourselves.

Ladies and gentlemen, I will only be concerned if we do nothing. That is the major concern of the town of Nags Head. Let us not just do nothing. I say let us subsidize the State. Not have the State subsidize the county and town. Let us use their expertise; let us use their resources, and manpower; but let us do it together.

COUNTY GOVERNMENTS' INTERESTS

By Ken Newsom
Chairman
Carteret County Commission

I want to speak to you as a county commissioner. As if we didn't have enough problems before, the last session of the Legislature threw this upon us; the Coastal Management Act! I am not complaining because we supported the Act, but I would like to share with you some of the problems we face as county commissioners, in dealing with the problems which are generated by that great force of change which we have called development. Now, this development takes many forms. In our county many of these forms are competing with each other and competing with nature, which has so developed and formed our land as to make it, as Dr. Tom Linton said this morning, the greatest piece of real estate on earth, nature has also made it so attractive as to lure people here and development.

After the past few years there are many conflicting attitudes towards development. Some have already been pointed out today. These range all the way from those who say that we are already grossly overpopulated and developed, that we should put a moratorium on future development to determine some sort of people per acre formula to slow down or stop any kind of future development, to those who say we are economically depressed, and suffer underdevelopment, that we should go full steam ahead with more development and more industry. As elected officials, it is our duty and responsibility to carry out the will of the majority of the people as we can best determine their will, and to use our

best exercise of judgment to determine the best course for our counties. I believe we have reached a point here in Carteret County where a majority of our citizens acknowledge that future development and growth should be planned and orderly. I think the average coastal citizen and resident is ready to acknowledge that if we don't engage in careful planning from here on out we are in danger of forever losing those qualities of coastal North Carolina and Carteret County which make it such an enjoyable place to live or to visit.

I think we are seeing a whole new concept evolve in the development process. I believe there are evolving wiser developers who no longer seek to conquer and dominate the forces of nature. I think we are beginning to see the prudent developer design and build to harmonize with nature. The first order of development used to be that the land had to be bulldozed and cleared before any development could proceed. The first requirement for beach development used to be to construct bulkheads to drive back the sea and then build just as close to the ocean as possible. Trees were seen as obstacles in the way to be removed. Marshlands were useless areas that needed to be diked and filled to make more land for subdividing and the object was to carve up the land into the highest number of lots at the cheapest price to return the quickest buck to the developer.

The time has come, I believe, when the average taxpayer realizes how expensive bad development really is. You, as a taxpayer, will bear the cost of bad development. Planning for

development makes just plain political and business good sense. During the past decade this county, and I think this applies pretty well to all the counties in North Carolina, has felt enormous development pressures. By development pressures I mean we are experiencing some problems related to development which are going to increase if we don't make some provisions for regulating future development. The greatest single development need we have here in Carteret County is a comprehensive water and sewer system. It is in the works, but the water and sewer system are heavily involved in mountains of red tape.

Currently here, we have a heavy reliance on septic tanks for waste treatment in this county. This results in high numbers of septic tank use, and resulting seepage runs off into the rivers. Some are already closed to shell fishing because of the heavy density population along the shores. We have such heavy development on Bogue Banks and I am afraid we are treading on thin ice. Just as Chicken Little was spreading the news of the sky falling, if we had just one incident of water contamination, the word would spread very rapidly and do incalculable harm to our tourist trade. The Board of Commissioners unanimously endorsed the Coastal Management Act. We don't purport to believe that it is a cure all. All of these remedies, as somebody pointed out, are just so much engineering on paper until it is properly and prudently implemented. I would like to tell you some of the reasons why we supported the Act and some of the improvements I believe it can bring to the situation.

We have a similar situation that Herb Dugroo alluded to. We also have a planning commission which oversees the planning. We have a shoreline protection board and shoreline protection officer out busily protecting the shoreline. We have protective ordinances, ordinances that prohibit the issuance of a Building Permit until septic tank permits are first secured and the county health department checks it. We have a planning director who serves as coordinator for inspection and development permit applications. We have an environmental resources commission which is looking out for the environmental resources. We have a mobile home part ordinance and a subdivision ordinance. Yet there is not a long range active plan. Most of the controls that regulates growth and development in this county. What we have has evolved over the years as a result of reaction to problems already existing. It is after-the-fact planning and we have seen very little in the way of planning to ward off these kinds of problems before they occur. Planned development is expensive. But we can't afford, economically, socially and ecologically, any more bad development in Carteret County.

The Coastal Management Act is providing us with uniform development guidelines for the North Carolina coast. We feel that the Coastal Resources Commission which is provided for in the Act can be more objective than can local planning boards or boards of commissioners in making planning decisions. In the case of local boards, family or social ties and business pressures sometimes become factors in favorable decisions, and political and personal

differences can prejudice decisions. Objectivity, though not guaranteed, should be increased by the utilization of a commission made up of representatives from the entire coast. And always, there is the continuing problem of where the buck stops which is recognized and dealt with in the Act.

Secretary Harrington alluded to this problem this morning in citing cases where developers are shuffled from agency to agency and department to department trying to get an answer. Applicants here are sometimes directed from board to board, and committee to committee, finally to be sent to Raleigh seeking a "yes" or "no". We hope the Coastal Resources Commission will be able to provide good, sensible, straight answers without having to pass the buck. We hope this board will be able to act in the interest of all North Carolina without regard to political persuasions. It is important that the coastal commission be composed of members who collectively possess the wisdom, fairness and dedication to help accomplish the objectives of the Coastal Management Act and I hope that they will not use the coastal management act as a tool for acquiring beach access or recreational land. I hope they will realize that if permit denial is used for this it amounts to a taking, certainly contrary to our constitution. I hope they will keep their policies in harmony with the will of the people of coastal North Carolina for a concept contrary to the will of the majority of the people, if forced upon them against their will cannot, in the long run, succeed. Coastal Management has to begin by involving local citizens in every step of the planning

process and this has to begin at the community level, people to people. Local citizens must be involved, care must be taken that the Coastal Resources Commission does not become an inaccessible bureau.

Unfortunately, the Coastal Management Act does not of itself solve all the problems I have referred to, such problems for example as beach access and conservation of valuable natural areas. Ad valorem taxes are a very powerful force in promoting increased development. As development proceeds in an area it increases the land value, forces taxes upward, and creates pressure to sell more land to develop. We are fast losing many of our best natural areas by this process. Tax incentives to keep land in its natural state must be worked out. Much of our most valuable coastal land will be irretrievably lost soon if action is not taken along this line. We need a lot of communication, a lot of common sense and a lot of just plain old hard work if we are going to succeed in the management of coastal resources.

REGIONAL GOVERNMENTS' INTERESTS.

BY

Beverly P. Paul
Executive Director
Cape Fear Council of Governments

"SAVE THE COAST"

I have satirically entitled by comments - "Save the Coast". We have heard so much recently about "saving the coast", that local elected officials are very concerned about it. I think they fear that the coastal act and the program to follow is going to result in "no growth" situation on our beaches and a "no growth" situation in areas immediately adjacent to them. These concerns of local governments are what I want to talk with you about today.

Last year, at the Annual Meeting of our Council of Governments, we had the opportunity of hearing a national leader in state planning legislation, Georgia State Legislator Gerry Horton. Gerry related an incident which happened to him in Mississippi. He received some opposition to his thesis, typified by this comment from someone in the audience, "We don't need any planning laws here on the Mississippi coast, because we don't have the problems here they have on the New Jersey coast - we just don't have much development here yet." And Gerry answered, "Yes, but the laws you have here in Mississippi today are the same laws they had in New Jersey when their coast got messed up." And, as a parallel to that, somebody recently

mentioned to me, I don't remember who it was, perhaps Paul Denison, but anyway this person said that several years ago it was Florida that looked at New Jersey and said, "We've got to save our coast, we don't want it ruined like New Jersey's. A few years later it was South Carolina that looked at Florida and said, "We have to save our coast, we don't want it to be ruined like Florida's". And later we had the people in North Carolina saying "We must save our coast, we don't want it to become like South Carolina's 'Grand Strand' area". Perhaps, this person predicted to me, in another ten years it will be the people in Georgia - who today have several undeveloped barrier islands - who will say, "We have got to do something to save the coast of Georgia before it gets messed up like North Carolina's".

I think that might have some meaning to us. We do need to save our coast, and today I'd like for us to look at just what it is that we need to save our coast from. Before that I want to touch just briefly on the historical background of the development of coastal management regulations in North Carolina.

First, let me clear the record. I was asked to come here, as the program indicates, to speak on Regional Governments' interests in the Coastal Area Management Act. But, there is no such thing as regional government anywhere in this country. We are an arm of local government made up by local governments on a

voluntary basis. We have no power to tax, no power to make laws, no power to enforce laws or plans, so we are at the mercy of local government. We are, in fact, a group of local governments trying to solve the across county lines problems which become regional problems. So today I am really speaking in the interests of local governments in coastal North Carolina.

There are two primary interests that regional councils have in the Coastal Area Management Act. Number one is to look after and protect the interests of local governments in striving for local control and a stronger, more responsible local government. The second is seeing that regional goals and objectives are implemented and that region-wide problems are solved. For the first time we have - in the Coastal Area Management Act - a tool to implement regional plans. This tool is the county land use plan, or the county comprehensive plan, which in many counties has been non-existent up to now.

Going back a few years, let's try to get a better understanding - for those of you who are elected officials - of why you might be upset with the current "save the coast" movement. We had a hurricane back in 1954. I think that was one of the first instances that we had to realize that something had to be done about our coastal development. A lot of people - environmental extremists - at that time said, "Let's don't build it back. Let the beaches stay, we've had instant 'urban renewal'. Let's let it be." We had TV then and it got all over the country and we got all the environmentalists pointing their fingers at North

Carolina. And later then, we had Dr. Linton come up from Georgia, and he got the legislature to give his department authority to devise a plan to develop a plan for coastal area management. Then the Federal law came along and said that all states had to, if they wanted Federal planning funds for the coast, have a management system. So Dr. Linton and his department produced a bill. And initially the bill was - the Tom Kane draft - frankly, not very good as far as local government was concerned. They proposed to set up sub-State offices that were going to take over completely the local land control functions. So local government complained, the bill was revised, and there was a great cry over North Carolina, "Let's save the coast". The environmentalists pushed and shoved and the bill made it to the General Assembly and passed. All along the way local government was afraid of this. It appeared to be, from the start, a State takeover of local government. Local citizens were not involved to a great extent except through public hearings. And, as Mr. Tilley said this morning, public hearings really do not start any discourse between the parties concerned. So the local officials wondered, "What's going to come out of this? What's going to happen?" Well, we now have an act, and the act tells us we need to save our coast, and I think that it's about time for us to realize why the coast needs to be saved.

From an environmental viewpoint, there are really two or three simple things. First, we need to save the ocean, and in order to save the ocean, we need to save the estuaries, and

in order to save them we have to quit polluting the water, and not let the ocean fill them. I think these are the two primary principles we have to adhere to, just to keep pollution out of the water and the barrier beaches from washing away. And as far as how many people per acre, well, that is a local consideration. Local density requirements can be handled at a local level. I think that is a local issue that can be addressed later by the local governments. I think the two State responsibilities here are to keep the barrier islands from washing away, and to keep water pollution from running into the estuaries. For the last several years we have all been caught up in the emotional frenzy of saving the coast. Now, after the emotionalism has had time to die down, and we have decided that to save the coast - from an environmental point of view - all we need do is to prevent the barrier islands from washing away and prevent the estuarine waters from becoming polluted, then we need to turn and take a look at the people.

Once you prevent the coast from washing away and save the estuaries, how about the people who derive their income from the coastal area? Dr. Muchmore said this morning that economics was a big part of the coastal area management process. The people that live here have a right to make a living. The coastal management process cannot destroy our economy due to strict environmental controls. There should be an opportunity for industry, and an opportunity for developers to make money, and an opportunity to create jobs.

We need to develop. We need to grow. And we need a comprehensive planning process for the coast. We need this planning process to help us clean up the water; and this comprehensive planning process can help us preserve, and not drain and fill, our valuable marshland and estuaries. We need comprehensive planning for the barrier beaches, to keep them from washing away. We also need improved education to help us improve our economic standing and to help us improve our quality of life in general.

A really comprehensive plan should allow us to build condominiums, and should allow us to build new communities, and should allow us - and encourage us - and help us - to look attractive to new industries. The State of North Carolina cannot afford the burden of seeing the coastal economy dried up.

I'd like to say that, in terms of comprehensive planning, I don't really think there is such a thing; certainly not in this State or at least anywhere in the coastal areas. However, I would like to say that - and some people at Wrightsville Beach are going to object to this and on the later panel this afternoon another version will be heard - Wrightsville Beach is a very good example of how a beach community can do a very good land use, transportation, and facilities program to allow property developers to make money, and to allow people to have a vacation, and to allow condominiums, and to still save the coast. They do have water pollution because the Federal and

State standards have not been enforced in the past, but they are taking steps, now, to clean up the water. They have one of the best land use and control systems in the whole State and they do have three condominiums. This land development has allowed high density development and preserved the natural resources - the estuary and the barrier island.

I'd just like to take a minute or two to mention some specific items that I think local government is primarily concerned with in the implementation of the coastal area management program. I think that these items are things touched on before, but just in passing I'd like to urge those people who are going to be in charge at the State level of enforcing this act to pay particular attention to the advisory council. I think this advisory council has the potential of being a truly meaningful organization with a meaningful function. As the act presently states, the advisory council may at any time advise the Coastal Resources Commission. It also says that the Secretary may ask for the advice of the council, but it really doesn't say that the Commission and the staff should listen to the council. And I think the State should put some attempt into the requiring and seeking the advice of the advisory council, and that the advisory council should review and comment on the Guideline for Planning. These things should be written into the guidelines. And please listen, those of you who will be Staff or Commission Members, please listen to the council when it brings up recommendations to you.

I hope that this act and this program will be implemented in such a way that we will not have the emotionalism of "save the coast" transcended to and become the theme of the Commission or the theme of the Staff. The emotionalism of "save the coast" is a "no growth" type policy which we do not need.

To those of you who might not understand what I am speaking about when I mention "no growth", get a copy of the act and look on Page 43, item 6, about half way up the page. This is the section on denying construction permits. It says here that the Commission "...shall deny the application for permit upon finding: in the case of natural hazard areas, if the development would occur in one or more of the areas identified in subparagraphs (i)-(v) of paragraph (b)(6) in such a manner as to unreasonably endanger life or property." I think this word "unreasonably" needs a close look. It could be construed by the environmental alarmists and extremists in such a manner as to preclude any future building on any of our coastal beaches. For example, look back on Page 31 to those cited subparagraphs, according to this, areas that are "...especially vulnerable to...flooding, or other adverse effects of...wind and water..." - all of our coastal beaches - could be "no build" areas, if the Commission believes that building there would result in an "unreasonable" danger to life or property. If the words "unreasonable" danger are interpreted to mean conditions which

we experienced during Hurr Rican Hazel, then this act could be used to prevent any further development on any of our beaches, because the people in Southeastern North Carolina will tell you that during Hurricane Hazel all of our barrier islands were flooded - or "...vulnerable to...flooding, or other adverse effects of...wind and water..." Local government officials and local citizens hope that the act will not be interpreted in this manner.

I'd like to say in closing, that I hope we can work together in a real coordinated, cooperative effort and have a close state-local partnership, for that is the only way we are going to make this Coastal Management Program a success.
Thank you very much.

SESSION II - LOCAL GOVERNMENTS' INTERESTS
QUESTION AND ANSWER SESSION

Bill Smalley:

Q. I have to disagree with Beverly's argument. You say that the local government should control the density of the population on the shoreline but they are really governed by the people back of the shoreline. In other words, New Jersey never had any trouble with their beaches until the population got to the point where it overflowed onto them. Florida never had any problem when nobody would go there. Unfortunately, in the sparsely populated beach areas, the local government is not always representative of the people, as you said. In fact, they are just the opposite in many cases. I don't mean disparaging remarks to local towns and counsels and so forth. It is a common occurrence that some of the prominent land owners and real estate men are in control and they in turn have developers from out of town come in with large amounts of money to spend. They are governing the policy of the town and not the people.

I'm sorry if I disagree with you, Beverly, on flood insurance. If you build on that beach and she slides into the ocean that is what happens. The taxpayers have to pay for what everyone knows is a chance and then they collect from the insurance, so let's keep the people off it and take care of it.

