

**Port Royal Harbor Navigation Channel Disposition Study States
Real Estate Appendix I
May 2023**

Executive Summary

The Real Estate Appendix I supports the draft recommended disposition study to deauthorize the Port Royal Harbor Navigation Channel. The Appendix summarizes the limited market analysis and investigates the potential for alternative uses of the real property or real property interests based on maximum economic productivity and/or value to the public. The Appendix is written in accordance with Real Estate Policy Guidance Letter 33.

If disposal of the easement estates is approved for disposition, there are two likely methods for real estate disposal. The disposal would be release to the project sponsor, or release to the underlying fee owner of the land. Here, the local sponsor and underlying fee owner are the same. Real Estate Information System (REMIS) Tract 101E (formerly Tract 2) will likely be conveyed to the local sponsor/owner of the project which is the State of South Carolina. (41 CFR Subtitle C Chapter 102 Subchapter C part 102-75) (ER 405-1-12 11-125b). Therefore, the State of South Carolina would be a willing and ideal grantee for this Tract.

Note: Tract 100E was transferred from the Port Royal Port Authority to the South Carolina Port Authority in 1959 which in turn transferred the Tract to the State of South Carolina.

REMIS Tract 100E (formerly Tract No. 1) will be conveyed to the local sponsor/owner of “Spoil Disposal Easement Agreement” dated December 22, 1955 (attached) between formerly the Port Royal Port Authority now the State of South Carolina and The United States of America. State of South Carolina has a revisionary interest so if disposal is approved the easement will be returned to the State of South Carolina.

Note: Tract A listed in REMIS was terminated by letter from USMC to USACE on dated 25 Apr 2019. SAS-RE will be removed from REMIS.

The underlying fee owner of Tract 100E is Owner Name: SHM PORT ROYAL LLC
Mailing Address: 14785 PRESTON RD SUITE 975, DALLAS, TX 75254

The underlying fee owner of Tract 101E is the State of South Carolina.

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1. Project Background and Authorization

The Port Royal Harbor Navigation Project was authorized in 1954, providing for a 27 foot deep channel at mean low water and 500 feet wide across the ocean bar and into Port Royal Sound for approximately 13.2 miles and then 24 feet deep and 300 feet wide in the Beaufort River and Battery Creek, extending an additional 7.5 miles, to include a turning basin 27 feet deep and 600 feet wide opposite the wharf of the former S.C. State Ports Authority (Figure 1). The 24-foot inner channel and turning basin were completed in 1956 and the 27-foot entrance channel was completed in 1959. The project provided access for break bulk commodities including cement, clay, slurry, feldspar and aggregate.

