

**The Honorable Representative
David Rouzer
Rayburn House Office Building
Independence Ave SW #2333
Washington, DC 20515**

Subject: Summary of Potential Losses and Comparison with Inlet Maintenance Costs

Dear Representative Rouzer,

I hope this letter finds you well. I am writing to bring to your attention, our concerns regarding the potential economic, environmental and life endangerment losses associated with the current situation of the Carolina Beach Inlet. After thorough analysis, it has become evident that these losses could significantly outweigh the costs associated with proper inlet maintenance.

Maintaining the integrity of our inlets is crucial not only for environmental sustainability but also, for protecting local economies and communities. The costs of neglecting this critical infrastructure could lead to irreversible damage.

I urge you to consider the long-term benefits of investing in inlet maintenance to prevent these potential losses. I am confident that with your support, we can work toward a sustainable solution that benefits both our environment and the economy.

Thank you for your attention to this important matter. I look forward to your response and am available to discuss this further at your convenience.

This Carolina Beach Inlet and other neighboring inlets desperately need more dredge vessels or hardened structures to alleviate this growing situation.

Please review the attachment for a detailed overview of the summary of potential losses and comparison with inlet maintenance cost.

Sincerely,

Member - Carolina Beach Inlet Association

Representative Charles W. Miller
300 N. Salisbury Street, Rm. 417B
Raleigh, NC 27603-5925

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Sincerely,

Member - Carolina Beach Inlet Association

www.CarolinaBeachInletAssociation.org

Representative Ted Davis, Jr.
P.O. Box 2535
Wilmington, NC 28402

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Dear Representative Davis,

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Summary of Potential Losses and

Comparison with Inlet Maintenance Costs

Summary of Potential Losses Due to CBI Inlet Closure

Type of Economic Impact	Change in Value or Jobs
Loss in value for estuarine waterfront residential property parcels for which CBI is the closest inlet: Increase in average round-trip boating time of local estuarine waterfront residents to access an inlet	-\$5.24 million/yr (annuitized at 5% for 30 yrs) Additional 1 hour round-trip
Loss of 1/2 of commercial fishing activity	-\$700,000/yr total sales impact -15 jobs
Loss of 1/2 seafood market activity	-\$980,000/yr total sales impact -2 jobs
Loss of 1/4 head boat activity	-\$2,035,100/yr total sales impact -22 jobs
Loss of 1/4 entertainment boat activity	-\$158,500/yr total sales impact -2 jobs
Loss of 1/10 ecotour boat activity	-\$116,100/yr total sales impact -1 jobs
Loss of 1/10 charter boat activity	-\$1,597,400/yr total sales impact -17 jobs
Loss of 1/20 private recreational boat activity	-\$319,000/yr total sales impact -3 jobs
Loss of 1/2 of transient boater activity ¹	-\$450,000 ¹ /yr total sales impact -5 jobs ¹
Loss in recreational boating consumer surplus	-\$6,590,000/yr consumer surplus -----
Vessel Safety impacts Man-overboard incidents off CBI	In good weather, probability of survival reduced by 13.2% (from 68.1% to 54.9%). In bad weather, probability of survival reduced by 18.0% (from 57.0% to 39.0%).
Loss in form of increased fuel and berthing costs of industrial support vessels shifting to other ports within NC	-\$106,100/yr
Environmental Quality impacts of reduced tidal flushing	-\$146,000/yr in additional water quality maintenance costs for Carolina Beach marina/harbor, or, if water quality is not maintained, further reductions in Carolina Beach estuarine waterfront property values of -\$694,000/yr (annuitized at 5% for 30 yrs)

Summary of Potential Losses Due to CBI Inlet Closure

Sales taxes:

State rate = 4.75%

New Hanover County rate = 2.25%

Combined rate = 7%

A \$3,161,094/yr reduction in taxable sales,
(dockside fish sales, charter fees, and
headboat fees are not taxed) implies
reduction in state and county sales tax
revenues: **\$234,000/yr.**

Property taxes:

New Hanover County rate =

0.4550 per \$100 of assessed (appraised)
value.

Town of Carolina Beach rate = **0.2150** per \$100
of assessed value, for a combined property tax
rate of **0.6700** per \$100 of assessed value.

For all residential parcels for which CBI is
closest inlet, a loss of \$84.6 million in property
value due to increased distance to inlet and
additional loss of \$11.2 million due to
decreased water quality together imply a
+ reduction in county & municipal property tax
revenues: **\$641,900/yr**

Combined State and Local

Sales Tax and Property Tax Revenue Losses

\$234,000/yr. + \$641,900/yr = \$875,900/yr.

Benefits vs. Costs

Each dollar of CBI maintenance expenditures prevents the loss of:

- \$80.6 dollars of property value,
- \$3.62 in general sales,
- \$0.83 of state and local tax revenue, and
- \$6.28 in recreational consumer surplus,
- significant water quality and vessel safety benefits.

The \$1,050,000/yr in CBI expenditures supports 383 jobs, equivalent to \$2,740 in expenditures per job supported.

For comparison, general New Hanover County government expenditures were \$382 million in 2021-2022, supporting overall county employment of 106,674, equivalent to \$3,581 in expenditures per job supported.

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