APPLAUSE

Unidentified:

A. I am glad if the people that live there can enjoy it but there are a lot of other people coming from other areas who should have a privilege to have access ot it and maybe live near it. We all know we don't acquire full title to any property, we acquire the privilege to use it in some way restricted more and more each day. This has to be taken into consideration, also, looking at your density, because people are coming into this area. It is very attractive and as long as highways are being built they are going to continue to come.

Unidentified:

Q. Ken, why are they plowing up Emerald Isle this morning?

Mr. Newsom:

A. You would have to address yourself to the Legislature who wrote and passed the bill as to why the Highway Commission is exempt from the provisions of the bill. I would agree with you that certainly the Highway Commission, the Corps of Engineers and other public agencies have the potential to do just as much harm as the private developers would. I will take Mr. Smalley on, I think it becomes a matter of where do you draw the line. I agree with some of what you say but if you carry it to the extreme, you would be back in New Jersey and I'd be back in Missouri. Are you going to totally exclude new people? Are we going to put up barriers and stop at X number of tourists? Are you going to stop all development, all future development from here on out and can you

constitutionally do this? I would ask you these questions in turn.

Bill Smalley:

Sir, I didn't mean to put a moratorium on anybody else coming into this area. I think there should be more study given to how many people per acre. In other words; if there was standing room only in here the fire department would say this place isn't safe and to can it. There has got to be a limit somewhere, where it has to stop.

Mr. Newsom:

I think the bill itself is the starting place to determine just the point you are trying to make. I agree with you to a point that we need to decide and determine when we become saturated.

Unidentified:

I'd like to comment a little bit on Mr. Paul's comments. I sat in on a number of hours of meetings early in the drafting of this bill and I think it is misleading to imply that you can't have condominiums under this bill. I believe that it leaves enough jurisdiction to the local agencies that will be involved. You are going to set some of your own rules and regulations and I think that when you say you can't do some of the things you imply, you are misleading the people.

Mr. Paul:

I didn't mean to imply that the bill says you can't have condominiums. I'm saying that it could be a no-growth bill

if certain no-growth people got control of the commissions and staff and I don't think it's going to happen if the people get involved from local governments. Under the bill presently written, we could have a no-growth policy if certain people interpreted the bill as a no-growth bill.

Judy Smith, Beaufort County Resident:

There seems to be at this stage heavy emphasis on the use of the word, developer. This has been throughout the bill. It almost appears to be a battle between anybody who plans and conservation people and the developer. I am questioning this emphasis. In other words, when we try to make plans at the county level, we have at times heard, check with the developers. See what they think. Why so much emphasis on a certain segment of the citizenry?

Secondly, I question the term public and public interest. We use it quite freely, I am questioning whether we are actually representing the public as a whole. Again the emphasis on the conservationist and the developer, the public is in the coastal areas. The small businessman and fisherman, and you seldom hear the fisherman mentioned even though this is his livelihood. Why so much emphasis? And when we talk about public access and density we are talking about both banks, we are talking people questions. Public access through motels and through restaurants is not public access, that is pay access. Let's not use the word public quite so freely.

How much are we considering the private citizen. You are talking about private interests. I have got two kids and I want plans for the future private interests and the future citizens. If anybody has ever stopped to ask the young people they have the common sense, they do not have the prejudices yet. They do not have the money signs in their eyes. Talk about public education, they are the ones we can reach in the next ten years and let them decide because they often are much wiser than we are.

APPLAUSE

Bob Simpson:

One of the things that I have noticed, is we keep talking about these areas and saturation and so forth but there are many good areas throughout the country, cities who have determined what their population will be. They have what they call closed systems. I believe Denver is one of them. I think the problem is that it is political suicide for local politicians to say this is going to be a no-growth area. I think that Mr. Harrington and a few other people have thrown that back up on the local people to decide, passing the buck. I question a county commissioner's back ground to say how many people or his qualifications to decide how many people should go on that beach over there or on town sewer systems or water. I don't think he's qualified. I think the State should provide leadership, and on what point it should be a closed system. I see the promotions by State and County

government for each little community to have a goal. Let's become another Wrightsville, Charleston, or Norfolk. The reason a lot of these places are nice is because they haven't achieved that goal yet. How do we keep from turning everything into another megalopolis?

Mr. Paul:

Bob, I don't think the county commissioners are going to want that, to make that decision but they can hire planning staffs to help them research out and have all the alternatives. These places that restricted growth did so on a purely local basis because the State government can't be so dictatorial as to come into a local area and say you are only going to have 150,000 people living in your town. It is a local decision, but it should not be based on an emotional issue. It took many months and years of research and sound planning.

Q. And you feel as if you can help them arrive at these decisions as to what point?

Mr. Pervier:

I think in considering the "no-growth" alternative, you might consider two relatively recent Supreme Court cases. The first I would suggest that you look at is Golden vs. Ramapo in New York where the Supreme Court sustained a development "timing" ordinance. Development can only occur when and if utilities are available. The problem here is that the "development timing" ordinances do permit development if the utilities are available. The second case is one in which a

town had passed an ordinance allowing only 500 new building permits each year. The court found this an unconstitutional limitation on the fundamental right of mobility. They suggested that the town could use density control through conventional methods to regulate growth and even then you have to be careful not to tread on the fundamental right of mobility.

One of the other things that has influenced me is Ian McHarg's book Design With Nature. It impressed me tremendously. McHarg emphasizes "land capability analysis" in planning. However, Basselman has said that the capability of land is still more a matter of opinion than a matter of science. Another book I commend to you is the Use of Land published and put together by the Rockefeller Brothers Fund.

W. W. Stevens, Office of Earth Resources:

As I see the public involvement, it is not a matter of people telling others what they can do but a matter of each one analyzing the facts and determining for themselves the kind of life they want. The way we are going to get out of this thing is plan your way out of it. That's the purpose of local involvement. I submit to you that the physical limitations can be overcome by management. If you are willing to pay the price and taxes you can put high rises on this beach and put people in them. Whether or not you want to do that is entirely up to you.

One other thing, we are going to have growth, that is my

sentiment. This business of management is a series of tradeoffs, one use against another.

Unidentified:

I would pose one idea a lot of people haven't thought about. I have lived on coastal North Carolina all my life and for the last eight years we haven't had a major hurricane. I would pose that in the question of growth and development, if we have a series of hurricanes for four years running, we would see a great decline in the growth. I was wondering what would happen if we had a hurricane hit Bogue Island out there. Would the actual cost in damages received be equal to that amount of economic input that a business of that sort brings to the county.

Unidentified:

This is peculiar in demonstrating people's reaction to this sort of thing. I hope I am never stupid enough to build a house on the beach. Over 200 years of record keeping, we know that we will have a storm every 5 to 8 years. I think the answers are these pressures, that is the propensity for people to desire to use the coastal areas for material, esthetic, personal reasons. They will continue to do it. The whole point is how can we intelligently plan and collectively decide what we are going to do with these people.

May 16, 1974 3:15 - 4:45

SESSION III - THE PUBLICS" INTERESTS

Moderator - Delilah Blanks
Instructor in Social Work
UNC - Wilmington

The question was asked about the Indians. I was somewhat touched by the answer, because we have been zoned and lawed and pushed back to the point where we are no longer on the coastal lands. Not that I call myself an Indian but certainly I have some feeling for them.

Unless some changes are made in this bill some of the poor whites, minorities and blacks will not be able to share coastal living. Inasmuch as this session is on public interest, before I introduce the most capable speakers to you, I have prepared a statement on public interest and I would like to ask for your patience and indulgence in order that I might read it to you at this time.

A decision is said to serve special interests if it furthers the ends of some part of the public at the expense of the ends of the larger public.

It is said to be in the public interest if it serves the ends of the whole public rather than those of some sector of the public.

Within this very general framework I invite your attention to a unitary concept. The distinguishing feature of this conception is that the ends of the individual as selected and ordered by himself are taken as the relevant quantity; the public interest is "The greatest happiness of the greatest number" of those who

constitute the public. According to this view, if there are common ends, then there is no reason to attach special value to them simply because they are common; the relevant ends are whatever ends the individual happens to have uppermost - his utility - be they idiosyncratic, widely shared, or common.

According to this conception, one discovers whether or not a decision is in the public interest by identifying all of the gains and losses in utility that are likely to be caused by it and treating everyone's utility as of equal worth (for to do otherwise would be to introduce a standard other than the utilitarian one) by estimating whether or not there has been a gain in "total utility" or to put it more properly, whether or not the magnitude of the gains in utility is greater than the losses.

Our presenters will take a look at the Coastal Area Management Act and share with you their views in regard to the Public's Interests.

CONFERENCE ON COASTAL MANAGEMENT

Mrs. Barbara Carpenter
Chairman, Carteret County
Environmental Resources Commission
May 23, 1974

LAND-USE PLANNING: A Citizen's View As It Relates To The
Experience Of A Government Appointed Commission

We've only begun to understand in recent years, a very complex, fragile, but natural coastal system that is dependent on a balance to withstand storm forces and now, what we know as mankind's impact--commonly called "progress" (?)

At a recent conference on Jekyll Island in Georgia, Dr. Eugene Odum, noted Professor of Ecology at the University of Georgia, remarked to us that we realize today that ten years ago we could not have advised the state of Georgia to do much different than they did in the development of that island of Jekyll for residential and recreational use.

As a result of the thinking and planning that was done then in regards to oceanfront construction--done without adequate knowledge of an ever-changing island formation moving toward the mainland, the state government is now hearing the cries HELP! EROSION! In addition, dune and vegetative destruction has been done with no regard for the need of this frontal natural barrier to meet the incoming surf, wind and wave energy and expend itself.

Dr. Odum commented further that it is only as a result of more coastal scientific research and the accumulation of factual data, topped by national concern, that we can be at the point we are today.

That point, we recognize today, is that it has become necessary to guide and even limit barrier island development for the protection of lives and property and for the future existence of the islands as a natural resource for generations after us. Most importantly, that point reached has been with regards to taxpayers and the endless expenditures of millions of dollars in public funds that has been required and demanded for protection of private property and investors in a known high-risk area. Perhaps, also, some may even remember that North Carolina's barrier islands are subject to the whims of hurricanes that hit the Atlantic seaboard.

Just as knowledge and research have brought about changing policies and attitudes for barrier island development, it stands to reason, it now comes to land use beyond the islands, because this progress that is being promoted on the one hand, better be protecting what it promotes on the other--a weird state of affairs. This is, nevertheless, a fact I believe the state of North Carolina has found out for itself--and a fact, too, that Carteret Countians better be giving some thought to.

Experience in other states and cities are examples of poor planning, no planning or planning after the fact to meet a growing population and the needs and services that are required to serve that added number of people. As a result, we could look at their overcrowded, rat-infested neighborhoods with inadequate housing for human habitation, traffic congestion, air and water pollution.

Insufficient facilities and personnel to handle emergency and preventive health care, water and sewage and solid wastes facilities that are non-existent or inadequate, law enforcement and fire protection that is below standards and educational and teaching systems that prepare children to graduate without knowing how to read, write and spell; these are just some of the results of growth that are not able to be met and dealt with at the local level. These are continually dependent on increasingly higher taxes in order to sustain and maintain the service offered. The question we must face is--what are we willing to give up in order to have what is acclaimed as progress?

It is in examining these alternatives that one must come to terms with opposing or favoring coastal area management and recognize that no one has had the guts to adopt a NO GROWTH POLICY; therefore, growth with an additional number of people and needs to serve is a fact! One of those needs is land--to live on and/or derive an income from.

Frankly, I like many others, regret and do not like that we've had to come to this--a method of managing what goes on around us and within our property boundary lines.

Considerable study and observation in Carteret County leads me to realize then that it is appropriate for government to provide the regulations to manage and the enforcement as needed for land use planning, but it is essential that this be tempered and balanced with local citizens vocalizing their feelings and becoming involved in the decision making that will affect them and their

children's children. The burden is on citizens, now more than ever before, to look at choices and find alternatives that we can live with. This is not the time to look at one's own self-interest and protect it over and above that which is in the best interests of mankind himself.

There is an element of the public right here in this county, that is attempting to make itself heard above the roar of economic promotion--these citizens feel there is a public right to have and a human right to expect that there be protection for a quality of life.

If not done wisely and with long-term thinking, economic promotion exclusively in Carteret, for instance, will destroy aesthetic beauty, customs, heritage, and natural resources that are what they promote. Ignorance of knowledge involving land capability and desire to serve one's own financial interests can well be additional factors that have brought us to this point today.

My experience in Carteret has been that local government have approved anything that's requested with little or no regard for the impact it may have on the total surrounding environment.

We (the ERC) find our situation serious due to an inadequate means at the local level, of determining environmental impact. Our methods may have served well even ten years ago, but a pile of statistics would indicate that very little that was printed by the Chamber of Commerce even in 1972 has remained the same.

We welcome interim measures of coastal management through designation of areas of environmental concern.

Time is of the utmost importance-- in two years when we are required to complete a land use plan, there will be less to protect. With the continual development of sub-divisions, mobile home and trailer parks, motels on the oceanfront, a barrier island carpeted with pavement, group-housing projects and residential housing for a growing population; density patterns are left uncontrolled and facilities and services are fragmented and done without consistent thinking due to the lack of objectives and long-term goals.

Carteret County's 340,000 acres of land averages only 12' above sea level with a scientifically known soil limitation and high water table; yet, permit applications and requirements for approval ignore this.

Results of this are malfunctioning septic tanks and nitrification fields reeking from the putrid odor and the polluted effluent run-off heading toward the slopes to drainage ditches that flow into valuable shellfishing areas and marshland that acts as a feeder to sustain marine life.

From our experience, it is essential that appropriate state and local government officials give consideration now to a form of permit application for those designated areas of concern that will allow permit-letting and reviewing agencies a view of the total scope of a project.

These should include a means of determining financial capability, the scope and impact of the project, the site

environs as well as whether there may be environmental intrusions. Surface characteristics and subsurface conditions should be spelled out with information included pertaining to the water supply source, sewage and waste disposal methods.

Our experience further indicates that persons working in understaffed governmental offices, elected officials or appointed citizens do not always have the time for legwork to collect data nor the expert knowledge in all areas to review the permit applications.

The impact the development could have on the environment as well as any significant adverse effects should be noted and balanced with the beneficial results, before the problems rather than after. This is vital information before final or conditional approval is given. This is a tremendous responsibility--one which I feel is owed to the public they are obliged to serve.

This detail can be in a defined, concise form and it has been my recommendation that consideration be given to the permit application form enacted by the State of Maine in 1971 that is a RECORD OF INTENT filled out by the applicant this is a comprehensive and consolidated format for application permits and serves also as a total scope view of "major developments" for reviewing purposes.

At present, circumstances indicate that in the county, we've got the credentials and the citizenry for responsible land use planning and even permit-letting at the local level. An enlarged planning qualified professional staff would be necessary

and a decision yet to be made by the county commissioners.

In recent months a county planning director has been hired to coordinate various governmental agencies such as the planning commission and the Building Inspector's Office. In addition, there is an Environmental Resources Commission (ERC) made up of citizens appointed by the County Board of Commissioners. We citizens act in an advisory capacity in an autonomous, non-partisan manner, providing a cross-section of opinion, professional and technical background in environmental concern to the commissioners.

You may recall that the commission was established in late 1969, realizing even then that serious problems were developing and they, as a Board of Commissioners, did not have the time and the knowledge to continually review and study as well as enact means of protecting our natural resources.

In addition to these groups, the ERC has its own council of consultants that includes experts and specialists in the various fields of work with which we are involved; such as soil, plant and marine science, sewage treatment, water quality, erosion research, landscape architecture, geology, and coastal survey.

Even with these elements to act as input to land-use planning, it will be essential that there be additional local participation and involvement in order that the needs, desires, resources and opportunities of the people who reside here will be met. Without citizens understanding and assisting, we'll possibly end up with another glorious set of papers on a county office or closet

shelf collecting dust.

Citizens may play one of several roles; one, is in an advisory capacity in developing plans and methods for future adoption-- about 14 of us at present are involved in this way as an advisory committee for the county. John and Suzy Q. Citizen must play their part also by being supportive to those government officials who are concerned about environmental problems that will affect future land and resource usage--their government here will be what people speak out for which is then reflected too on their voting ballot; officials who waiver and perhaps believe "all" the people oppose land use management need our support with persuasion; John and Suzy Q. can act as a community leader in explaining aspects of planning to friends and neighbors; and defend the need for a plan knowing the alternatives if one is not implemented. Hopefully, all citizens will care enough to question those involved in decision making and come up with opinions and a position that reflects sound thinking by weeding out the verbal garbage of hear-say and misconstrued information.