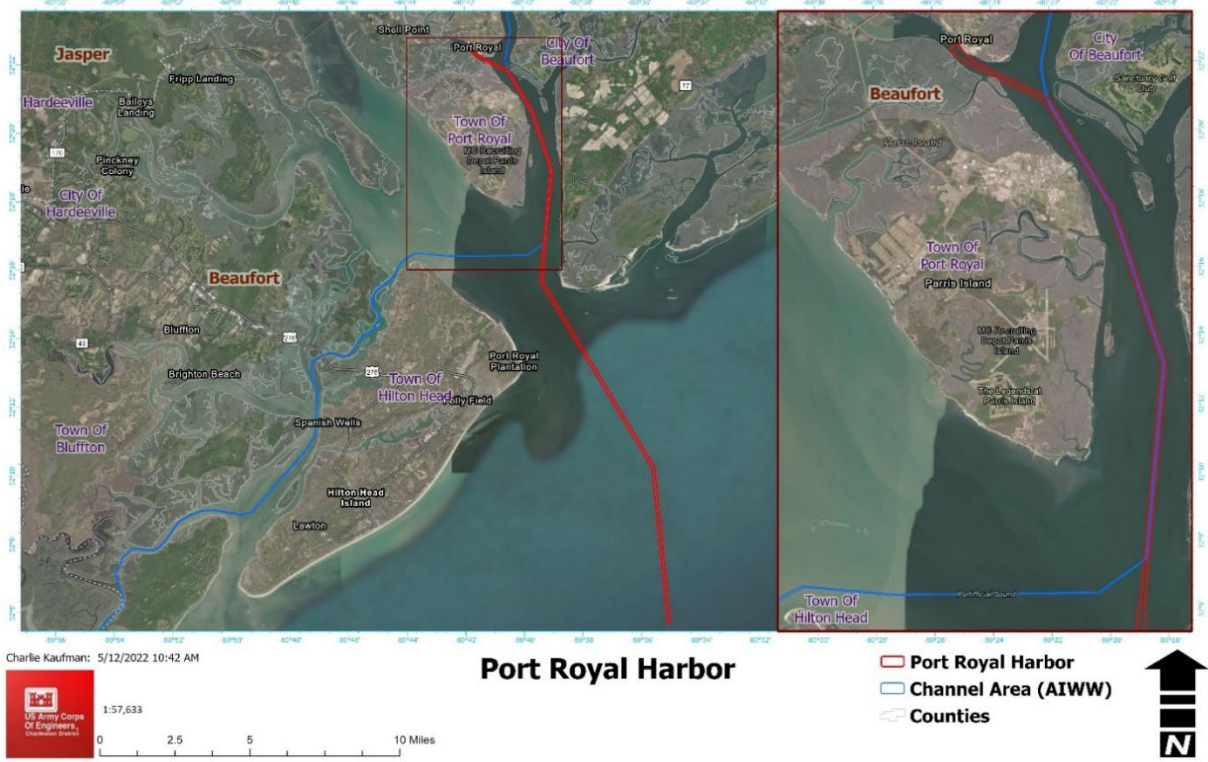


Figure 1. Port Royal Channel and surrounding area

The commercial port in Port Royal closed in 2004. The Port Royal Channel has not been dredged since 2004.

1.1 Current Status of Project

The project is currently in an operational status; however, the project no longer meets its authorized purpose for navigation.

The Charleston District does not forecast a resurgence of commercial traffic on the Port Royal channel to justify the cost of maintenance and value to the nation needed for navigation.

2. Description of Project Lands and Improvements

2.1 Project Location

Project location is South, Southeast, and Southwest of the City of Port Royal, South Carolina along Battery Creek. Tract 100E consists of 227 acres dredge deposit material easement. Tract 101E consists of 428 acres of dredge deposit material easement. The Project is open to vessel traffic and to the public for various recreation activities including fishing. The Corps conducts annual monitoring surveys and is responsible for maintenance dredging if funds are provided. Note: Tract A in REMIS was disposed by letter from USMC to USACE dated 25 April 2019 and is therefore not shown on map figure 2.

