

STUDY TITLE: Coastal North Carolina Socioeconomic Study (**CNCSS**)

REPORT TITLE: Final Technical Report, Volumes I-V

CONTRACT NUMBERS: **Cooperative** Agreement No. 14-35-0001-30571

SPONSORING OCS REGIONS: Atlantic OCS Region

APPLICABLE **PLANNING** AREAS: Hampton Roads, VA to Morehead City, NC

FISCAL YEARS OF PROJECT FUNDING: FY 93

COMPLETION DATE OF REPORT: September 30, 1993

COST: FY 1993; \$794,758; Cumulative Project **Cost:** \$794,75S

PROJECT MANAGERS: Michael A. Downs, Ph. D., Edward W. Glazier, **M.A.**

AFFILIATION: Impact Assessment, Inc., and East Carolina University

ADDRESS: 2160 Avenida De La Playa, La **Jolla**, California 92037

PRINCIPAL INVESTIGATORS: \* **John** Maiolo, Ph. D., and **John** S. Petterson, Ph.D.

KEY WORDS: Coastal North Carolina; baseline socioeconomic conditions; commercial and recreational fishing; tourism.

BACKGROUND: A **small** area of the **Outer** Continental Shelf (**OCS**) along the northern North Carolina coast is a potential site for gas and/or **oil** exploration. The socioeconomic and **sociocultural conditions** in the study area must be properly **characterized** in advance of any potential future **OCS-related** activity. The U.S. Department of the Interior funded research to characterize current conditions in areas along the North Carolina coast potentially affected by **OCS-related** activity, and to develop a design for documenting change in the region in the upcoming years.

OBJECTIVES: This study addresses concerns identified by the North **Carolina** Environmental Sciences Review Panel (**ESRP**) in their report to the Secretary of the Interior. The five study objectives, derived from the ESRP report, include: (1) a characterization of base case conditions in the five potentially affected counties including standard aggregate **variables**, the structure of **relevant** industries, and the relationships among private and public sector entities in the subject areas; (2) detailed community studies on representative communities potentially affected by OCS development **that** include **sociocultural** variables

necessary to establish the context of the role and effect of potential OCS activities; (3) art aesthetic and perceptual issues study of representative components of the potentially affected populations in the region; (4) infrastructure studies performed in the potentially affected communities, focusing on the potential for changes in local and regional fiscal relationships derived from **future** OCS activity; and, (5) the design of a longitudinal socioeconomic monitoring program which employs the key variables identified in the base case, community studies, infrastructure, and risk perception studies.

**DESCRIPTION:** The **CNCSS** study characterizes the five counties of Dare, Hyde, Carteret, Beaufort and **Pamlico**; and the seven communities of **Wanchese**, Nags Head, Hatteras, Ocracoke, **Atlantic**, Beaufort, and Morehead City. The study also documents conditions in Hampton Roads, Virginia, a candidate site for an OCS landfall facility. Archival and primary source research methods were used to develop the characterization.