Just as citizens must accept their responsibility to be informed--so it is also that our local governments have a responsibility to make public, information and plans that are being contemplated or initiated by them. Educating the public on the understanding of a land-use plan is everybodys business but must be met initially by our local officials. Public meetings and hearings are to be held and supervised by government officials in these next two years--it is their responsibility to use all

media forms to give public notice and to set these at a time when the majority of the general public can attend and citizens must make the effort to get there. These meetings are going to be the source from which government planning will take their lead; thinking and decision making will be influenced by the voices expressed at those meetings.

In order to protect the public's interest from those who will continue to find the loop holes for their own self-interest and economic benefit and from exploitation of the uninformed and poor, we must maintain a balance between government and public involvement.

I'd like to leave this thought behind; when individuals sense something is not right inside of themselves and vocalize about it, then it becomes valuable; therefore, a value is placed even though intangible.

It is from that sense I speak out as an advocate for responsible citizenship and accountability in government. Our coastal land and resources are subject to exploitation, misuse, and mismanagement everyday by individuals, corporations and governments--the value, in this case then, is being placed on the land itself knowing this to be a God given limited resource and that man has a responsibility to be its steward.

(Mrs.) Barbara B. Carpenter

LAND PROBLEMS AND PARTICIPATION OF THE POOR

By Leland Newsome
Insurance Agent

After reading the Coastal Management Act I feel it is based on something long overdue. At the rate we are presently going, a great portion of the coastal area will not be usable within a few years. Housing, subdivisions, factories and the disposal of waste are polluting the area at a fast rate. This bill, in my estimation, is therefore, just the first step. I see that there have been no references made concerning two things. One, the participation of blacks in this program. The second is that apparently no poor will be included. If you review the requirements for membership on the commission, it becomes quite obvious the poor and blacks are effectively eliminated. The requirements are very brief: One commercial fisherman, one wildlife or sports fisherman, one marine ecologist, one in coastal forestry, one in coastal land development, marine related business other than fishing and wildlife, engineering in the coastal area, a national conservation organization, financing of coastal land development, and a local government representative within the coastal area. On the Commission there are only three seats at large where a qualified black would have an opportunity to be appointed.

Our input in these areas as a race is extremely small or nonexistent. My desire and recommendation is that at least two of this Commission come from the poor group and black group. At this time I would like to explain my thought on trends in the

State of North Carolina. The amount of land actually owned by blacks is decreasing rather than increasing. The decrease is not completely due to the sale of land by blacks to whites. According to my attorney, North Carolina is one of the easiest states in the nation for land to be taken. He stated that if a concern bought a major tract of land and your small parcel happened to be in that area and they included your land in the overall deed and they went in and used that land, at the end of seven years it was their land. Or, you take another case. If you own some land and someone occupies it without you moving, then the land becomes theirs in twenty years. So, with this in mind, the land of the black land owner of two or three generations ago whose children left with no one to look after the land, is easily absorbed by someone else. I had no idea that this practice was so wide spread until I started the research for this paper. In my own family, my grandfather's brothers and sisters owned a tract of land two miles wide and several miles long. At the present time there is very little land in my family. My intent was to research and find out how this came about. One farm was lost because of \$40 debt. Another section was conveyed by someone with no authority to do so and since these transactions cover a 40 or 50 years span, I am quite sure I have no legal recourse.

Just for your information, I would like you to know that this is not an isolated case. In some counties land was taken without any compensation whatsoever. We must remember that for years, blacks could only make an X mark on their deeds and to transfer

and forge an X was an easy instrument to convey property from one to another. My attorney inspected the records of a judge in Eastern North Carolina in the coastal area where no decision was ever made in favor of a land owner. They took 600 acres away from a family with no financial means to protest the judges decision. I know this Commission will not be charged with the duties of protecting land and its transfer from owner to owner.

With a black on the commission it is possible that some people may take a second look at their proposed development plans and the way the land is acquired before presenting their plans to the commission. I had the opportunity to read an article by Ed McKayhill entitled Florida, Not So Quiet Revolution. It is basically concerned with the same problem that portions of the Coastal Management Act addressed itself to. At some point in time we must take a very serious look at what the quality of life will be when our children and grandchildren occupy this area. If we continue with our current rules and legislation, I'm afraid they will inherit very little in the way of a good life. In Mr. McKayhill's report, he cites an example of an area where the water table dropped 20 feet in eight years. Within a few miles of here the same problem exists. When the water table drops, who is the first affected? The poor and blacks are affected first if their farm area is operating on a marginal level. Or if they work for someone in a concern or as an individual their work would be affected and their livelihood lost.

With this in mind we urge all those charged with the appointment of these commissions to appoint one black and one from the poor on this commission. Another problem I see is that in the last four or five hours nine or ten people have been making application for future jobs. Since there are very few blacks here, not a black will be considered. I heard a conversation out in the hall. A man said, "I have a friend who I think will fit that job quite well. The other man replied, "We haven't written the job description yet but we can write it to fit that individual". With that in mind , what chances will the black man have or other minority have in the coastal areas, none.

One more problem. Some poor people own land in the coastal areas and may not be able to build according to the permit that would have to be received. What will happen to them? Where will they go? As it stands now, and the way it has developed it appears that the blacks and the poor will not be afforded the luxury of going to the beach anymore.

INTERESTS OF HOMEOWNERS
AND
EXPERIENCES OF HOMEOWNERS' ORGANIZATIONS
BY William S. Funderburg
Member of Wrightsville
Beach Association

I am going to speak to you as a citizen of North Carolina and a resident of Wrightsville Beach, North Carolina, a town that my family and I love very dearly. Wrightsville Beach is located in New Hanover County. It is also a very unique beach on our coast since we have three bodies of water surrounding an island. We have the Intracoastal Waterway, Banks Channel and the ocean, so we are fortunate to have quite a few acres of estuary areas and ecologic systems in New Hanover County that I have been very interested about.

Because of pollution and other causes of deterioration of the shell-fish and fish industry, quite a few citizens on Wrightsville Beach became concerned about the trend taking place on the beach. On January 10, 1973, a group of residents and property owners formed the Wrightsville Beach Association. It was formed with the determination that the membership would be composed of local residents, real property tax payers and registered voters. Dues were set at one dollar per person, and affluent members were encouraged to contribute more. At that time eleven Directors were elected by the members at large. The objectives of the organization are: to preserve and develop the esthetic values of Wrightsville Beach; to protect the interests of the residents and real property owners; and to assist in making Wrightsville

Beach; to foster economical ordinances on obedience to the law and responsible participation in public affairs. Purposes stated above shall be given broad application and the association shall not be a sounding board for all individual grievances. The membership presently is about 1,000 members.

Referring back to the high density objective; the association asked the Wrightsville Beach Board of Aldermen to limit building to 40 feet in height or no more than four stories, and not more than 15 units per acre. Since Wrightsville Beach has no more areas designated for high-rise, high-density buildings, it is hoped and strongly urged that the Zoning Board will not open any other areas on our beach for construction of such buildings. The Association feels that Wrightsville Beach does not have the facilities to service any more high density areas, nor are such areas in keeping with the objectives of the Association. High-rise buildings not only cast shadows on the beach, but change the wind direction on an island the size of Wrightsville Beach.

With the additional traffic problems brought about by high density, there is a serious problem which could be disastrous in case of an emergency. We have only one bridge over the Inland Waterway connecting the beach to the Mainland. We frequently have electrical failures during rain storms, and this bridge does malfunction on occasion. It must be considered, too, that this bridge has to open about 4,500 times per year according to the Department of Transportation.

The Wrightsville Beach Association is dedicated to giving

support to the good things which are being done by the government of Wrightsville Beach; ie, the Aldermen and its committees, the police and fire departments, and the various associations, civic clubs, etc. on the beach.

Since its formation, the Wrightsville Beach Association has put out a newsletter to keep its members informed of activities on the beach.

During the past year the town Board of Aldermen developed a similar newsletter on behalf of the Town of Wrightsville Beach in an effort to inform the citizens of the activities of its government officials and the Board's general line of thinking.

The Wrightsville Beach Association supported the Coastal Area Management Bill. The Association has always supported the up-dating of the zoning ordinances, and is in favor of orderly development on Wrightsville Beach. Today we are all here pleading the same case, and that is mainly for the esthetic part of this program.

Quite contrary to what the Cape Fear Council of Government Officials had to say in reference to the beach, small towns along the coast are having growing pains. Wrightsville Beach is no exception. There is a need for greater communication between the Board of Directors and members of the Association, just as the same need exists between the Board of Aldermen and the citizenry.

The Board of Aldermen has been confronted with a citizen's group looking over their shoulder. Those with apparently conflicting interests have been brought under fire from citizens

on the block.

The National Fire Code regulations have to be taken into consideration to preserve water pressure on fire protection equipment over and above the water needed for domestic use. Additional fire equipment has to be purchased and must be considered as an added cost for high density-high rise development.

Domestic water supplies have to be increased. Waste water facilities have to be considered for additional loading. The new State laws and the 1972 Federal regulations in reference to permits require new regulations on the final effluent discharge standards.

Public pressure from environmental groups are stepping up their involvement. Environmental impact reports will have to be filed. Traffic studies have to be made as thousands of people visit the beaches along the North Carolina coast during the summer.

As a citizen of Wrightsville Beach, I have been concerned with the waste water plant being over-loaded and the effects of improperly treated effluent being discharged into the marshlands. I brought suit against the town of Wrightsville Beach on March 12, 1974, in an effort to correct this problem. Marshlands act as a back water by absorbing water from upland run off and erosion and flood damages. It provides a place for settling and filtering silt and organic materials from other pollutants. It also provides nutrient energy for the shellfish breeding grounds, breeding and feeding grounds for water fowl, and active

or passive recreational opportunities. The trend is clear: developers are going to be forced to comply with increasingly stringent and complicated coastal development regulations. They can expect more aware and effective citizen groups monitoring their plans and on-going performances.

The State of North Carolina needs to push their local 201 and 208 regional sewage programs with the best use of State and Federal funds aimed at helping all the people, and not just a few pressure groups. Citizens who report violations of pollution to the State, and citizens who sue the polluters to secure abatement on their own should be compensated for public service by the guilty polluters whose illegal discharges make the suits necessary. The compensation should provide for automatic fines both in the case of the citizen suit and state abatement order, at least as great as the amount it would cost a pollutor to have avoided his violation in the first place and, in any event, a specified minimum. (A requirement like this would place polluters in a dilemma unlike any they have faced before: by complaining about excessive clean-up costs, they would be naming their own penalty.) A specified proportion of the fine should go to the citizen whose efforts brought it about. What is left over should be placed in a trust fund to be used for assisting citizen environmental efforts all over the state. In other words, polluters should be made to finance the citizen fight against pollution. Pollutor's dollars should pay, not only for the expense to citizens of individual legal actions against polluters,

but for the full costs to the people to match industries' force on every front with an equivalent force of their own-- combatting corporate propaganda, backing environmental candidates, and sending professional "People's Lobbyists" to State Legislatures and to Washington.

Some people consider me an extremist. It must be remembered that to make a change in any situation takes an extremist. If every person were satisfied with the status quo, there would be no change.

Some people consider me to be a troublemaker, and this is definitely not the case. While I have exposed facts that brought trouble to some, I did not make the trouble, I simply made it public. And this I will continue to do.

If a bad situation exists, don't ignore it but make it public. Public pressure is necessary to correct public wrong. Burying your head in the sand only permits bad situations to grow worse.

I hope when Governor Holshouser appoints the Coastal Resources Commission that he will not appoint a bunch of foxes to guard the chicken house.

MR. DAVID HARLOW, Attorney:

Mr. Funderburg has asked me to come today and share his time with you to explain the legal complications that I see in the Coastal Management Act and how that Act might affect and fit in with the overall aspect of legal regulations. First, let me say that I am on the public interest panel because I represent Mr. Funderburg in his water pollution suit. However, I also represent contractors and other people who are associated with development.

Today, after hearing many speakers, I would say that the general tone has been one of rather unsure optimism as to the viability of this act and its future. Everyone has expressed hope that it will work, as well as some unsureness as to whether or not it will.

My message is simply this: It needs to work. There are few people happy with the present situation. There are very strong conflicting interests and at the present time I do not see an alternative to litigation as a means of successfully resolving these issues. This is a problem which originated with the much-discussed population density problem. Eight or ten years ago in this country we began to become acutely aware of our population problems. We began to feel the crush of people around us, not only in a physical sense, but in a sociological sense as well. We became aware of the ecological and sociological problems overpopulation could create. What I see now are two potentially competing forces in motion at

the same time. People are retreating from the cities, and this trend must ultimately result in development elsewhere. People today put a high value on living by the coast, in the mountains, or in other places they find desirable, and are willing to spend the money it takes to buy the land and develop it. Now we look at the other side of the coin. This development means that the people who are interested in these areas already have a great appreciation of them and are willing to fight in whatever way they can to develop the areas as they wish. This results in the environmentalists, who are interested in maintaining the natural, to press for more regulations. All of this began to come into play in 1969, with the National Environmental Act of 1970, the Clean Air Act of 1972, much stronger Federal pollution control acts, various state laws and regulations on sedimentation controls and dune control, and further improved state water and air control.

Now, essentially, we must have some way of resolving the two conflicting forces set in motion by this desire for a beautiful area in which to live such as coastal North Carolina. We have a situation where the necessity of the laws and the litigation under them is obvious. Both the government and various private citizens have seen some of the acts as opportunities for individuals and citizen groups to bring suits. I personally do not think this resolution is in the best interest of the public. It is far better that these differences be resolved through a process of negotiation and

accomodation with a realization of the opposing viewpoints and their interests. I think we have the opportunity in the Coastal Resources Commission and in the various processes set up by this act to coordinate this negotiation and use the permit system, the Commission, and the acts as opportunities to coordinate things on the State level rather than on the Federal level. However, some people in the local areas do not like the fact that some of the planning power has been passed to the State. Their dissatisfaction is understandable, but the reason behind the turning over of this power is significant. A large group of people felt that the local government had not properly handled the situation and so passed the decision on to the State. If the State government does not handle the problem, the Federal government will be forced to step in. In order to solve the problem, we must keep one thing in mind. No single individual or interest group should be allowed to control the commission. If this situation occurs, the Commission is simply not going to work--not for the environmentalists, the developers, or the State bureaucracy. The Commission's decisions must be fair and must insure reasonable regulation of competing interests. If not, we go right back to court. People can always find ways to work around the laws they don't like and they hire lawyers to bring suit in these matters. This can happen fairly simply when people fail to consider the actual purpose of the establishment of the Commission. If individual citizens or interest groups set out

to control the appointments and actions of the Commission, it just will not work. Many of judges are not well versed in the pros and cons of these issues, so that one faces still another problem in court.

Finally, I think there are none of us who want the Commission, the staff, and the entire process to become so much of a bureaucracy that we get no meaningful results out of it at all. Then everybody will want to take the Commission to court.

In conclusion, I would like to urge all groups that are represented here to seize this as an opportunity to try and resolve the two conflicting drives for that open space in coastal North Carolina, because if the Commission is not successful, the result will be more law suits and more laws on the books.

SESSION III - THE PUBLICS' INTERESTS

QUESTION AND ANSWER SESSION

Delilah Blanks, Moderator:

I would like to see the public hearing changed to being held at night in places and times for the convenience of the average citizen. As representatives of the public interests, we would like to see written into the bill some built-in guarantee that part of the coastal area will continue to be used for low income and moderate housing. I saw a plan for New Hanover County that zoned a definitely black area as recreational, this being the lowest one an area could get. Another concern is the method of appealing land use decisions and land classifications. Once again we ask for representation on these various commissions and counsels for the poor and minorities. Also I feel we need a better way of disseminating information than the public newspapers. Since poor whites and blacks seldom read the newspapers other media such as the radio should also be used. I am not here to endorse the bill, but rather as an advocate of the grass roots interests in the bill.

Unidentified:

I know the bill tries to maintain high standards. To illustrate, to put in an electrical system in your home you have to hire an electrical engineer to do it and you have to have umpteen amps circuit and this sort of phases.

me out. I don't consider myself to be the poorest in the world but I had to put in a 220 amp system in my house and to do this I had to find \$500 to \$600 and it wasn't worth it. I wish these regulations people would make the standards attainable. With the standards so high it will eliminate a lot of quality development. I think reasonable standards are one of the things that should be considered.

Dr. John Gregory Peck, Raleigh:

It is pretty clear that the bill is going to work best for groups that can organize enough to be heard and it is also clear that we have some citizens groups which are already organized. It is also clear that more than a newspaper ad is needed. What we need is to involve citizens in the affirmative real gut level meaning or involvement. Is there any way to organize the citizen groups that we already have to undertake a priority affirmative action for the citizenry at large, not just for it's constituency?

