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# State Ready to Buy Island If Owner Agrees to Sell

By JACK CHILDS

Staff Writer

Gov. Bob Scott disclosed Thursday that the state now has the financial means at its disposal to purchase Bald Head Island but is blocked from immediate negotiations with its owner by an option held on the property by a group of would-be developers.

Scott told a specially-called news conference here that The Nature Conservancy, a private, non-profit organization based in Washington, has agreed to purchase the disputed, sub-tropical island on the Southeastern North Carolina coast and hold it in trust for the state for three years.

This would give the state time to raise funds to buy the island, either through private gifts, an appropriation by the 1971 General Assembly or a combination of the two, Scott said.

In effect, he said, The Nature Conservancy has agreed to come up with \$5.5 million — the sales price put on the 12,000-acre, uninhabited island by its present owner, Frank Sherrill of Charlotte.

"We are ready to negotiate," said the governor. "I have so informed Mr. Sherrill."



Governor Scott

However, he said, Sherrill replied that he was not in a position to negotiate with the state "so long as the Carolina Cape Fear Corp. had the option on the island."

The president of Carolina Cape Fear, William R. Henderson of High Point, immediately responded to Scott's announcement with the comment: "This will not affect our plans at this point. We have an option which has been carefully developed by counsel

and we believe it is sufficient for us to carry through our plans."

By implication, however, Scott indicated he believes the state holds the upper hand in the conservation-development battle for the semi-tropical prize at the mouth of the Cape Fear River near Southport.

This is because Carolina Cape Fear apparently is racing time while trying to raise funds to purchase the island through the sale of tracts of land on the property at \$25,000 each, and the state has moved swiftly to raise doubts in the minds of prospective tract-buyers as to whether the firm could ever go through with its development plans.

Carolina Cape Fear says it will develop the island into a plush resort-recreation-residential area at a total, long-range cost of \$288 million.

Ecologists and conservationists contend the island should be maintained in its natural, unspoiled state; that development would be disastrous to the coastal ecology, particularly Bald Head's huge breeding grounds for vital, valuable marine life. The governor gradually has

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come around to the firm position that the state should acquire it to make certain it is preserved.

Because it lacked the money to purchase the island at Sherrill's price, the state was forced to play a waiting, delaying game. But it has thrown up obstacles in the path of would-be developers — the lack of access from the mainland to the island by bridge or ferry; the state's legal authority to approve any dredging or filling on which a privately built bridge or ferry slip, as well as other development, would depend; the state's claim to ownership of 8,000 to 9,000 marshland acres of Bald Head's 12,000-acre complex.

The marshland ownership question would become a moot point if the state could acquire the island. Otherwise, a court fight might be inevitable. Carolina Cape Fear says its attorneys believe 10,000 acres could be developed.

Scott said Thursday: "We have repeatedly stated that we feel that the State of North Carolina legitimately owns the 8,000 to 9,000 acres of marshlands that are a vital part of the Bald Head Island complex. We intend to vigorously uphold that view. We intend to vigorously pursue efforts to acquire the entire island complex to assure its perpetual protection."

## A Breakthrough

The money breakthrough, which the state has been seeking for months to enable it to actively entire the negotiations picture, finally came last week, Scott told reporters.

He said that on April 17, he wrote The Natural Conservancy "formally requesting that the conservancy purchase Bald Head Island and put it in trust for North Carolina."

Three days later, he said, Edward Kingham, vice president and treasurer of the organization, replied, saying: "We are most happy to respond to your request we can negotiate to the owner or leave this to your representatives."

Scott pointed out that he has not committed any state funds, that the conservancy would own the island if the state cannot come up with the money.

The Kingham letter arrived a day after it was disclosed in the press that Carolina Cape Fear Corp. was at-

tempting to sell 300 lots on the island at a price of \$25,000 each by June 15. This would raise a total of \$7.5 million — \$2 million more than Sherrill's asking price. This led observers to the conclusion that the option deadline was sometime around the mentioned date.

Scott said Thursday he had "no direct knowledge" of the option terms, but has been informed that it "runs until July 5 with rights to renew under certain conditions. I'm not familiar with these conditions," he said.

## Won't Divulge Terms

Asked Thursday about the option terms and when his firm plans to exercise the option, Henderson said: "I'm not at liberty to divulge that."

He added:

"As far as our attorneys can determine, there is no way the state can get around our option. This was all carefully planned and we have tried to anticipate any eventuality that might develop.

The Nature Conservancy, formally incorporated in 1951, but with origins dating back to 1917, is a non-profit organization dedicated to the preservation of nature areas. It has approximately 20,000 members across the country.

A spokesman in Washington said Thursday that its money comes through "many, many private sources, but in this particular case, it would come from the Ford Foundation line of credit.

"This is a special setup that lets us help state, federal and local governments acquire nature areas," he said. All told, the spokesman said, the organization has assisted governments in acquiring 145,000 acres, including 40,000 acres last year.

As to what would be done with the island if the state fails to come up with the funds within the three-year period, the conservancy spokesman said: "That's a question that's always asked, but it's never happened."

Scott said he was "not familiar" with the terms of the agreement yet, but the conservancy spokesman said the island would be resold to the state "at our costs."

The governor said he would give a "comprehensive" report on the Bald Head situation during the State Board of Conservation and Development meeting April 20-May 2 in Winston-Salem.