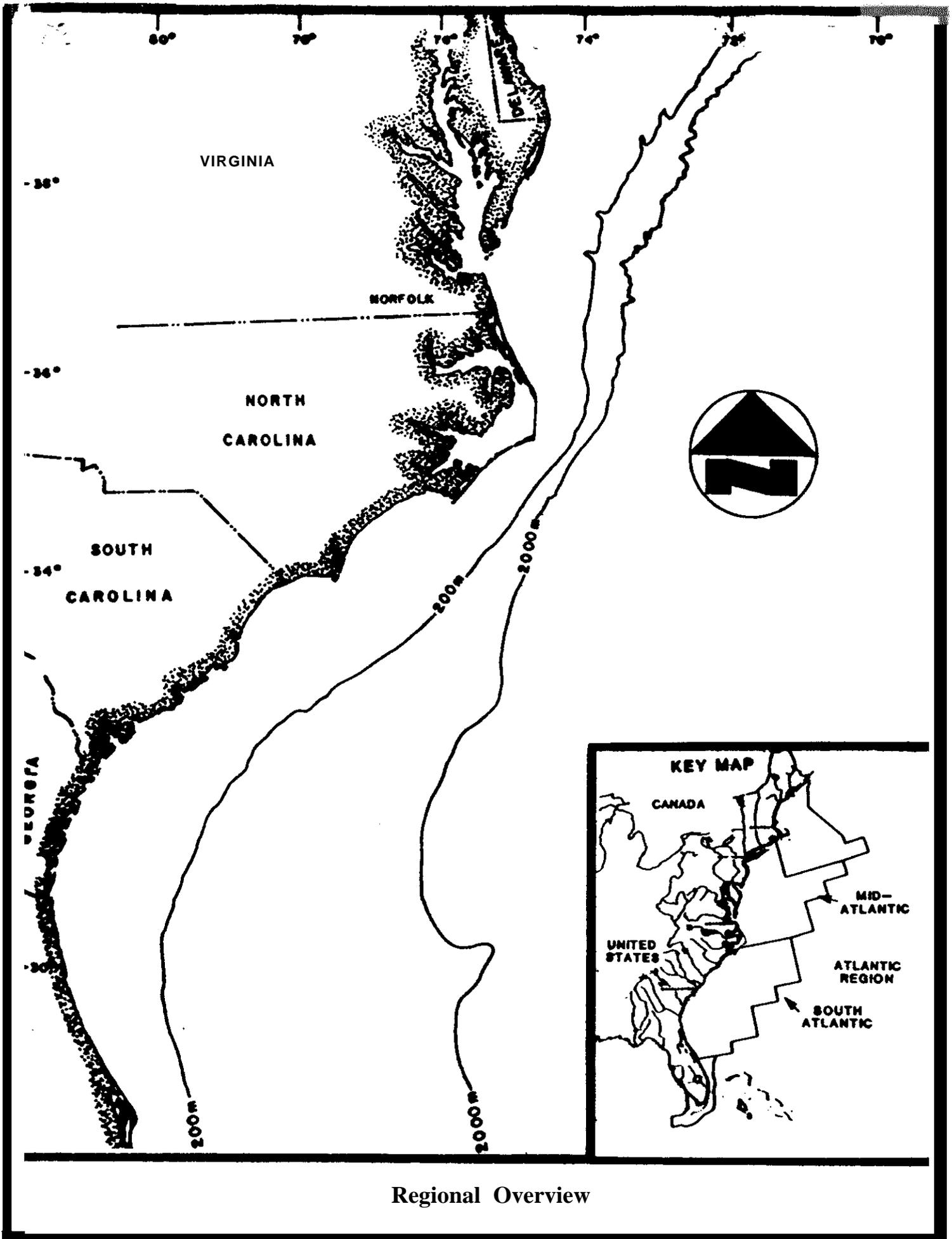
**SIGNIFICANT CONCLUSIONS:** The Coastal North Carolina Socioeconomic Study was designed to collect information suitable to characterize socioeconomic and **sociocultural** conditions along the North Carolina Coast. These data show that the socioeconomic systems of this area are heavily dependent upon utilization of marine resources and access to a maritime environment perceived as relatively pristine. They also show that the character of this dependence varies considerably depending on the mix of a community's or region's reliance on tourism, commercial or recreational fisheries, military activity, retirement or other transfer income sources. In light of this diversity, it is recommended that future monitoring efforts include consideration of key socioeconomic and **sociocultural** variables as measures of change associated with future OCS activity.

**STUDY RESULTS:** The study reveals varying social, economic, and cultural conditions across the study area. There are similar patterns of natural resource use throughout the region, i.e. commercial fishing, water-related recreation, and tourism, but the relative importance of these varies by county and community. The economies and predominant lifestyles of the communities located in the immediate coastal zone – Nags Head, Hatteras, and **Ocracoke** -- are associated with a mix of tourism and commercial fishing. Commercial fishing is dominant in **Wanchese** and **Atlantic**. Beaufort and Morehead City have relatively diversified economies that include commercial fishing, tourism and related recreational activities, and some industry **and** port activity. The study counties **sfso** vary in economic and **social** terms. Beaufort and **Psrrdico** Counties, located on the **mainland** side of **Pamlico** Sound, are involved in agriculture, **silviculture**, commercial **fishing**, and some manufacturing industry. Tourism is important to some communities in these counties, but is relatively less important **than** in the immediate coastal counties of Dare, Hyde, and Carteret. **Coastal** mess are growing in population whereas **inland** areas generally are **not**: Dare experienced a 70% growth between 1980 and 1990 while Carteret grew by nearly 30%; conversely, Beaufort and **Pamlico** grew at rates less than the state average, while Hyde lost residents, experiencing growth only on the **immediate** coast. Within Dare, communities immediately on the coast grew much faster than those inland. Where growth has **occurred**, the most significant factor is migration from other areas rather than **natural** population growth. In all counties, farm

populations are declining and for the three of five counties with urban areas these populations all grew. In **all** counties, the **non-white** population was a smaller proportion of the overall population in 1990 than 1980. Housing values increased most dramatically in coastal area, as did increases in housing capacity. All of these trends indicate increased focus on the immediate coastal zone for the development of those sectors of the economy dependent on tourism, services, recreation, secondary or retirement residences, or residential migration to the coast. Commercial fishing remains important to each of the counties, but between 1981 and 1991 **finfish** landings declined for all counties; shellfish landings were mixed. Total landings were down for all counties except Hyde; **total** value of landings were up for all counties except Beaufort. This study has developed base case characterizations that augment understanding of current conditions in the area and provide a baseline from which to measure potential future change.