Delilah Blanks:

On the commission itself we have three members at large who will be appointed at the discretion of the Governor. I would strongly advise citizens groups and grass roots organizations to begin writing and expressing their desires to the Governor. They should state the need to have broad representation on the group, not just a bunch of experts

and ask for his consideration if appointing these three members from the grass roots sector. They should ask for representation on the advisory group to the commission and the other counsel. It is extremely important to have input from the local level at the beginning or initial stage because big people just don't think small.

Barbara Carpenter:

I feel that part of my involvement as a citizen on the local government level is to educate the public and look at it as taking on a new responsibility. I think we are going to become a channel between government and the citizenry and I think we can play a big part in helping the public to become educated. We work through the high schools and elementary schools to help promote environmental education. We work through our agricultural and home extension people, this is another means of getting to the families in the communities. I feel it is an important part that we have to play in helping to educate those who can't be here today.

Dr. Peck:

I think what I am looking for is to make that channel two way, so that instead of you educating the public, you get educated by the public. It is one thing to tell the public what we ought to know but there is no way you're getting the pipeline going in the other way.

Barbara Carpenter:

We do that on an individual level. We are out working in our communities and living and worshipping and are involved in that way.

Mr. Peck:

Those aren't poor and black that you are talking about.

Barbara Carpenter:

Well, I can only speak as an individual. I work with poor and black, I can't speak for everybody else. I speak for myself, therefore, it was reflected in that answer.

Barbara Carpenter:

I know this is being pretty blunt, but I look at this as a two way street. I look at these people sitting out there living out there, going to be affected by the land use plan and I feel they have a responsibility to make an effort to look and listen and want to hear about what's going to happen. And this about blacks and poor whites not reading the paper, there's no excuse for that. There is a paper out here for 15¢ and people should make that effort. I am going to help them to understand and work with them, but they have got to want to listen and see it first and see how they fit into it and so if you put all the responsibility on us who are willing as citizens it is unfair. We have got to sit up and get here to hear what this is all about. I am so disappointed that they are not here today. This conference is right in our back

yard in Carteret County. Many of them did not come because of the fact that it was during the day. That is not fair because people have to work and they have to earn a living to support families. I will handle my part but by golly I want to see them make an effort too.

Mr. Dudley, Vanceboro:

The point I want to make besides the timing factor and being on a work day, there are other means of communicating. Radio is just as popular as the newspaper and maybe some people could justify turning on the radio more easily than they could spending 15¢ for a paper each day.

Delilah Blanks:

I don't want to get into a debate over poverty or welfare but I was a welfare worker and the State still sees fit to allow 18¢ per individual per day per meal and I would be a little reluctant to spend 15¢ on a newspaper and 3¢ on food. There are other means of communicating with the public than through the newspaper.

Steve Tilley:

One of the reasons we don't have more of the public here is because we sent out about 3,000 notices from mailing lists of mostly middle class people and you can see the results here today. It takes more than some people in Raleigh working at this, it takes people at the county level and full time workers, not just some people from the State coming down and telling you what the State is doing.

Delilah Blanks:

As a closing comment, a man asked one of the officials this morning , what can you do after your land has a yellow flag? We trust that the information gotten here today will help those of you who are interested in what kind of a flag you get and what can be done from a citizens-level. I recommend you read the bill, get your hands on a copy of it, talk to your Legislator. It is not a matter of whether we are going to have it, this is a law and now we must all work with it to make it work. Working together for the greatest good for the greatest number of people.

May 17, 1974 8:15 - 9:45

SESSION IV - DEVELOPERS' AND CONSULTANTS' INTERESTS

MODERATOR, George M. Stephens:

Today we are going to talk about the interests the developers and, indirectly, their consultants have in coastal zone management and of course in coastal development. You might say that their activities prompted the bill in many respects. The fact that sand and dirt were being moved on the coast meant that some people felt that some regulation of this was needed and that guidelines needed to be set down as to how this is to be done in the future.

The developers have tended to be classified as the "heavies" in this action. However, I don't think it is a case of the public verses the developers, necessarily. The public couldn't do without the developers. They are responding to needs and demands the public places on them. The people wanted houses, they wanted services, they want recreational opportunities, but of course, they also wanted the natural ammenties that attracted them to the coastal area in the first place.

I think this panel this morning will show several things. Most developers want to do right; it is good business to do it; they operate under very severe constraints, especially the monetary ones. For instance, they have to make heavy interest payments that sometimes amount to thousands of dollars a day while the public officials are processing the papers.

Finally, a good developer can probably do far more good left alone than all the regulations can force him to do. In fact, a regulation may make it difficult for him to do a good job. So let's see what the panel has to say on the subject.

EDITED SPEECH USED ON PANEL AT MOREHEAD CITY

May 17, 1974

There is an old saying that "Things will have to change in order that they may remain the same". I believe this is applicable to the Coast of Carolina.

I. It is my privilege to serve on this panel with my close friend, David Ward, whom I respect as one of the leading authorities on interstate land sales, his knowledge having been acquired by hard knocks as well as by research. Of course there is no way I could be more flattered than by representing that segment of our society who are doers in land management. We would like to feel that consideration is given to the public as well as all levels of government.

II. We were asked to discuss the coastal management of land, but it is my contention that this is impossible without also considering the broadest aspect of planning, which I shall try to contain in the headings of Energy, Economics, and Environment.

A. First let's take energy--without it no amount of planning will create an orderly growth, for there will be none. The generation and transmission of energy require a large use of air, water, and land; hence no land plan could be complete without energy planning. As a starter, several years ago when I

was President of the North Carolina Association of Realtors, I asked the then Governor of our state to consider establishing energy thoroughfares for transmission, which would have dictated the normal utility, roadway, and energy thoroughfares, thereby directing the normal growth of industrial complexes and limiting the condemnation rights of each and all to select their own avenue. This would have been positive action toward land management. We must never lose sight of the fact of energy being of prime consideration in land use, and the necessity for being able to furnish it when needed and without detriment to the environment.

- B. The impact of economics on all concerned--all levels of government, developers, planners, and the financiers. If a profit cannot be derived, we'll need no land use bills, no planners, no consultants, and no realtors. Delays and red tape have a disastrous effect on economics, but let me touch on just a few salient points a developer must consider.

1. Development potential analysis

- a. Identify all marketable land users appropriate to the location, market support, physical, legal and regulatory complaints and the objectives affecting site.
- b. Estimate the scale and timing of the potential

market absorption for the users previously identified over a specified time sequence.

2. Development of programming analysis

- a. Outline the key project features, facilities, land use, and building merchandise characteristics, as well as environmental objectives essential or valuable to market support of the development project.
- b. Formulate a development program in production increments setting forth the multiple use as well as marketing strategies and developer objectives.

3. Financial analysis

- a. Evaluate financial availability, requirements, and timing of requirements.
- b. Update above as optimum for land mix development types and overall program components.
- c. Planning controlled timely to complete projects.

C. Environment - Rather than relate to the Coastal Management Act, which I feel was untimely, and which through compromise and amendment became a legal nightmare, let's project ourselves to desired level. The U. S. Senate has passed a land use bill, with no sanction from the states, 3 to 5 years, granting to the states (or lower if enabling legislation would

permit) large sums of money to adequately study, identify and classify local land use. It is not so much my fear of good land use legislation, but the fear of incompetent people dedicated to a specific segment of interest determined to undermine full and good usage of our coastal area. Were I a botanist I would want only perfection relative to my field of endeavor; however, somewhere there must be a ruling element which must be available to balance when, where, and how the use of lands can best be administered. Recently I had the unpleasant experience of trying to get a marina permit to construct a basin on my own land, away from navigable water and disturbing no known wildlife or fishing habitats. In trying to satisfy some 11 local entities, 10 state, and approximately 15 Federal, each separate and with the right to stop me or sue the Corps of Engineers should they allow permit over their objections, the task became too great, requiring too much time, money, and engineering to accomplish. This particular location needs our marina for boat safety, as well as an economic boost.

Our big job now is one of teaching the public land types of usage, and someone to determine whether the fish, wildlife, or men get to use the land, and in what percentage.

III. I should like to share with you some general recommendations, most of the credit for which must go to the California Association of Realtors for their policy statement on land use.

A. General

1. The private ownership of real property is an integral cornerstone of the American system of government and economy. The declaration of the Constitution that "All people--have certain inalienable rights, among which are...acquiring, possessing, and protecting property..." must be preserved in letter and spirit. The American System of private property ownership and Capitalism are an example to the world, both in the degree of liberty possessed by the people and benefits accruing to the population, and made it possible to set aside part of the national production solely for the conservation of resources which has not been equivalently possible in any other society.
2. For purposes of definition of the environment with respect to governmental regulation of the environment, it should be limited to physical conditions, including land, air, water, minerals, flora, fauna, noise, objects of historic or aesthetic significance, and key facilities and

large scale development.

B. Balance of Use and Conservation

1. To perpetuate our system and the benefits accruing to our people, a balance between the conservation of resources and an economic production sufficient to achieve that conservation requires the maintenance of a balance between accommodation for the needs of the people in the use of land and the conservation of resources.
 - a. We cannot create the wealth necessary to support a vigorous program of environmental consideration without production which involves, as an essential element, the productive use of land. We cannot maintain a decent, adequate standard of living for our people without provision for the accommodation of natural population growth and the allocation of land for their use.
 - b. This is proposed in the realization that the state of North Carolina has a lesser density utilization of land than most other states on the Eastern Seaboard and that in the large picture a crisis does not exist in land conservation. Specifically in North Carolina we observe that a large portion of the total land area of the state is in public ownership,

and most of this devoted to open space and resource conservation.

2. Some sort of governmental action is necessary to achieve desired goals in areas of air pollution, water quantity standards, furnishing of energy needs, solid waste disposal, open space conservation, yes limitation of noise pollutants, and even our own Coastal Zone preservation. (This zone, however, is not unique in land management and should not be separated from other state land use programs.)
3. Minimize impact report studies with forms adaptable to lay terms to preclude cost of Engineers, Lawyers, and Accountants, with an attitude of "can do" rather than "convince us why you should be allowed to".
4. Promote through every appropriate means including legislatively mandated deadlines, a speed-up in the decision making process as a means of reducing costs which are ultimately passed on to the consumer.

C. Technology

1. In recognition that the unsurpassed technology of the American people has increased the productivity of our land, the carrying capacity of land areas, the production of food and fiber, the means of purifying air and water, and the methods of

disposing of solid wastes, and has produced new sources of energy, we urge a complete dedication of research and technological resources for even more effective utilization of our resources to accommodate the needs and life quality of our population.

2. Consideration should be extended, where appropriate, to establishment of national or state technological laboratories including those dealing with housing and materials.

D. Eminent Domain

1. The right of government to acquire or damage private property for public purposes, existing as a limitation on the civil right of private property ownership, is recognized as an essential to the functioning of our society.
2. The measure of damage in eminent domain must be the fair market value which as established is the highest price estimated in terms of money which the land would bring if exposed for sale on the open market, with a reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable. It must also embody the concept of producing for the owner a full equivalent of the value of property taken as

recognized in the fair market value being the preferred test of just compensation, although not an absolute standard.

3. The necessity for public taking of the property or right in property as well as the question of value, shall be subject to judicial adjudication in cases other than public works projects in which alternate land might reasonably serve the purposes of government.

E. POLICE POWER

1. The use of governmental police power by devices such as zoning must be strictly limited to those purposes necessary to reasonably promote public health, safety, welfare and morals.
 - a. Where the purpose is to achieve a goal of governmental or public enrichment at the expense of private property, legislative bodies should take affirmative steps to assure the use of eminent domain with just compensation rather than attempts to utilize the police power.
2. Since zoning represents an initial imposition by government of a limitation on land use generally in recognition of compatibility of community development and growth, any alteration of zoning representing a significant adverse impact on property

values should give rise to a specific stated statutory cause of action for declaratory relief for loss of value by the property owner, or an action for inverse condemnation.

3. So called sequential zoning by which the use of property for specific purposes is deferred for a stipulated time period represents an arbitrary selection of property by which one owner is benefited through creation of scarcity and another injured by deferment of use and must be prohibited.
4. The establishment of moratoria prohibiting use of land otherwise authorized by law shall not be established beyond a period of four months upon a showing of bonafide need of government to complete a replanning process which can be reasonably accomplished within that time period. This limitation on moratoria must be applied to any permit or like system which has the practical effect of a moratorium on individual properties.

NOTE: Example: The California Coastal Zone Commission System.

5. State standards should be adequately established susceptible of enforcement by civil action in law to assure reasonable opportunity for all citizens to live and conduct their activities consistent with normal growth and with reasonable standards of

health, safety, welfare and morals. NOTE: This would apply to arbitrary "No growth" restrictions and to aggravated snob zoning.

6. Existing uses--so called non-conforming uses--which may violate zoning newly imposed, should (except in the case of nuisances or peculiarly offensive uses) be permitted to continue unless abandoned or materially modified by the owner.

The trend of recent legislation regulating land divisions are and have created undue hardship and burdens to many property owners. Therefore, modifications shall be actively sought to prevent and remove unreasonable restrictions and requirements for an owner to divide his property.

F. Areas of statewide environmental concern

1. The state through a process and agency delineated by law should define and designate, subject to legislative approval, areas of statewide critical environmental concern.
 - a. These areas should be related to environmental factors.
 - b. The total selection of areas must be realistic in contemplation of the costs for state acquisition, for compensation to owners generally and these costs should be commensurate with the ability and political acceptability of

the electorate to finance.

- c. In the selection of areas, multiple uses shall be made for designated areas to the extent feasible to avoid designation of separate areas for single purposes when the same goal could be achieved through combination of the same purposes effectuated in one geographic area. NOTE: Example: If 100 acres designated to preserve spawning area of oysters can also serve need for open space a second area for open space should not be designated.
- d. Land should be limited to that already in public ownership if that will serve the objective sought.
- e. The selection of all areas to serve a particular objective need not be made if some or a percentage of those areas would serve that objective.
- f. Key facilities defined as public facilities of a major nature, including major airports, major freeway interchanges, major access streets and highways and similar installations plus private facilities for the development, generation and transmission of energy should be included within the definition of areas of statewide environmental critical concern.

G. Related Tax Policy

1. Real property should continue to be taxed on the strict ad valorem principle, but every effort must be exploited to implement other forms of revenue, and taxes must not be used to achieve environmental goals or premature measures.
2. Within bounds lands should be taxed as to use if we are to comply with State imposed zoning on land use.

H. Level of Government

1. The regulation of land use should be accomplished by a unit of government closest to the people affected and most localized to their needs.
2. State government should be involved only in designation of areas of statewide critical environmental concern and implementation of that plan and in the establishment of basic statewide grants or power and limitations of power on local government in their planning as now should exist in state laws on planning and zoning.
3. No state-authorized system of permits to be issued by state or regional agencies for the use of land should be established.
4. Maximum citizen participation in governmental decisions land use must be encouraged and this can best be achieved at the local level.

5. Provisions prohibiting conflicts of interest should not be used to preclude participation by citizens experienced in land use who can provide a valued and necessary input to the planning process on governing bodies and advisory agencies at all levels.

I. Procedural Matters

1. Due process, as assured by the Federal and State Constitutions, must be assiduously protected in the imposition of control or limitation on the use of land. Administrative appeal processes must be provided and made available to the affected property owner, being both effective and expedient.

IV. I would like to close with the following thoughts:

Good land management must mean to each of us: good and adequate housing, good and adequate recreation, good and adequate schools, churches, hospitals, universities, etc.; also good and adequate agricultural acreage; good and adequate forestry acreage; good and adequate space for commercial and industrial growth and good mineral management--so if we desire to maintain or achieve a good environment we must want more than a law--we must want it to work. May we all pray that those people who serve on our Coastal Management Act do so unselfishly and knowledgeably in this field, and with the spirit of cooperation and help to applicants.

LARGE DEVELOPMENTS

BY David L. Ward, Jr.
Attorney
Ward, Tucker, Ward and Smith, P.A.
310 Broad Street
New Bern, North Carolina

First, let me tell each of you that I have never developed one acre of land in my life. Land is one of the investments that I have -- rightly or wrongly -- stayed away from, at least in the past.

I practice law and I represent some people who have been very active in the area of land development and have done a great deal of development in eastern North Carolina. Representing Coastal Land Corporation, I was thrown into the middle of the situation in Currituck County about the time that the developers were screaming at one another. Currituck County was beginning to wonder what they had on their hands with the Currituck Plan and the whole business was about to explode. At this time, I can truthfully say to you that I think everyone is back on course -- at least as far as the County and the developers working together and trying to find some common solutions to the many problems in the Currituck area.

