

NHC Commissioners February 19, 2018

Summary: The most significant topic of discussion was the possible re-opening of the National Gypsum plant on River Road and the economic incentive package brought before the board for approval. What normally would be a financial decision by the board (ie, will there be a good return on investment if taxpayer funds are used to incent this company to do business in New Hanover County?) became an environmental one as information about formaldehyde emissions from the facility was presented. Based on the topics discussed, LWV follow up action is probably warranted.

This was a regularly scheduled meeting of the NHC Commissioners, starting at 9:00am and adjourning 11:45am. All commissioners were in attendance.

Topic #1: A representative of Wilmington Business Development reviewed the proposed economic incentive package to be presented to National Gypsum relative to their possible re-opening of their facility on Sunnyvale Road (off River Road). Details of this proposal were accurately described in recent Star-News articles and will not be reproduced here, except to state that \$350,000 over five years would be given to National Gypsum by NHC assuming National Gypsum accomplishes specific actions such as creating 51 new jobs with an average salary of \$57,000 and investing \$25 million in plant refurbishment so that it can resume operations.

Six community members presented opposition views, all linked to recently discovered information concerning hazardous air emissions, specifically formaldehyde (this information was made known to the commissioners, and to most of the opposition speakers, only the night before the meeting). The following statements summarize over an hour of discussion of this topic:

- Formaldehyde (CH₂O) is a confirmed human carcinogen.
- National Gypsum shut down this facility in ~2008 due to the dramatic decline in demand for its products (drywall used in construction).
- In 2005, National Gypsum conducted emissions testing of their stacks and determined that ~59 lb of formaldehyde per year was being released. This testing was done in part to establish a baseline prior to introducing a new product that would increase the amount of formaldehyde in the waste stream.
- In ~2007, National Gypsum worked with the NCDEQ to conduct additional testing, including air dispersion modeling, eventually applying for a modification to the permit, which was approved by NCDEQ. National Gypsum now is permitted to release 8.77 tons/year (17,540 lb/year), which would make it the #1 producer of formaldehyde in the state. This original permit was renewed and now extends to 2024.
- There is an existing neighborhood (Sunset Park) and a new neighborhood (River Lights) in the area surrounding the National Gypsum facility.
- Past precedent is that the decision before the board (whether to approve the spending of taxpayer dollars in this manner) would be decided based on financial analysis only. Chairman White was hesitant to set new precedent but conceded that it may be necessary now and in the future to evaluate environmental factors as well.
- Three of the six people presenting opposing views are in public office and/or running for public office. It was implied that their comments were in part driven by a desire to be in the news.

- Commissioner Kusek was concerned that the decision on the incentive package was being delayed by a vocal minority that seems to oppose everything.
- It was pointed out that National Gypsum does not need the incentive package or Board's approval to re-open their own facility; they followed all appropriate steps in working with the state to secure necessary permits and they will be operating within those permitted levels. Commissioner White described the situation to the somewhat confused National Gypsum representative by telling him that although all the right things were done, our community has been traumatized by interactions with Titan Cement and Chemours and has learned the hard way that state and federal agencies tasked with establishing air and water quality standards are not always able to do so.

A motion to delay decision on the incentive package for 30 days was approved. The 30 day delay will be used to conduct "due diligence" on the formaldehyde issue, and requests were specifically made that a representative of NCDEQ be present at the March 12th meeting to answer questions about harmful effects of formaldehyde, air dispersion models, and how the permit level of 8.77 tons/year was determined.

Suggested LWV follow-up:

- This Observer Corps report has been sent to the Environmental Action Team for their consideration of follow up actions.
- LWV members who are NHC residents may want to email the County Commissioners (contact information found at www.commissioner.nhcgov.com) to commend them on delaying their decision until more information is available and for recognizing that encouraging a company to do business in NHC now must be based on more considerations than financial impact (such as health and safety impact).

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