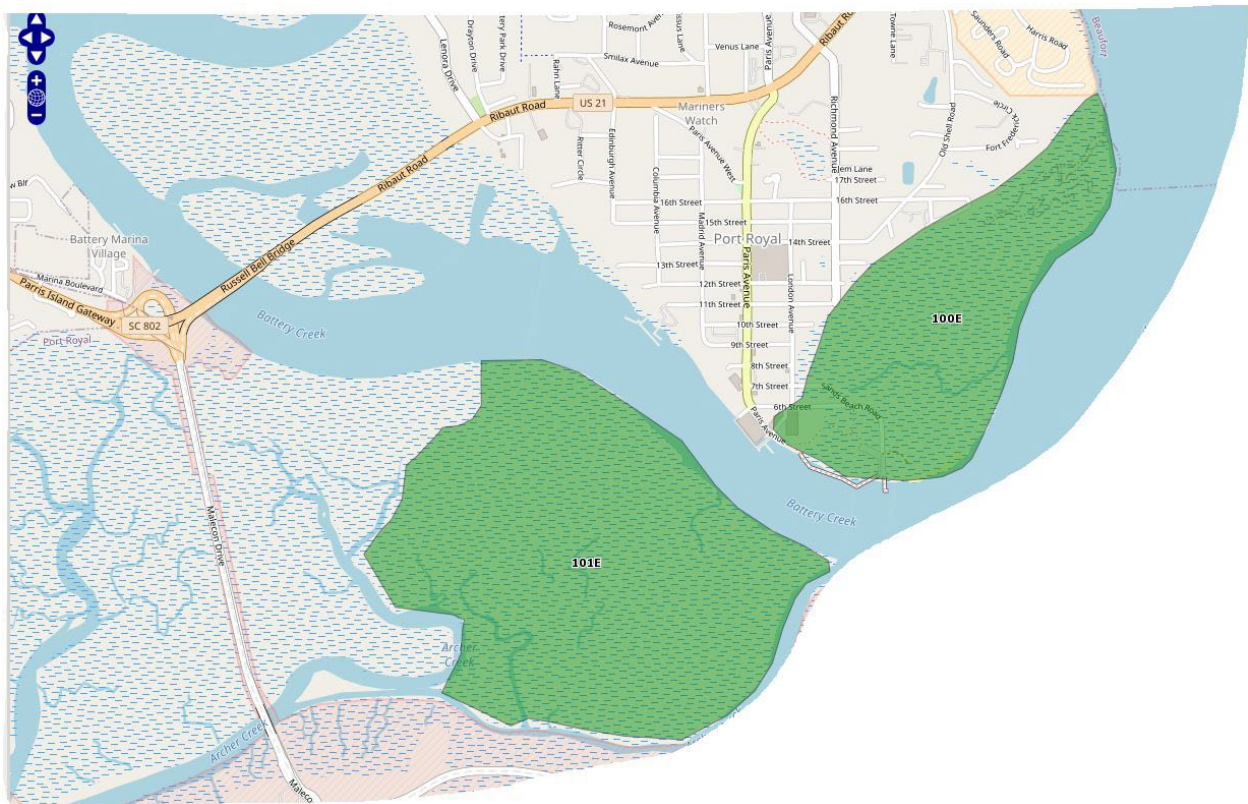


Figure 12. General Map of lands

2.2 Real Estate Interests Held by the Government

The U.S. Government holds two (2) easement real estate interests at the Project:

Tract Number 100E – Title to 227 acres easement estate interest was vested in the United States of America by deed dated December 22, 1955, from Port Royal Port Authority. Subsequently the easement Grantor Port Royal Port Authority ceased to exist and the responsibility for the easement was transferred to South Carolina Port Authority in the late 1950's who subsequently transferred responsibility to the State of South Carolina in 2017.

Tract Number 101E – Title to 428 acres easement interest was vested in the United States of America by deed dated November 9, 1955, from the State of South Carolina.

2.2a Deed Reservations

The deed to Tract Number 101E reserves in the State of South Carolina all such rights and privileges in said tract as may be used and enjoyed without interfering with or abridging the rights and easements hereby conveyed to the United States of America.

The deed to Tract 100E contains a reversionary interest clause stating the United States of America will release dredge material deposit area to the Port Royal Port Authority as soon as possible after said area has served the purposes of this instrument. The reversionary interest is a condition or a right to resume ownership of a property after transferring it to another person or upon the occurrence of a future event. Here the future event would be notification by the grantee that the easement could be terminated with 90 notice by the grantee.

2.3 Site Access

Access to the Project is via public waterways.

2.4 Existing Outgrants

The Real Estate Management Information System (REMIS) and search of SAS-RE files list no outgrants at the Project.

2.5 Real Property Inventory

None

2.6 Statement of Environmental Investigations

The Recommended Disposition would not cause significant adverse effects on the quality of the human environment; therefore, preparation of an Environmental Impact Statement is not required.

3. Value of Real Estate Interests Held by the Government

3.1 Rough Order of Magnitude (RESTRICTED) Internal Use Only

A Rough Order of Magnitude (ROM) Cost Estimate was prepared by a Savannah District Appraiser for the Disposition Study. The ROM is not an appraisal, and it is not considered appropriate for anything other than general planning. Based on the estates held by the U.S. Government and the indicated land uses from the recommended re-use scenario, the Real Estate Division developed a macro-level estimate.

INSERT Forthcoming - (RESTRICTED) Internal Use Only

3.2 Annual Holding Costs

The Charleston District estimates the annual recurring cost to maintain the project in the current caretaker status to be at \$30,000 and includes administration of the real estate as well.

4. Market Analysis

The potential re-uses of the property were studied through a limited market analysis taking into consideration the constraints of the property associated with its physical characteristics, historical significance, and other relevant factors. The market analysis reviewed uses that the project area is very limited in use because the easements are for disposal of dredge material only and are wetlands.

4.1 Potential Re-Use Options

The potential re-uses for the easement are limited. Likely dredge deposit only.

4.2 Constraints

4.2a Physical Characteristics

Wetland parcels of land limit marketability. (SAC ENV 8. Affected Environment-8.17 Wetlands)

Wetland areas adjacent to the Federal channel are mapped as estuarine intertidal emergent, regularly flooded (E2EM1M). Wetlands in the study area are primarily situated along the eastern edge of Port Royal, along the northern and eastern sides of Parris Island, and between Fort Fremont and Bay Point Island.

4.2b Historical Significance Constraints

None.

4.2c Other Constraints

None

4.3 Alternatives Evaluated

Alternative One: No-Action Plan: Existing (i.e., continued project operations with no changed Federal action) operations, maintenance, repair, rehabilitation and replacement for the existing projects:

Alternative Two: Deauthorize the project and dispose of real property to local sponsors/owners of easements. (41 CFR Subtitle C Chapter 102 Subchapter C part 102-75) (ER 405-1-12 11-125 b)

Table 5: Alternatives Evaluated

Alternatives Evaluated		
No.	Alternative	Transfer Method
1	No-Action	Status Quo
2	Disposition approved	Transfer to local sponsors/underlying owner

5. Disposal Methods

As the disposal of the real estate would involve the entire federally authorized Project, Congress must first deauthorize the Project. If deauthorization was deemed necessary and appropriate, the Charleston District could proceed with disposal of the real estate interests.