You have in your chairs a folder explaining the Currituck Plan. I am not going into that long history as I could spend a couple of days telling you what little bit I know about it and I was not involved in the whole arrangement.

You also have a handout which purports to be a summary of the Coastal Area Management Act. I would suggest to you that before

you jump on that summary and count on it being the gospel, that you get a copy of the Bill and read it. By doing that, you will have done what a lot of legislators didn't do before the Bill was passed. I entreat you to read it and I'll guarantee that you'll have to go back over it several times to get any understanding from the Bill. When you get through, you probably will have a very different view of exactly what it says than you will if you only read the little summary hand out.

The little folder says that we're to talk about "the influence of the developer on the environment, society and economics of the coastal areas, and goals for a coastal management program". Mr. Beasley has covered in broad spectrum much of what I was going to say about the economy and the environment and some other items. Thus, I will only touch on those as we go along. Joe (Porter) has certainly shown you a lot about the thought processes that need to go into good planning and I certainly concur that we need good planning.

However, I do believe that there is and has been a communications problem in this area. I definitely do not subscribe to the theory that all environmentalists are bad nor do I subscribe to the theory that all developers are bad. There have been abuses in the development of some land and obviously many people point to the Outer Banks and some of the residential development there as being an abuse. No one can deny that some abuses have occurred and some things have been developed in a

manner that is not attractive nor is it pleasing to today's environmentalists. Many people have pointed at Emerald Isle and its trailer parks. If you have twenty minutes and haven't done it yet, drive over to Emerald Isle and see what has happened there but don't miss the opportunity to look at Pine Knoll Shores and many of the other areas on the Bogue Banks. Now that we have the problem at Emerald Isle with the trailer parks, what are we going to do about them and what can we do about them? I submit that it may be too late for total correction but I do think that some screening and some conscious understanding might accomplish a great deal in those areas. Further, I do believe that the next phase of development in all of the Outer Banks areas as well as the State of North Carolina as a whole can be done a little differently with some of the recent technology and thought processes that have developed. However, let me say to you that a long time ago I had it pointed out to me that one should not criticize another for doing something until he had been in the position of the other when the other did the item that was subject to criticism. Therefore, I submit to you -- don't be too critical with your 20/20 hindsight. Some of the development that is now subject to considerable criticism was done when (1) the developer didn't have available to him the technical knowledge, the planners, the consultants and all of the state, regional and local assistance that is available today, and (2) that development might have been a sink-or-swim financial deal for the developer. In fact, I

know of cases where the developers have done things that environmentalists, me and each of you in this room would criticize as being bad development in our present day view of matters. The developer did not have the financial support nor the ability to do it any differently and developed this piece of land pure and simply to eat and not as a means of getting wealthy. I also will concede that some of them, on the other hand, did it pure and simply out of a profit motive and not out of need. However, I suggest that we should not be critical of what's happened but that we should look forward to what can be done in the future.

As a second basic proposition, I am a great believer in real property ownership and the inherent rights that go with it. I believe that zoning can have a good place but I also believe that it can be overdone and I think that as basic input for the Coastal Resources Commission, we might well caution it not to overdo the restriction and planning. In this part of North Carolina, we have at the present time a considerable amount of regulation that governs each and every one of us -- considerably more than a lot of people in other parts of North Carolina and it is not pleasing to many of our easterners to have further regulation. For instance, I'd like to just ask for a show of hands of how many of you know what the regulations are in the floodway regulations that are now the law of North Carolina and have been for a year or so? (Show of hands). Maybe two percent, maybe not that many. Those regulations have not been

enforced yet. If they were enforced with any real muscle, they would do twice as much to control the fragile areas that this Bill was supposed to cover as the Coastal Area Management Act can ever do and the zone covers up to the 100-year floodline. An interesting sidelight: Very quietly, the floodline is being measured on each high tide day by many state employees, recorded and submitted to Raleigh. I submit to you that one of these days we're all going to wake up to have new regulations imposed upon us under the floodway regulations which many people in eastern North Carolina don't even know exist.

Another basic concept that I have is that I do not believe in people being hypocritical. I was not in favor of the Coastal Area Management Act in its original draft form nor in its amended form. I worked hard to keep it from happening. It's happened and now I think we all must look at the positive approach to going forward. I made a short statement at the public hearing on this Act and at that time indicated that I had a positive approach to the Bill and I still have a positive approach to it. It's the law of the land and now I think we all need to work to make it work if it's going to be imposed upon us. Decisions have to be made and I hope that we can, through this conference, give some input to the decision-making process.

We have all been told that the coastal counties are not willing to accept their responsibility in protecting

themselves against large and small developers who supposedly have massive political influence. One of the major objections that the governmental bodies raised to the 1973 version of the Coastal Bill was that local governments had no input nor any control over what was happening in their area. The 1974 version has been billed as giving local governments participation and certain controls. However, if you read the Bill carefully you will see that there really isn't any local government absolute control over anything. Let me say that one more time as some of you are deeply involved in local government -- there isn't any local government absolute control under this Bill. Now, if you read the handout that I mentioned which is touted as a summary, it will advise you that minor developments are to be approved by local governments. However, if you read the Bill, you will find that the Secretary of NER has to have notice of every one of the applications to local governments for approval whether it be by large or small developer and he (the Secretary) can step in at any time. If the local government varies from the state guideline plan, the state merely takes back all of the authority that the local government has and the local government no longer can do anything. In other words, you do it like they say do it in Raleigh or you don't have any authority. I would say to you that we need to turn over as much of the coastal management to the local governments as they are willing to handle. I can tell you from personal experience that at least Currituck

County is willing to handle all of it and in my judgment they have done a super job in converting most of the Outer Banks developers there to some very new concepts in land development.

For a moment, let's look at what local government, to wit, Currituck County, can do and has done without the Coastal Area Management Act. Before getting into the detail of this matter, my ideas about the difference between certain ways of developing land can very generally be summarized in simple terms. Under the old, single family, everybody's-got-street-access, lots as small as you can make them and get away with it, concept, we didn't have any real land development. People who did that were landpeddlers or lot peddlers. Under the new concepts that are being developed with open space, homeowners associations providing amenities, private streets with some environmentally sound and esthetically appealing characteristics, the owners who are selling under this plan are really land developers. Now let's take a look at the exhibit. This multi-lot plot which shows some 774 lots all with street frontage, all within the minimum square footage requirements in Currituck County and designed on the candlestick plan is the original Ocean Sands subdivision in Currituck County. It runs north and south and fits on the oceanside of the Outer Banks but does not run through to the sound. This plan was approved prior to the moratorium in Currituck County, recorded and the Currituck Plan was underway. Currituck County then came to Coastland Corporation -- the owner-developer -- and the plan

was changed to comply with the Currituck plan. I show you on this second exhibit that only about one-third of original Sections A, B and C of the entire subdivision remains in the old, single family, lot peddling type arrangement. The new Plan which runs from Section D northward for approximately two-thirds of the entire development contains approximately thirty-five percent open space, is designed to have central water and central sewer, private streets and many other amenities. This new plan converted this development from lot peddling to land development. It is an environmentally sound development plan. Such a plan is "slow in" because permits, planning and financing must be arranged in advance and this also will be a "slow out" development because instead of taking approximately eighteen months to two years to sell out, it will probably now take seven to ten years to build out the plan as it is now designed. This plan started out to be (and hopefully will end up being) a Private Planned Unit Development. We envisioned and were going to have private streets all the way through which streets were to be kept up by the Homeowners Association. This would have avoided a raceway type spine road up the Outer Banks. The major street has now been converted by Currituck County to a public street and at this moment the total access problem to the Currituck Outer Banks is somewhat up in the air. Hopefully, it will be resolve shortly. How it will end up, nobody knows at the moment.

Suffice it to say, however, Currituck County stood tall

and caused Coastland Corporation which was developing this portion of the Outer Banks to get out of the lot peddling business and get into the land development business. It's a long story and I won't go any further with it, but I will tell you that it can be done; and they had a stick that most of you aren't going to have in local governments, but I believe it can be done anyway. That's what can happen without the Coastal Area Management Act.

Now let's turn to the Coastal Area Management Act which is really the purpose of our comments for today. I think that the Coastal Resources Commission has an awesome task but I do believe that it can be accomplished and that the guidelines must be reasonable, they must be definitive, and they must recognize the needs of developers which are multiple. I will come back to that in just a moment. I would suggest to the Coastal Resources Commission that the guidelines be drawn as quickly as possible. I realize there are time tables in the Bill but these are maximum time tables. Further, the guidelines must be economically realistic. We have a conflict between what people think ought to happen in terms of the environment and making this part of North Carolina a wilderness vacationland for everybody, and what "fast in - fast out" developers think ought to be able to happen in terms of the economics of development. Somewhere in the middle we have got to come to a compromise if the Bill is to help us at all. No one can have his way 100% whether it be the government, the state, the environmentalists

or the developers. That's just the way it's got to be if this thing is going to work and the sooner we get at the task of finding a middle ground, the better off everyone is going to be.

Secondly, we've got to do something to get the permit letting business all under one central control whether it be the Coastal Resources Commission or some other single agency. I don't just mean state permits when I make that statement, I mean all permits. The Coastal Area Management Act talks in great language about state and federal cooperation, and man, that's the way you sell anything today. We're going to cooperate and get federal money for it, and hooray, we're all anxious to go forward because it's not going to cost us anything. However, that just isn't the way it works today and I don't believe this Bill is going to make it work that way tomorrow.

Today, when you file an application for a Corps of Engineers permit, if you're in their area of concern, to the Coast Guard if you're in their area of concern, or to the NER if applicable, every other agency imaginable gets a shot at your permit application. We have gotten objections of all kinds, grades and degrees of importance but each objection stops the permit letting whether it has reason or not, and in many instances there are no reasons but only suspicions. For instance, we had a permit held up for over six months one time just because a guy in an agency didn't think we were telling all that we were planning to do. All in the world we were asking to do was to be allowed to build some duck impoundments and needed to build a

small bridge to a house that didn't have any other land access to it. This one individual filed an objection without reason pure and simply on a suspicion and a hunch and we went round and round trying to convince the permit letting agency that we had no indirect desire and that truly we wanted to build duck impoundments. The permit was finally issued on or about December 1 and gave us until December 31 of the next year, but it was not until that permit was let that we were advised that they hadn't sent our request to the Coast Guard and that we probably ought to go see them about the bridge. Well, we turned to the Coast Guard and they advised us that all the notices had to be sent out again although they had already been sent once. Enough said -- we're still trying to get the bridge built and we've been at it for eighteen months and we haven't yet gotten the permit.

Anyway, back to the subject at hand. The permit business is a long and involved procedure which I think needs to be expedited and the first step to doing that is to put them all under one source. This Bill, in my judgment, doesn't do this. This Bill only talks in terms of cooperation among the various agencies except with regard to certain permits that the Coastal Resources Commission is going to issue.

Thirdly, let's design realistic standards. Standards have been designed for subdivision regulations throughout the state and basically every county's got one. Some of the later ones have some design features in the regulations on planned unit developments but the first ones merely left it open and said that

if the planning board and the county commissioners thought a particular subdivision was good, even if it didn't have each specified item such as a 60-foot wide street at every location, that it could still get approved. I think we ought to do that type of thing in the coastal management business because developers have got to have standards to shoot for and we do not want to stifle their imagination in coming up with new ideas and better living conditions for our people. Further, with design standards, the matter can be expedited and these folks don't have banks full of money. Most of them have to borrow the money to do this development and if the decision process is going to be slow and so slow that they can't get their plans approved, the plans are not going to be done properly and the development is not going to be done properly. Let me say that again. If the standards aren't sufficiently definitive and if the permit letting isn't expedited, the development isn't going to be done properly. I think it's in the best interest of the developers, it's in the best interest of the environmentalists, it's in the best interest of society and it's in the best interest of all concerned for the guidelines and regulations to be designed realistically and handled in an expeditious manner.

Now I said a little bit ago that if it wasn't done that way that developments were going to get worse. I frankly think that development is getting better and I do believe that the Currituck Plan is a giant step forward. Counties have taken an active part and also the land developers are doing a better job and are

more aware of the technical advances and environmental concerns than they were some years ago. More and more they are getting away from the lot peddling business and going to the land development business. But the Coastal Area Management Act, I submit to you, gives emphasis to the search for loopholes. Let me suggest this one to you. Large developments are basically defined in the Act as one which has an area of over 20 acres. Further, most of us talk about development and developers in terms of the planning and laying out on paper of subdivisions and other means for selling land. However, if you'll read the definition of development under the CAMA, the Bill doesn't have any muscle until development is done and development under that definition doesn't control a man until he gets on the ground and starts moving dirt and digging or putting in bulkheads or putting in piling of some type. With that definition, I submit to you, I can take a 20-acre tract of land, expedite the process if I so desire because it's a small development, never touch the ground and submit the plan to the planning board in the county involved if they have a subdivision ordinance. They can't turn me down because my plan meets all of their requirements, and thus my plan will be approved by the planning board. I then file my plan with the Register of Deeds, file my HUD report if one is required and start selling. CAMA probably has no jurisdiction because I have never touched the ground up to that point. Now let's take a large development -- one over 20 acres. I can do the same thing except if I'm going to put streets in and if I'm

going to put in water and sewer and all the other amenities along with it, I merely create a homeowners association, fund the homeowners association, never touch the ground but do all the rest of the planning that's necessary and start selling lots. The homeowners association then has the responsibility of putting in the streets, etc., and as long as I disclose properly in the HUD report I don't have any liability. And all of you know that if you put the right disclosure language in the right size letters and have the right size margins and do all of the little technical requirements like putting red lines around the outside of the front page, your HUD report is going to get approved, you get the buyers to sign the property report receipts and you just sell the lots. So there are some ways around this Bill and I submit to you that if the regulations and guidelines are not reasonable you're going to have people utilizing these loopholes to avoid the Act.

Further, at this time, I challenge anyone of you to tell me in definitive terms what effect the Coastal Area Management Act has today or will have in July 1974 on a subdivision in the coastal area -- take New Bern, the Outer Banks, Carteret County or any place within the zone. What I am really looking for is someone to tell me how to disclose in a property report what this Bill really does, says or means. I believe we have put some very generalized language in the first property report to go to HUD since the enactment of this Bill, and frankly, when they asked me what effect it had and what the language I put in

meant, I was pressed into saying that I really didn't know and that I didn't think anybody knew.

The next area of real concern to me is the lack of a true grandfather clause in this Bill. Suppose a man has bought a lot in a subdivision that was previously approved, plotted, recorded and has been partially developed. However, the subdivision is within what might now be felt to be a fragile area and the man wants to build a home or to do any other type of construction on his property. It seems to me that that development should be exempt. However, this Bill has some vague language which isn't very helpful because such an owner would have had to have a building permit or a zoning permit and be underway prior to ratification day of the Bill. It seems that in all fairness if he owned the lot on ratification day he should be protected. I believe that's the kind of thing that can be handled in these regulations.

In summary, I would urge the Coastal Resources Commission to be realistic and encourage true development and by true development I mean environmentally sound development. Encourage developers to be land developers and don't force them into being lot peddlers. Expedite permit applications. Work with the people. Make the regulations such that if a developer complies that his profit margin will be greater -- hold out the carrot to him. I believe that by doing that, the Coastal Resources Commission will get the cooperation of the developer and will benefit the state as a whole.

SESSION IV - DEVELOPERS' AND CONSULTANTS' INTERESTS

QUESTION AND ANSWER

Paul Anthony, Carteret County Planning Board:

I understand that there are over 10,000 companies in the U.S. in the business of promoting town development resort areas, second homes, retirement homes and there are quite a few of those down in our area and I kind of believe that there are going to be more of them down here in the next few years. How are we going to tell the good ones from the bad ones? We have got some that do a pretty good job and others that bring beautiful brochures and show us the green belt they are going to have and the recreational areas but those never are developed. We approved Brandywine. They told us it was going to be better than Hilton Head. I think we should protect the people who retire down here and protect the good developers. I am anxious to know how we can tell the good developers from the ones we should turn down.

Joe Porter:

I think first of all you can enter into a joint venture on the local level with that developer with responsibility on both sides. That means that there have to be resources from the local community committed to staffing that local community with representatives. How does a town of 2,000 in the mountains handle the 11,000 people that come to ski there? Well, they are working with developers and are

getting their act together. I say you have got to participate in that process.