STUDY PRODUCTS: East Carolina University, and Impact Assessment, Inc. 1993. *Coastal North Carolina Socioeconomic Study Final Technical Report*. A **final** report for the U.S. Department of the Interior, Mineral **Management** Service, Atlantic OCS Region. Volume 1, Executive Summary -- MMS 93-0052; Volume II, Base Case Characterization County Studies -- MMS 93-0053; Volume III, Base Case Characterization: Community Studies -- MMS 93-0054; **Volume IV**, Pile Sort Data and Analysis -- MMS 93-0055; and Volume V, Socioeconomic Monitoring Design and Methodology -- MMS 93-0056.

\* P. I.'s affiliation may be different than that listed for Project **Manager(s)**

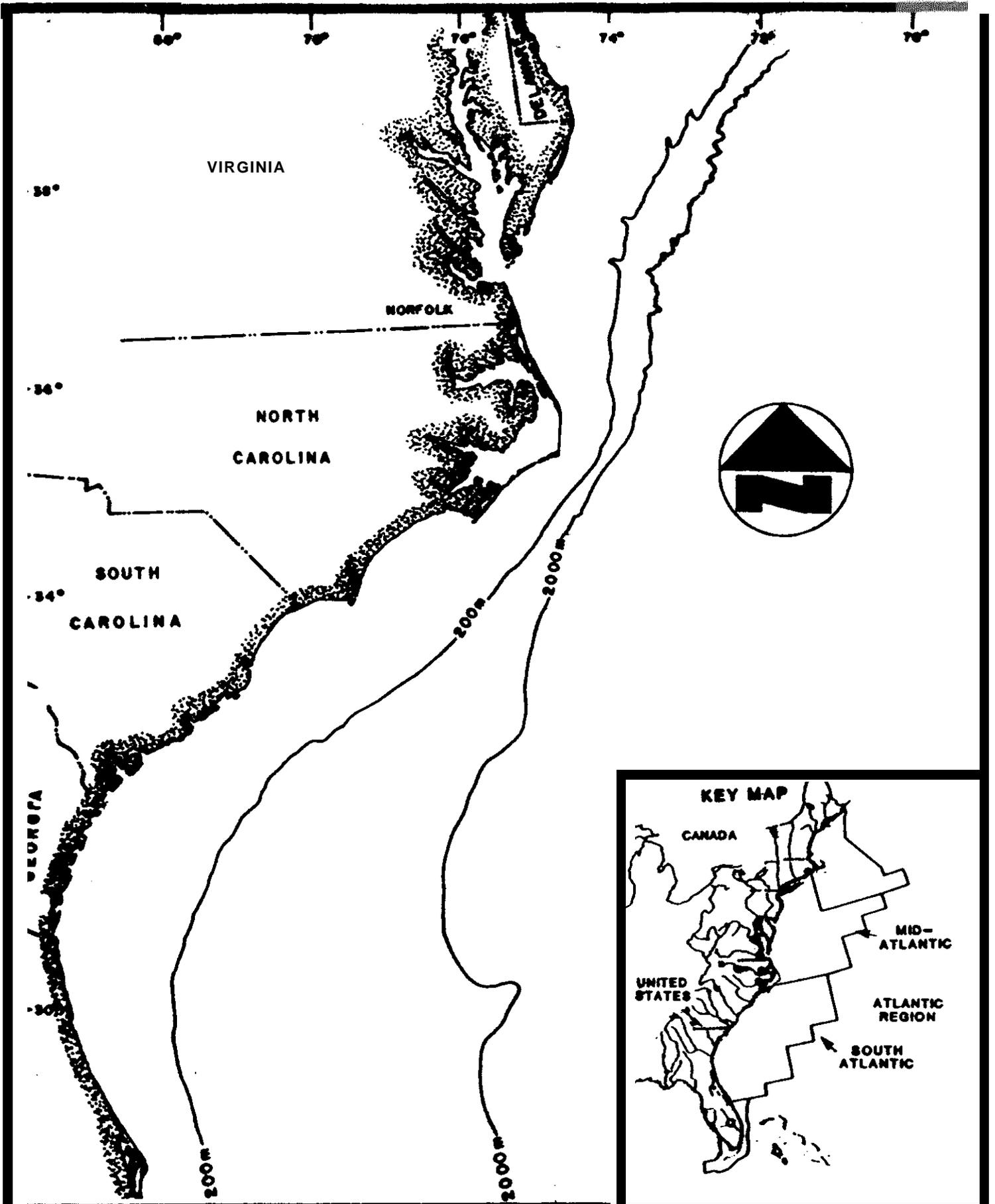


Regional Overview

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