The power to dispose of real estate belonging to the United States is vested in Congress (paragraph 2, Section 3, Article IV, Constitution of the United States. No real estate under Corps jurisdiction may be sold or otherwise disposed of without authority of Congress.

5.1 Department of Defense Real Property Authority

The authority provides the Chief of Real Estate Savannah Division to dispose due the dollar amount.

Disposal Authorities and Procedures

ER 405-1-12 Chapter 11-123 thru 11-130 “Surplus Disposal to Private Parties. General.”

11-125 b. Easements will usually be redispensed with land to which they are appurtenant. Easements may be disposed of to the owner of land which is subject to the easement (the servient estate). A determination should be made as to whether the disposal should be with or without reimbursement to the Government on the basis of all the circumstances and factors involved and with due regard to the acquisition cost to the Government. The amount of such reimbursement should be the appraised fair market value of the easement. In the case of disposal of an easement acquired for the deposit of spoil material a minimum charge of \$225.00 will be imposed where relinquishment is being accomplished for the benefit of the owner of the servient estate and where no direct benefit will inure to the Government. A statement as to the commercial value will be made when recommending an easement for disposal. (Here the easements were acquired for the deposit of spoil material were acquired at no cost to the United States government and should be returned to owners and/or local project sponsors). The \$225.00 minimum charge will be waived.

11-128. Disposal Plan for Easements. When recommending disposal of an easement the District Engineer will submit the following:

- a. Information as to when and from whom the easement was acquired.
- b. The consideration paid therefor.
- c. Identification of the installation to which it is appurtenant.
- d. If the easement has no commercial value, the amount that should be paid by the owner of the servient estate, representing a rebate on the purchase price, or the amount paid for severance damages will be specified.

11-19. Army Civil Works Real Property.

a. Fee-Owned Land and Easements.

(1) Action by Division/District Engineer (DE). When the DE is of the opinion that real property acquired in fee or easement for a civil works project is no longer required for such purpose, he

will submit a report and recommendation to HQDA (DAEN-REM) WASH DC 20314, accompanied by:

(a) A brief description of the character or nature of the land with an appropriately marked map showing the approximate acreage consideration to be excess. Detailed perimeter descriptions need not be procured or furnished with the report and recommendation for excessing. (b)

Description of buildings and improvements.

(c) Information as to circumstances that might hinder or prevent disposition, e.g. remoteness of location, unfavorable topography, and lack of legal access.(d) Information as to when and how the property was acquired.(e) Information as to the estate which the Government has in the land, reservations and exceptions in and to the Government's title, and outstanding interests granted by the Government or reserved or excepted in the acquisition of the land, will be stated with particularity. The map or plat will delineate any grant, exception or reservation, such as telephone, telegraph, electric transmission, oil, gas, and water lines.(f) Purchase price of lands (estimate if only a portion of original tract), buildings and improvements acquired with the lands, and the cost of buildings and improvements, if any, constructed by the United States.

5.2 GSA Real Property Authority

Not applicable. This will not be a disposal under the property act and is therefore not required to be reported to GSA for disposal and will be released using the Corps authority as a land holding agency to dispose of easements.

6. Anticipated Local Support or Opposition

The U.S. Government has communicated the intent to dispose of the Project to any Congressional District, State Government, or County Officials. The delegations are aware of the study and potential for deauthorization and disposition.

Numerous organizations and individuals in the region voiced interest in the uncertainty of the future of the Project throughout the public comment period. The deauthorization and disposition do not have the potential to impact historic, cultural, recreational, endangered species, and economic resources.

7. Estimate of Administrative Cost and Time of Disposal

The table below identifies estimated administrative costs and time for the action alternative and identifies the responsible disposal agency. It assumes that Congress has deauthorized the Project. The no-action alternative was not studied for the purposes of this table.

Table 6: Estimate of Administrative Cost and Time and Disposal

Estimate of Administrative Cost and Time and Disposal					
No.	Alternative	Disposal Agency	Corps Admin Cost*	Time**	Notes
1	Dispose to local sponsors	Corps	1K-10K	6 Months-1 year	dependent upon implementation guidance upon approval of the disposition study.

8. Recommendation of Preferred Divestiture Path

The Real Estate factors considered within this support the preferred alternative, disposal to local sponsors/owner of easement.

9. Level of Confidence

The results of the Real Estate Appendix reveal a high level of confidence that a transaction can be consummated if disposal to local sponsors/owners of easements is contemplated.