David Ward:

I have an answer and it's a very simple one. You have the authority under your planning ordinance. You can require them to put up bonds to insure that roads and water system are built. Everything must be built before you approve the plans.

Mr. Beasley:

I'd just like to say that one way would be to take the company's track record.

Mr. Ward:

A track record and financial statement has been suggested as a way to check them.

Bill Smalley:

I'd like to ask a question about this Coastal Management Act. We are all talking about coastal zoning. Let me fill you in on my qualifications. I am a licensed real estate broker, have been since 1946 and I have been on both sides of the fence. I am a town councilman. I have seen abuses by local politicians, developers and real estate people, and it's gotten to the point where a lot of people, laymen and homeowners, have thrown up their hands and said we want some kind of a bill; we don't care what it is. Now it has fallen on the politicians at the State, Federal and local level to enforce it with the loop

holes we just heard about and there are many more. This is going to lead to people getting up in arms. I am for motherhood and the flag too, and realtors and developers. I am for proper planning and proper consultants but if the local politicians can't do it and the state politicians can't do it we are going to end up with the Federal government doing it. Then you got trouble. How can we strengthen this bill and make it better?

Mr. Ward:

I think the way to go with the bill now is through the regulations on the commissions and the commissions can make it work if they want to. We are going to have this continuing input process, hoping they will recognize some one other than the crash program environmentalists. I think it will work if the guidelines are realistic enough and the regulations are reasonable and definitive enough to get money in and develop.

Mr. Beasley:

I think as a general rule the people that serve our state and legislature come out with bills that do show the will of the majority and I think that is what we will have. I think I see representatives here today listening to us and they will make a determination as to what is the will of the people. I think we should look to the people we elected to help us.

The Colonel:

As one of the original drafters of the coastal area bill, let me summarize very briefly some of the reasons this thing was born. The authority to do the things we are talking about and to help to focus attention on the problems we are talking about has lain with local government for as long as we have had local government. The same applies to State perogatives. We did not assume the responsibility we should have. The Federal government has had to step in and fill the vacuum and in this instance passed the Coastal Zone Management Act to stimulate action on the part of the State. The same thing happened with the environmental act, the clean air act and so on. The local government would not assume their responsibility to insure responsible development. This thing was drafted pretty much by laymen who have an interest in establishing just standards that would serve as guidelines. The first drafts were pretty good until we turned them over to the lawyers in the Legislature, so what we have is a compromise. One of the biggest criticisms of the bill was the fact that local government did not play a part. You emphasized that, but they have been channeled back into the system. If you had been here yesterday you would have heard local governments' advocation of this responsibility back to the State. Okay, you guys created this monster, what do we do with it?

What is the public interest? I submit to you that there is no such thing as the public interest. There are only special interests that really comprise the public interest. So what we really need to do is to mold these divergent interests into some sort of clear out policies.

Now, I sound like I am a sole proponent of the bill. I am a consultant engineer and I am development oriented. I feel very strongly about the necessity for responsible development. I said yesterday that I thought the developers were effectively demonstrating their willingness to accept this responsibility and I think the evolution of the Currituck plan is a classic example. I don't consider my advise narrow minded regarding what's esthetically acceptable. The bill can work because people can make it work, and how effective it is depends on the element of cooperation.

May 17, 1974 10:00 - 11:45 a.m.

SESSION V - PLANNERS' INTERESTS

MODERATOR: Paul Foster:

The four of us, who are professional planners of various vintages, will discuss how our work fits into coastal development. We all know that rapid growth needs overall planning to assure that government functions are provided when they should be; water, sewer, highways, overall building controls, and so forth. Our job is to help the elected officials and voters find alternate ways to do these things, identify problems and develop proposals which can become a plan. We don't make the plan, we help the elected officials and citizens, generally, to make that plan by providing technical inputs into it. We all know that large scale tourist trade does bring money into an area but it also brings additional government expenses.

I am going to begin our session by taking a look at some of the things that happened in a nearby very rapidly developing resort area, Myrtle Beach, or the Grand Strand as most people call it, is about 60 miles of beach. Most of the development has taken place there since Hurricane Hazel at a phenomenal rate. I am presenting data that has been collected by planners trying to assist the elected officials of the cities and counties along the Grand Strand in trying to better plan to cope with their problems.

Hazel practically wiped out Myrtle Beach and Grand Strand development had to start all over. Right now in 1974 they have

a winter time population on the Strand of about 30,000 people. Now, in the summertime that goes to 220,000 people which makes it really the biggest South Carolina city in the summer, and that is only counting those who spend the night.

There are 16,000 motel rooms and about the same number of cottages and 9,000 campsites and this is increasing. All of these are increasing at the rate of 10% to 15% a year. This big volume of activity brings in about \$400 million in green stuff into Myrtle Beach. This is the kind of thing that can happen and probably will happen in North Carolina.

But this growth has its problems and that is the other side of the story. The most serious problem in the Myrtle Beach Grand Strand area is inadequate sewage. Only about half of that peak summertime population is served by a sewage system. Now, they have the same high water table problem we have and this sewage over flows and pollutes the water on the beach side to the extent that the EPA almost shut down Myrtle Beach in 1972 because of the pollution. Some measures have been taken to better control it but to get adequate sewer to serve the present summertime population would cost \$30 to \$35 million, not counting what would have to be spent to provide for meeting future growth. That future growth is expected to reach half a million summertime population in 15 years.

So we are talking about bringing an awful lot of money in and talking about spending a lot of money. When this growth started several years back, the State of South Carolina proudly built what they thought was all they needed, a 4-lane divided

highway up and down the Strand. Two years ago they began to build a second 4-lane highway up and down the Strand and even now, even with this second facility, it is still faster to walk up and down parts of Ocean Boulevard than it is to drive. The tax rate is \$8.80 per thousand and that is just for the city and not the county taxes. Myrtle Beach city alone has a police force of 46 persons, 46 policemen and that is not enough. This past Easter this police force of 46 had to call in the State Highway Patrol and all the local sheriffs within 50 miles to help them cope with a demonstration by 4,000 teenage kids who closed off Ocean Boulevard for four hours. Now, this police force has to deal with an awful lot of drug problems because this population that comes in for the summer is full of con artists, prostitutes, and other floating types and it is reported that the mafia has moved in.

More about the \$400 million brought in by summertime activity in the area. People who work in the motels and cottages and help maintain them are usually paid very low wages, quite often the minimum wage. It was a concern on Myrtle Beach that the minimum wage law might cut into the profits. This summertime employment is so low paid that a lot of the people who work in the summer routinely go on relief and food stamps when winter comes.

Another bad side of this story is as the resort changed from the "Mom-Pop Type Motel" to bigger motels and condominium complexes, the control went from Myrtle Beach people to banking

interests that are in Atlanta, Charlotte, and Jacksonville. These people skim the profit and it goes elsewhere. Of the \$400 million that comes in every season, an awful lot of it goes to pay fairly high interest rates on short term motel and condominium mortgages.

Along most of Myrtle Beach's highly developed area, there are no fore dunes at all. They will take the risk of high seas flooding to make the additional profit. I will end this up by saying that in many, many places along the Grand Strand you can't use the beach after 3:00 p.m. because a 15 story building throws a shadow on the beach. The rest of our panel will discuss various aspects of how the planner works with these types of problems.

RONALD CLAPP, CRAVEN COUNTY PLANNER

I will be speaking to you more as a county planner than a regional planner. I think all of us are going to have to work a little harder with this thing coming up. I will describe the planning study sequence which is the same, whether you have a no growth policy or whatever the policy is. Number one, you have to analyze the locational sites. Here you include the availability of various modes of transportation, travel coming into the geographical center of the population and travel conditions and the cost per visit. The other factors are location, employment sources, and things that are important to the permanent resident. These are school and other community facilities. Looking at it from a locational basis is the first stage.

Then, number two, go in and survey and identify existing conditions. First, look at naturally existing land use and how land presently is being used and second, the soil types. The most important factor with soil types is the suitability for septic tanks and foundations of structures. In Craven County and other areas near here you have what is called shrink swell condition which is a characteristic of soil which causes foundations to crack and maybe collapse. You need to measure the existing water tables and recharge available. In the coastal area, the water table is one of the most important factors. If you overtax the water supply of course you could run out of water but before you do that you also would draw it

down to where the level is below vegetation level. The vegetation would die and result in more erosion, particularly sand erosion along the coast. Another less important thing is your topographical maps. We need a system to get all these areas on topographical maps.

You would have to consider erosion hazards, wind and water action. North Carolina averages an erosion rate of 3 feet per year and has been up to 11 feet so the erosion rate is important. Aerial photographs can be used to determine erosion rates of inlets and beaches. Dune alteration permits are one way these barrier defenses can be maintained.

I don't think we have heard much mention of the temperature inversions and environmental concern areas. A corridor should be considered 10 to 15 miles beyond a pollution source in the direction of the prevailing winds and the width of the core of the pollution. I don't think this would be a major section of the management bill but it should be one part of it.

Then you must determine land suitability. This is very hard to do. And other planners in the past have not had a lot of information to go on and I refer to it as the hunch method because that is about what it is. It is necessary to determine the constraints, both natural and man made. Examples of natural constraints are the degree of erosion, water supply and soil types. An example of a man made constraint, is historical areas. Suitability of the land is difficult to determine and the lack of information to determine the results of these coastal

activities is made more important by the fact that some of these activities are irreversible and have a drastic effect. You could feed all the information on the soil components and suitability of the land for a specific activity into a computer and let the computer help determine uses. I understand that there is a firm in Raleigh experimenting with that.

Population projections can be difficult to make. One concept is to predict the holding capacity of land. You calculate the area to be developed and you determine how many units will be allowed in that particular area based on the allowable density for that area's zoning classification, multiply that by the average number of persons in the household and you get a holding capacity for that area. The problem there is that you can't project growth year by year, you just get a peak holding capacity. If it hasn't been zoned then you can't do that. You must determine where you want the growth and where the most suitable place is for the growth. All these things can't be done by the planner alone. No one person can develop a comprehensive land use plan without input from various sources and interdisciplinary type studies. And of course, the people's goals and objectives have to be considered.

In summation I'd say you would set your goals and objectives after determining existing conditions and then decide on the plans and alternatives.

Robert C. Kelemen
Planning Director
Carteret County,
North Carolina

COASTAL PLANNING IN N.C.

SUCCESSSES & FAILURES - ACTUAL EXPERIENCES

After working in Coastal North Carolina for four years, I have had many feelin about some of the successes of planning and some of the failures of planning in various areas of Coastal North Carolina.

For the last four years I have been able to meet with people, talk to them, and listen to their comments on how and how not to plan - what should and should not be planned - and how to go about planning in the Coastal areas of North Carolina.

And, as result of my work and experience with local governments of the Coastal area, I can say that when any planning program fails or when any plan has failed to be implemented, it generally can be traced to the lack of understanding of what planning is all about and to the lack of personnel (both in number and in qualifications) to implement, enforce, and sell plans and programs. And as a result of these two basic elements not being in existence - plans will be discarded, ignored and shelved. For example, here in Carteret County, Subdivision Regulations were adopted in September of 1961. Due to a lack of personnel and the public's lack of understanding about what subdivision regulations are all about, the Regulations were not properly enforced. Consequently, subdivisions were developing throughout the County that had not been properly approved, and that were substandard in quality. During the

last 12 months, my office, the County Attorney's Office, the Building inspection office, and the Register of Deeds office have made joint concentrated efforts to enforce our County Subdivision Regulations. As a result of our efforts, we have brought into compliance more than a dozen illegal subdivisions containing nearly 1,000 future homesites. Our efforts to implement and enforce and administer effectively our County plans and regulations must and will go on and as long as we continue these efforts we will not only bring under control those developments that are or could be illegal, but we will, at the same time, be accomplishing several goals sometimes unachieved and they are -- the selling of our plans and regulations, the acceptance of our plans and regulations, and the informing of the County residents of our plans and regulations.

Now this brings me to the Coastal Management Act. Local governments have the opportunity to develop their own plans and regulations to comply with the Act. They can make their own arrangements to exercise self-determination or they can let the State determine their destiny. I think it would be a safe assumption to say that practically all local governments would choose to determine their own destiny in respect to the Coastal Management Act. And in doing so, those reasons for failures in planning that I previously mentioned - lack of personnel and lack of understanding - have a high potential of occurring. I'm not saying that local governments can handle the job -- I feel that local governments must do the job -- but what I'm getting at is that local governments will need help and

assistance in the form of grant monies and in the form of regional training programs for those personnel that would be responsible for implementing those plans and regulations.

There have been cries of poor planning, improper planning and the like, seemingly to justify the reasons for plans not acted on or implemented. I think in some instances poor planning has occurred; however, I feel that in the majority of cases, the cry of poor planning is an excuse for not understanding what planning is all about. Special interest groups and other groups will not always get all they want out of planning due to the fact that planning does not claim and hopefully will never claim to be one-sided. A planner must see both sides of the fence, not just one side as some would hope.

As plans and ordinances are developed as a result of the Coastal Management Act, remember that no matter how good a plan is developed for an area, it is only as good as those who are responsible for implementing the plan.

I expected that during this conference we could get down to talk about details of the Coastal Zone Management Act. For example, how will the Coastal Act affect existing plans and regulations that are developed? Will the Act result in all plans and regulations being thrown out the window, or would such plans have to be amended -- I'm thinking of the Currituck Plan in particular.

Several months ago we had a public hearing on Bogue Island that seemed to be a good example of people not really realizing

what planning is all about. The public hearing was on the improvement of the Salter Path Highway. Regardless of the merits of the proposed project, it seems as if many were not able to see beyond the room that we were in.

After listening to about 13 people get up and comment on the proposed two lane improvement, I reassured myself that only one of the two basic issues concerning the proposed project was talked about or even pointed out -- and that issue was of course the environmental effects of a proposed two lane highway and the environmental effects of a possible five lane highway. Good comments were made on behalf of the environment and on behalf of maintaining Bogue Island in a form very much similar to what it is today. However, the other issue that was not discussed at all, is an issue that I consider equally important in making any type of determination as to what Bogue Island will look like 1995.

As you probably realize, there are only a few reasons why out-of-county people come to Bogue Island. The reasons basically are:

1. Ownership of a second home
2. Vacations
3. Ocean Swimming
4. Boating and fishing
5. Relaxation and recreation

There are a few, if any, other reasons why out-of-county people come to Bogue Island except for minor incidental services and

business.

Now try to remember those basic reasons and at the same time try to think of other Coastal places in North Carolina that have the same drawing attractions as Bogue Island. Now if you can come up with more than ten separate areas of North Carolina that have the same drawing attractions, I would say that you should recheck your information because there probably are not that many.

What I'm trying to get at and trying to get you to realize is the fact that Bogue Island is a limited "commodity", like Eastern North Carolina, and people come to Bogue Island for what Bogue Island is. Since there are a limited number of areas in North Carolina and the Eastern seaboard of the United States that have the same or similar attractions as Bogue Island, naturally people from Raleigh, Greensboro, Greenville, Jacksonville, and Winston-Salem, in addition to those people from New York, New Jersey, Virginia, West Virginia, Tennessee, Michigan, New Hampshire, Connecticut, etc., are going to come to Bogue Island and take advantage of what Bogue Island has to offer. Not only will the husband and wife come, but their children, parents, relatives and friends will come too. And that brings us back to the second basic issue that was not talked about at the public hearing.

And that issue is "What are we going to do with all those people who come to Bogue Island to take advantage of its assets?" If Bogue Island remains as is, or if wall to wall development occurs, people are still going to come to Bogue

Island and you must realize this fact. We can't put gates across the County lines and tell everybody to go back home or else park their car and get on a bus to go to the beach.

As each highway route is improved between Bogue Island and all points south, west, and north the availability of better transportation routes to Bogue Island will naturally increase the desire of the public to go to Bogue Island. As the population increases, the utilization of Bogue Island will increase. So what we are talking about are the attitudes and desires not only of the people of North Carolina, but of the people in the Eastern region of the United States.

One gentleman at the public hearing on the Bogue Island highway made the comment that the Bogue Island Highway should never be enlarged, but money should be spent to improve the highways from other areas of the State to Bogue Island. How can anyone believe that this should be done?

Let's forget the environmental effects of any expansion or improvements of a Bogue Island Highway and look at some very common sense problems. It is a recognized fact that people come to Bogue Island for the same reasons that you would come if you lived here. Taking this fact and the fact that improved highways all over the state would ease the access to Carteret County, and the fact that population is increasing, the fact that we cannot restrict people from coming into Carteret County, the fact that automobile sales will continue to increase and the fact that people like the beach and ocean, only one conclusion can be reached and that conclusion is that growth and development

for Carteret County is inevitable or else a reversal of attitudes towards coming to the beach must take place. I feel that the pattern for increased development in Carteret County was set many years ago by putting a bridge across Bogue Sound. It was like opening a can of worms!

Many people say that the reason they came to Carteret County or bought a home in Carteret County is the fact that they like the natural environment, the secluded atmosphere and the rural life style all bundled up in a ball near the ocean. I could not think of any better reason for coming to Carteret County; however, the reason for one person moving to Carteret County or coming to this County on a vacation is the same reason why thousands and thousands of people come to Carteret County.

Many people say that they don't want a three, four or possibly even a five lane highway on Bogue Island and personally, I don't either, but we have to understand that the reasons why many come to Bogue Island are going to be the same reasons that may cause the enlargement to transportation facilities and of public services and facilities.

On the other hand, anything that we do to change Bogue Island such as developing public beaches, adding a third bridge, and installing public parking areas, is going to add to the drawing power. Many people don't go to Bogue Island during the summer because of the terrible traffic situation; however, if a third bridge were added, bus service provided or public beaches

and parking areas provided, these same people who do not ordinarily come to Bogue Island will be more inclined to come along with the regular visitors to the County and the Island.

Ocean City, Maryland, has not always had a massive highway through their town. It was not until they reached a weekend population in excess of 100,000 people. And Ocean City did not always have motel after motel on the beach. The motels only were constructed after the people from D.C., Pennsylvania, Maryland, Virginia, etc., demanded such facilities.

Now maybe you have been able to get some idea of the other factors involved in the Bogue Island Highway and planning.

The County Planning Commission and each planning board in every municipality is aware of the pros and cons of not only growth, but of no growth and the decisions that will be made concerning the future development of the County will not only be influenced by the local people but by the individuals who come from all over the Country.

SESSION V - PLANNERS' INTERESTS

QUESTION AND ANSWER SESSION

Les Dornberry, Raleigh:

I'd like to make a statement rather than a question. I think that a lot of what we consider to be demand by the public both for commodities and recreational resources is created by the electronic media. I think the statement that the developer is fulfilling a demand is a little simplistic. He is creating the demand through a public media to make a profit. He is not the passive provider of public demands. He plays a very great part in creating the demands.

Marshall Smith:

As I see it half of the problems in land use are created by the planners. The planners do not go to the soil studies. I wish more planners would utilize the information available. According to the Federal Air Quality Act there are only certain areas suitable for industry. Planners should find out where they are. If they don't they will make it sound as if we don't know what we're doing out here in North Carolina.

Platform:

New Hanover County has just had completed for it by the soil conservation office a detailed soil study of all of the county which is being used as one of the key tools for developing their land use plan. The soil conservation

service has in the last 4 or 5 years begun to make this service available to planners. I agree that planners haven't used the soil conservation service as well as they should, on the other hand please remember that in order to get the kind of quality planner to do good work they have to be reimbursed for their good effort.

Bob Chiles, Engineering Consultant:

We have had all these good words about management of our land down here where we live by various people and I notice today when it is Raleigh's turn to listen they are not here. They might have gotten some more opinions.

If we are to make a plan on the local level, we need some plans and directives. We have got a 100 year floodline, and nobody knows where it is, and all these laws written under the 100 year floodline. I believe that if the planners and management operations and the developers and this sort of thing would put some engineering facts into what they are doing we would be able to come up with more feasible ideas. In reference to their allusions to septic tanks and what is economically feasible, I think we have to have some engineering solutions to some of these problems.

Unidentified:

I am a peanut farmer. Before we start a crop we find a soil analysis and see if the soil has proper drainage before we start planting. We farmers have problems of

our own, but the problems down here on the coast could be eliminated with proper engineering and unity of planning.

Platform:

These analysis are being prepared on a national level, but the extended outlook is that they won't be available to the county government until 1984 or 1987. You might be interested in the soil conservation service in New Hanover County. We were able to get them to release a preliminary report. No official reports will be out for 4 or 5 years but this gives us the data that we need to plan right now.

SESSION VI - INTERESTS OF THE FINANCIAL COMMUNITY

MODERATOR - Robert E. Leak
Administrator
Office of Industrial Tourist and
Community Resources

The Coastal Zone Management Act has got some peculiarities and inequities in it as indeed I think most every piece of legislation on the books of North Carolina has. There is no question but what the future has complicated itself for us and it is difficult for us state administrators to accurately predict what is going to happen in the future, but many of us see some of the handwriting on the wall and I think that the handwriting on the wall as far as development is concerned would begin to indicate that we had better do some serious planning in coastal North Carolina or we are going to get covered up with the things looming on the horizon and looking for a place to light.

Financing, as already pointed out by Dr. Langfelder, is sort of underlying every economic activity because every economic activity has got to get the money from some place in order to do the development and we have a panel of experts who will talk to you on how financial interests influence coastal growth and what financial interests want in a coastal management program.

THE NEEDS OF AGRIBUSINESS FINANCING

BY Dr. Joe Pou

Vice President

Wachovia Bank and Trust Co.

My comments will be very brief. You have heard about a day and a half of speakers and I won't take long. One of our good farmers came into the bank two or three weeks ago and he said he wanted to borrow just enough money to get completely out of debt. We are working on that. If we get that worked out, it will be called revolving financing. Agribusiness is an important part of our industry and employment in North Carolina and especially in Eastern North Carolina, and is getting to be more and more so in the coastal plains and tidewater areas. At the present time there is more land being brought into agricultural production in tidewater North Carolina, and I am speaking about the tidewater area from here to Elizabeth City, than anywhere in the United States. A few years ago if you said that, you would have to say we were second to the delta area of Mississippi, Louisiana, and Arkansas, where vast acres in the Mississippi river lowlands have been cleared and drained and brought into agriculture production. In areas of Idaho there is clearing of the sage brush and irrigating, and that land is being put into production, but we pass them by a considerable margin. We are the only area in the U.S. where more land is being brought into food production than is being taken out of food production which is the typical thing around our country. More acreage is being removed to build houses, shopping centers, highways, etc. than is being brought in.

Now, I am sure that you are familiar with some of the more spectacular developments in this area in draining and clearing our tidewater lands for agriculture production. Several of these larger forming units have been very much in the papers recently and, of course, the largest one is the 365,000 acre tract owned by Mr. Malcom McLean in Washington, Tyrrell, Dare and Hyde Counties. They are clearing land as fast as some 65 bulldozers can go. They plan to eventually plant a large part of that acreage in corn and soybeans with a sizable amount going into pasture for cattle. You have also heard about the farm near Creswell owned by Shima American Trading Company of Elmhurst, Illinois. They own 7500 acres and have hired local management and plan to grow corn and soybeans. You are familiar with Mattamuskeet Farms in Hyde County where 35,000 acres are being brought into production primarily for corn and soybeans. And not far from here in Carteret County Miss Yeatman sold her 42,000 acres to the Mississippi River Grain Elevator Co. of Myrtle Grove, Louisiana. I understand much of this land will also be developed for agricultural production.

Another factor in this that requires a little different thought than in the past is that two of these farm operations are owned by foreign capital. All my life we have heard about and read about American capital going all over the world - Brazil, Central American, Africa, the Far East - putting American capital to work in the development of the natural resources of other countries. Now we see a complete turn around in the tidewater area in eastern North Carolina and see investors

from other countries buying land and putting their capital into the development of the production of corn and soybeans. This has come about for several reasons.

The first reason is that up until recent years you couldn't economically clear up this tidewater land. The brush would grow back as fast as a man and a mule and an axe could clear it. Now with bulldozers and drag lines it is possible to clear it. We estimate that it takes about \$300 an acre just to put in the ditches and to clear and prepare the land. If the uncleared land costs \$200, you have \$500 in it before you put the first crop in, and the first three crops are not very productive because the soil is loose and needs to be compacted. There often are pieces of wood that have to be gotten out. Usually after three years you will get twice the yield of corn or beans as you will the first year. There is a great deal of capital and expense involved in developing this land because of the investments in drag lines and bulldozers. The land can be very productive if it is farmed a couple of years and enough lime put on. It can produce very high yields of corn or soybeans. I was looking over the records of some test plots under the supervision of the North Carolina State University extension service and they were getting 139 to 150 bushels per acre of corn and from 36 to 49 bushels of soybeans per acre. Now, these yields were under good cultural conditions on selected plots, but we used to think that the only place you could average a hundred bushels of corn an acre was in the great state of Iowa

and we can do that very easily in this type of land in our tidewater area.

Now, I think this is going to continue. The developments I have mentioned have brought a tremendous amount of interest to this area. Articles have not only been in our local papers but in the Wall Street Journal. We get calls from development groups all over the country wanting to buy some of this tidewater land to grow corn or soybeans. I think there are several reasons. The first one is people sometimes think about the romance in it. The idea of clearing land, pushing the tree lines back. The pioneer spirit appeals to people, the modern pioneer developing the tidewater land in eastern North Carolina. But there are hard-nose financial aspects too.

Farm land in North Carolina has increased in value an average of a little more than 5% per year since 1945, over 29 years ago. I don't know of many investment stocks that have gone up 5% to 6% to 7% consistently every year in value. Last year was the most unusual, the average price of all farm land in North Carolina from the top of Mt. Mitchell to the swamps along the sounds increased 21% last year. This does not include annual income the farm land may have returned. Also the "yo-yo" economics that we have had for the last two years in the business world of our nation emphasized the fact there is something that seems firm and secure and solid about the land. You don't know what the stock market is going to do. Corporate profits are high but the stock market keeps going down. Land prices don't react

to the lack of confidence in the way that stocks or many other investments do so you have this incentive for land investment. Many people with capital to invest have put their money in land.

The last factor is that there are not many places in the United States - here and possibly a little down in southeastern Georgia and in the Mississippi River Valley where land is available to drain, clear and bring into agricultural production. I think the pressure is going to be tremendous. Five years ago you could buy any of this good productive land for \$600 an acre. Right now you can't buy it for less than \$1,000 an acre. That is what the market is, but I doubt if you can buy any of it for that at this time.

We have our inland waterway and we have our rivers that make excellent highways for the movement of corn or soybeans by barge to our port cities, and the movement in of supplies, lime, and fertilizer that are required to do this job of food production. Corn and soybeans are a world commodity. The price of soybeans in Rotterdam affects the price of soybeans in Morehead City. We are in the world wide market. Soybeans are in demand to increase the protein diet in food of people around the world. I think agricultural development in this area will continue full steam ahead. It needs supervision and it needs planning. We need to do it on the basis of continuing to be productive and contributing to our economic growth and employment income, and at the same time not destroying any of the wonderful resources that we have. There is no reason why this can't happen

if proper planning and proper supervision is given to development as it goes along.

This conference is very timely with the head of pressure currently built up. Things are going to move pretty fast and we need the very best guidance that can be given.

FINANCING IN THE SEAFOOD INDUSTRY

BY Doug K. Spear
Vice President
Wachovia Bank
Bayboro

I am here today to discuss a different type of farmer - the commercial fisherman. He does not plow the earth but rather fishes the water in search for our ever growing demand for food. It is my hope and intent to introduce you to the commercial fisherman, his problems, and his role in the Coastal Management Act. The commercial fisherman is and has been for many years, the low man on the totem pole. In our coastal area, all attention is given to the farmer and the businessman. An example - look at the Federal and State Agencies that are assisting the farmer. The government will loan, at a very desirable rate, money to construct facilities and to store grain in order that the farmer may profitably resell during the high market. To the best of my knowledge, there is no government agency or any agency that will loan money to the fisherman, in order that he might construct freezer facilities, nor loan to the fisherman to store his inventory in order to give him the same profitable opportunity as the farmer. The farmer has other advantages of government funding in regards to forestry, ditching, pasture, and, what about the soil bank? Certainly, we need to protect and preserve our land, and the farmer does need and deserve the governments attention and funding. However, does not the fisherman deserve some small degree of attention, thus enabling him the opportunity to catch and preserve his product

for future sale. There are some government agencies set up to assist the fisherman, but either they are virtually nonexistent or you go through a bureaucracy of time and trouble in order to achieve nothing. An example - there is one Federal agency that assists the commercial fisherman in trawler financing. Generally this is where the government finances 50% and the fisherman finances 50%. However, as you can see, in the case of a \$100,000 trawler, most fishermen do not have \$50,000. And even if they did, all efforts and money in this agency is being directed to the Gulf Coast and not to our area.

Why is the commercial fisherman not getting attention? One of the most obvious reasons would be that they are not as well organized into strong financial organizations, as the farmer. The farmer's voice in Raleigh and Washington is 100 times louder than that of the fisherman. If you ladies and gentlemen here, as well as other agencies and interested citizens were fully aware of the various problems confronting the commercial fisherman, I am sure you would be, as I am, willing to assist. This is possible through tax dollars, or personal efforts to see that the commercial fisherman moves off the bottom of the totem pole. I wish to relate to you just a few of the problems that are confronting our fishermen today.

Availability of Products - The majority of our fishermen are unable to fish off the N. C. Coast. Restricted by vessel size these fishermen must use the sounds, rivers and other tributaries. On the State level, most of the income within the

fishing industry comes from these areas. It is essential that we protect these productive areas from water pollution. We do not wish for our breeding and fishing grounds to be polluted, as this certainly will hurt the fisherman's pocketbook, as well as seafood consumption. Today, in our waterways, there are areas that are not productive. The obvious reason - vast pollution. By cleaning these areas up, we will increase the fisherman's productivity. Through its authority, the Coastal Resources Commission can assist the fisherman by protecting these fishing grounds. We wish not to stop the wheels of industry, nor do we wish to jeopardize the products derived from our coastal waters. Within the Commission's jurisdiction, they can further assist in areas of transportation of our fresh seafood (whether by truck or waterway) labor to maintain our fishing fleets, and full consideration for dock-side facilities. Caution should be taken in restricting the expansion of new construction facilities - such as fish houses, processing plants, railways, fueling and docks. In regard to facilities, let us not hinder - but help the seafood industry by being informed of their needs and its economical impact within our coastal area.

I feel the major problem of the commerical fisherman today is financing. Unfortunately, the Coastal Resources Commission is not a funding organization and cannot assist directly to the fisherman's financial needs. However, this Commission needs to be aware of this problem so that indirectly it may be able to assist. As I have stated earlier, the commerical fisherman is

not getting the attention he deserves from the various government agencies and organizations. This is also true of the fisherman's relationship with financial institutions.

He is finding it a difficult and frustrating task to borrow money. The reason, is that banks and commercial lenders are not fully familiar with the fisherman, his needs, and his abilities. Those who are aware the fisherman are skeptical when it comes to seafood financing, especially trawler financing. The skepticism is concerned more with documentation than with character or credit. As in other specialized loans, trawler financing can be tricky as well as risky if the lending officer is not acquainted with maritime law and the legal channels that are necessary in order to obtain a First Preferred Ship Mortgage. Trawler financing is more involved than that of a combine or tractor, however the results are profitable because a trawler loan is usually larger than that of farm equipment. Trawler financing is a challenge and the lending officer will reward himself with self satisfaction of success in this unique method of financing.

This is a unique way of financing. To give an example, think of going to the service station and buying gasoline for your automobile. You usually give a credit card, assuming you are going to charge it, or you would have Master Charge or Bank Americard and you would charge the gas to your name. You do not charge it to your automobile. Those familiar with the fishing industry know that you do not do this on a vessel. You charge everything in the name of the vessel, not to the Captain or any

crew member. In addition to that I might add, the bank has a lien on your car and the first lien in good security except in some isolated incident where there would be a mechanics lien. This is where you did not pay for repair work done and this charge would come ahead of the bank's lien. With a vessel where you charge everything in the vessel's name, you might have a seven or eight year old vessel and it has a \$1,000 fuel bill originating at a dock in Florida. It is then brought to North Carolina and sold to a local fisherman. Let's say you place a lien on this vessel and you wonder if you are the first or second lienholder, or the third or fourth. It is a tricky kind of financing, very interesting and very challenging.

Facility financing, such as fish houses, docks and piers, and processing and freezing building, fall under the legal umbrella of land law rather than that of maritime law. The risk factors are not as great as trawler financing, and these facilities can be compared to financing tobacco barns, shelters and grain bins. The principals are basically the same - the farmer wishes to store his grain for resale and the fisherman wishes to store his catch for resale. This type of financing would fall under the Commission's jurisdiction because the majority of facilities are adjacent to our waterways. It is therefore important to the fisherman that the Commission place these facilities on their priority list in order to give the full attention that is so necessary and deserving. Certainly we want resort and recreational facilities on our waterways, but

at the same time, we need seafood facilities in order that the commercial fisherman have a place to sell his products.

In a negative tone, I spoke of the lack of attention given to the commercial fisherman. However, I think it should be noted that there are organizations, with people making headway, in order to better organize the efforts of this profession. The Sea Grant Program, thru the facilities of N. C. State University and other agencies has been successful in drawing proper attention to the needs of our commercial fishermen. N. C. Fisheries is another organization that has organized itself with the goal of assisting the fishermen as well as other marine and coastal groups. There is progress being made. It has recently been announced that the Corps of Engineers plans to construct a permanent channel thru the Oregon Inlet and assist with seafood facilities near Wanchese. Just a few weeks ago, the fishermen here in Beaufort have started to organize in order to form a Co-op, in which they will have bargaining power, for market prices and necessary equipment for fishing.

The future looks good in the seafood industry as far as banks are concerned, particularly in trawler and facility financing. Banks are taking a different look at the fisherman and his occupation. Today, most of the financial institutions are realizing fishermen have very good character and good repayment ability, and therefore they are becoming interested in making these loans. We have found that just this year we have increased three to four hundred percent in trawler financing. In fact, we

are getting questions from people in Texas, Louisiana, and Maine because they are reading about some of our efforts made in trawler financing. We are still primarily involved just in North Carolina. These efforts are just the beginning of a continuing road of recognition and assistance to North Carolina fishermen and the seafood industry. It is most hopeful this organization will find more success in its endeavors to assist, and it is more hopeful that the Coastal Management Commission will take the initiative in placing priority attention to the needs of our seafood industry.

SESSION VI - INTERESTS OF THE FINANCIAL COMMUNITY

QUESTION AND ANSWER SESSION

Unidentified:

I want to direct this question to Dr. Pou. You said that the land values were increasing 5% to 7% a year, in North Carolina and that there were tremendous pressures for this to keep up. You also said that land is one of the most solid things we have, but I think it is one of the most flexible things we have and we stand to lose it very easily. If we do, all these business districts will die.

Dr. Pou:

Thank you for your comment. When I referred to it as one of the solid things, I referred to it from the standpoint of a person who has confidence in the land. We are not making any more land, we are draining a little more and there is more pressure for the ownership of the land we do have. I spoke purely from the standpoint of an investment. Certainly land can be damaged and can be polluted and can be, in effect, destroyed. That is a very good point. I was speaking purely from the standpoint that people with money to invest have more confidence in the land than in the stock market.

Paul Garrison:

Mr. Spear, I agree with you that most of the vessels now-a-days cost \$100,000 and are being financed for only four years at 12% interest. What has been done about it? Has

your bank or other banks you know of done any investigation of extending the terms of vessel financing? Fisherman are barely able to make ends meet since they are getting the same prices for fish that they did in the early thirties.

Mr. Spear:

In reply to Mr. Paul Garrison's question regarding term of financing and insurance, when you see a prime rate reaching 12% you can expect it will temporarily slow things up. I think you will find the average rate on trawler financing somewhere between ten and fourteen percent depending on the amounts because of legal requirements of the law. We find we will loan three to five years on terms of repayment and we find it most successful on a quarterly basis. On new construction, if it is wood, we generally run five years and on steel up to seven years. We have no set policy on term and it is our intention to try to determine length of repayment based on each individual case. I should add most of the fishermen in our area feel if they can repay in three to five years then they do not want to purchase. As a matter of fact, we find that most of our fishermen pay out early. You made a good point on insurance. Yes, as in any collateral loan we require insurance. On a trawler hull insurance is similar to collision insurance on an automobile and P & I is similar to liability. These premiums usually run into several thousand dollars per year. One thin you must keep in mind, if you figure up

insurance on a \$4500 car, divided by annual premiums you will find the percentage is 5-10% for collision and liability. For hull and P & I insurance on a vessel, it usually runs 8-10% of the value insured. So yes, the insurance premium is high, however do keep in mind this premium in percent is no greater than that of an automobile. Furthermore, would it not be a little risky to purchase a one hundred thousand dollar vessel without some sort of insurance coverage?

Unidentified:

There are fish spawning out on the oil heads. I am not advocating them, just commenting on oil refineries.

Unidentified:

I think you will find that one of the largest and most productive fisheries in the U.S. is in the Gulf Coast of Louisiana and Texas. They are caught near the oil rigs and oil refineries. It is certainly possible to have both at the same area.

Unidentified:

I got no quarrel with these oil wells. We'd like you to know this and I am all for them, we've got to have them. What I meant was that industry as a whole coming into any area hurts your commercial fishing unless they go way out to sea in trawlers. I just came back from Alaska and the fishermen up there certainly say that one oil spill a year will put them out of business for a year. There is considerably more than one oil spill a year and if they

put the pipeline there it will knock out commercial fishing. So it is a trade off.

Steve Tilley:

Can you talk a little bit about industries? There are different impacts of different industries. Say if a high technology industry comes in with jobs, it will hire people from the middle and upper income class but it won't help the lower income people except for providing menial jobs. What are the relative impacts of an oil industry and some other kinds of industry. What are the best industries for this part of the state to help out people here?

Marshall Smith:

From what I know about commerce in North Carolina, it has a major shift right now of personnel and industries and it is happening like it happened all over the world. We were sending radios over to Japan to be made but due to the economy a lot of electronic companies now are buying in the area around Marion. A textile worker works with his hands and they pay them \$5 and think it is good work. Overseas the market is being abused you might say. In western North Carolina they manufacture gloves. Ladies sew things. They are still getting \$3.50 where as the textile worker gets \$5.50 and \$6 for making a little soldering mark on each item. All your textile companies are moving this direction - they are moving to where there is excess labor. We are having an internal shift right now

in our own state. I am not sure but when you get back to school they would have a good idea of what type industries are good for this area. One man in the business school at Chapel Hill is pretty much an expert on developing undeveloped areas. He could help to answer that question, I am not qualified.

Planning is a process of orderly change. That is planning and that is the way life happens. We need to be ready down here and help establish goals for the most opportune moment, but you have got to have everybody involved, not just science people or politicians, everybody has to be helping. In this area the Federal Coastal Plains Regional Commission has this goal and can do much better a job if everybody helps.

Robert E. Leak:

Let me add, as the Administrator of the Economic Office of Development on behalf of the Natural and Economic Resources Department that we are in the process of having a statewide economic development plan developed by the Research Triangle Institute. This plan is, hopefully, going to begin to assimilate all of the goals and policies that have been established by the Governor's Council on Goals and Policies for the past seven years. In addition to that, this plan is going to look at the problem of the economy of the people in various parts of this state. Now, we already have a pretty good idea of a lot of this but when

you put it all together in a plan of action you can make recommendations on how to arrive at your objectives. Then I think, and this is the feeling of the Coastal Plains Regional Planning Commission, that the economic condition of the people residing in the coastal plains region of the three states of North Carolina, South Carolina, and Georgia is so far below the national level of economics, there must be major industrial development impacts made in this coastal plains region in order to raise those people out of this distressed condition.

We have met for two days talking about the Coastal Zone Management Act. I have heard disparaging remarks cast at industry generally from some people. I have heard others stand up and defend industry. Industry has become the basic economic generator where people are going to go to earn a livelihood to keep from starving to death. The Department of Natural and Economic Resources has the interest of both the conservationists and the interest of the developers who are striving to raise the economic condition of the people of this state. We are sitting under the same roof and this is a tremendously valuable thing in this state. We are one of the few states in this country that does have the conservation office and development office housed in the same building and directed by the same Secretary. We are moving along and we realize that if we are to have an orderly future then we

have got to have a plan and that plan has got to be adhered to or we will have pell mell urbanization growth which is the reason this gentleman moved away from New Jersey. I might add that the pressures you are going to experience in this coastal region are not only going to come from the development in this area. New industries are coming to New Bern, Raleigh, the Research Triangle and other parts of the state and people are going to be making enough money to come to the beach and have a house or a condominium or boat or what have you. The pressures of the Piedmont will be felt on the coast.

This business of drilling for oil off of our coast will bring pressures from the East or from the ocean side and many people haven't even thought about this impact on the coastal area of this state. If oil is discovered off the coast of North Carolina, the oil industry will be a most dynamic economic generator. The people involved in the oil industry make an awful lot of money and spend an awful lot of money enjoying living in the style of which they have become accustomed. This adds pressures of development in the coastal fringe. So all of these things are constantly being swirled around the department of Natural and Economic Resources and I hope, and really believe, that we will be able to develop this state from this point on without causing the terrible conglomeration of people and things, and break down of law and order, and

the break down of services, and community management and financing capability because we have already set the dial. We are a state of small communities. The important thing in my judgment is preserving the character of the state and the small communities. We must work to see that each of those communities has enough economic viability to stabilize the population in their location.

Unidentified:

Are there any guidelines you can give to local government when examining a new industry coming in? Tourism has always helped stimulate the economy. Is that considered an industry? At the top of the tourist season there is a burden put on our services. I think that most people really don't know what the effects of a different industry or the oil industry will be. Is it really going to help us out or place another burden on us. Is there no way to analyze this then?

Robert Leak:

I can appreciate that problem. What is this going to do for us? I think that in economic development, industries tend to locate and select the location that can best supply the requirements of that industry. In an emerging industrialization situation, (and a lot of communities in eastern North Carolina are barely emerging from the agriculture economy and trying to develop industrial bases), if they don't get industry to provide jobs for the

people, (and unless the large farm operations Dr. Pou mentioned begin to provide a great deal more jobs for the people in those areas), then the population begins drifting away on a continual basis until the community no longer exists. A man once said, there is no pollution worse than the odor of a dying community. You can sort of tell a dying community. But industry is looking for the locations that best meet their requirements as a whole. These emerging communities must seek at first the low pay industry we call labor intensive which, unfortunately, this state has more of than any other state in the nation and is the reason we are 49th in the nation in average manufacturing wages, and 12th in the nation in industrialization. A "rollover" of industry is beginning to occur in the Piedmont, which I think Marshall Smith alluded to, and the labor intensive industries are relocating to the West and East. When Westinghouse, Schlitz, and Studebaker located in Winston-Salem, Hanes Hosiery was nearly squeezed out. These large firms play in a higher league offering much higher wages and demanding higher skills and the people are ready for it. You can't bring Westinghouse to many spots in coastal North Carolina and supply the labor to Westinghouse that Westinghouse requires to run the sophisticated machines. You bring Hanes Hosiery down here and they could employ a lot of people on a fairly low wage basis and eventually the same kind of rollover begins to

occur here that is occurring in the Piedmont. This is the process. I don't know how to speed it up and change it or make it any different than it is. Remember this one thing also, the state does not make the decision on where a plant will be located, it's the guy who's paying the bill. It is the prospect himself that looks at the towns we recommend in N. C. and who then visits several towns in South Carolina and Georgia. They look for an attractive place in the sense that their requirements can be met and how much the people want him there and then locate the plant. We sometimes are credited with locating the industry but it is always the industry's decision.

Unidentified:

I am with Westinghouse in Raleigh and we have over 1,700 employees. When they located there in 1952 they could not hire any technical people. There were no training facilities for them so for 20 years we have operated a training plan and we have an indentured training program approved by both the State and Federal governments to teach the people the skills. Many of our people were hired from us by other industries that followed later. We have a standing training program that develops the kind of employee that industry needs and I think this is something this conference has not touched on what education can do to bring in additional industry. I'd like to say one more thing. When we moved to Raleigh I was one of the first employees in the office.

We had people hired from other firms who had never done industrial work before. We ran an ad in the News and Observer that explained that we needed a work force of approximately 1000 and we asked for a certain commuting distance and educational level. We had 13,000 replies which meant we had 13 people for every job that we were planning then. Most of these people came from the farms and said that by having this added income they could keep their farms and keep our way of life and this has remained true up to this point. I don't know how long this is going to last but these are other aspects of industrial development. I think the question of training of people for industry is one that needs a great deal of attention.

Robert Leak:

Well, we have the most extensive system of community colleges in the nation which has as part of its responsibility the industrial training of the people in the area served by community colleges. Also the new industry training program is a floating program. For instance, in Belhaven a new industry training program can be set up to train people for an industry coming in and this is a program of the Department of Community Colleges. They will start a training program before the company actually comes as they did for Westinghouse in Winston-Salem. I might add that I think we are very well aware of many of the problems that we have in development in the State of North Carolina. We are developing programs that we have the resources, the financial

and staff resources to develop. We don't have all the money or the people we would like to have like as any other state agency but to be most effective with what we do have, we have decided that a tremendous effort should be made in getting our communities aware of the economic impact that is going to be felt if a plant should come to that community and to get the utilities and zoning and whatever else is needed in that particular community ready before the prospect comes to town. We feel that we have been tremendously successful in our Community Governor's Award Program. There are presently 72 communities which have won the award and 60 of them have new manufacturing plants since they entered and won that award. This is the kind of planning we are doing from the economic side - hand in hand with the community planners.

Unidentified:

You brought up the Governor's Award Program, what do areas like Currituck County do in this case, they don't have any towns?

Robert Leak:

Currituck County is not incorporated. The Governor's award does not apply to counties.

Unidentified:

I want some help with a current problem. I am thinking about the evolutionary process that Marshall referred to - industrialization and what's concerned with it. I think that something traumatic will happen to eastern North Carolina. This brings up a real problem for a county like Dare whose

unemployment rate fluctuates between 18 percent in the off season to 2 percent in the summer. How can we compete with the industry in Winston- Salem and if we do compete what happens to the recreational personnel ?

Robert Leak:

This is a problem which we have wrestled personally with for years. It is very difficult to get industrial development into our tourist areas because the prospect says I don't want to have to fight that kind of labor problems. It is hard to get industry into agricultural parts of our State. People want to go to crop tobacco for two or three months and the summer turnover in the manufacturing companies in eastern North Carolina is substantial. This is just one of those problems you have to keep working with somehow and someday hope to arrive at a logical conclusion.

When a company sets up in an area like that, that is when they get big enough, big enough for schools and services and business so that they can support more than just recreation. That is when industry will begin to come in because of the services that are there. Perhaps one of the other problems that he faces though is the problem that when the prospect is looking at an area he might go and ask some of the existing manufacturers or business people what the labor is like. Is it stable? Is it productive? Is it loyal? Is it the kind of labor that I am looking for for this operation? Take one of the seasonal jobs like a tobacco farmer who

needs labor several months out of the year and the prospect who needs maybe 800 people in this area on a full-time basis. He talks to the tobacco processor and immediately the processor sees a potential problem for his own operations the next time he wants his job force working in tobacco processing during the seasonal activities. So to protect himself, he gives a negative response and says that the labor is not very good. It's not that stable, it isn't loyal, it isn't productive, simply to try to keep the new plant from locating in this area and compete with him for his labor resources. In spite of that, we have I think, made some very significant progress with putting manufacturing facilities in the areas of this state that need it most. All of the new plants that go into the rural areas of the state are developing growth centers. According to the Administration Department we are seeing great expansion of new industry in growth centers and the greatest expansion of existing industry in the old established industrial areas of the state. The old adage, "industry begets industry", is true. It does represent a generating force in a lot of areas of our State. It is self generating. What they need help from the state with is to help them plan for this growth that is going to happen to put it on an orderly basis.

CONCLUDING REMARKS

BY

JAY LANGFELDER

During the past two days, we have heard the speakers and the audience express very different interests in the coastal zone. These different interests arise because of the various goals that the different speakers seek in a Coastal Zone Management Plan. It is because there are conflicts in interest in the coastal zone that the recent Coastal Zone Management Bill was passed. Hopefully, this conference has achieved its goal which was to provide a forum for different interest groups to express their various points of view on Coastal Zone Management.

From what has been said during the past few days, it is obvious that if coastal zone management is really going to work in North Carolina, it will require the co-operation of various levels of government as well as the people in the coastal zone in the State of North Carolina. That is, developers will need to co-operate with the State and both the State and local governments will need to have input from the public.

Another important item that seems to have been expressed during the past two days, is that the only way co-operation can be achieved is through successful communication between the various interest groups concerned with coastal zone management. This meeting was developed by North Carolina State University which is in the Piedmont section of the State. From what I have heard

during the past two days, there is a concern on the part of people in the coastal zone that they should be taking the leadership in any type of coastal zone management. Therefore, I would encourage those of you that live in the coastal area to take the leadership in providing effective communication both among yourselves and with the State agencies that will administer our Coastal Zone Management Bill.

In closing, I would like to thank the invited speakers as well as those of you that participated from the floor. Finally, I think we should express our appreciation to Mr. Steve Tilley who took the leadership in developing this workshop.

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