

MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
NORTH CAROLINA GLOBAL TRANSPARK AUTHORITY

A regular meeting of the Board of Directors (the “Board”) of the North Carolina Global TransPark Authority (the “Authority”) was held at 1:15 p.m. Tuesday, September 23, 2014, at the NCDOT Offices, Raleigh, North Carolina, upon notice duly given.

Chairman Tony Tata presided and recognized The Honorable Judge Paul Newby to administer the oath to new Board members, Scott Clontz and Mark Lesnau, and to Jerry Kanter who was reappointed to the Board by the City of Kinston. It was noted that John McNairy has been reappointed to the Board by Lenoir County, and the oath would be administered in his own jurisdiction.

The Chairman said participating Board members constituted a quorum, and declared the meeting officially open for business. Those members attending were:

Secretary Tony Tata	Mr. Mark Lesnau
Mr. Scott Clontz	Mr. Steve Mayo
Treasurer Janet Cowell	Ms. Cheryl McQueary
Mr. Jerry Kanter	Mr. Jeff Sheehan
Mr. Joe Koletar	Mr. Danny Smith
Mr. Billy Lamm	Mr. George S. York, Jr.
Mr. John Lennon	Mr. Rob Hosford for Commissioner Troxler

Other attendees included:

Mr. Rudy Lupton, GTP Executive Director/NCDOT Director of Logistics
Ms. Lori Fuller, GTP Legal Counsel/NCDOT Deputy General Counsel for Logistics
Ms. Mary Jane Westphal, GTP Controller
Mr. Rick Barkes, GTP Airport Director
Ms. Shelley Blake, NCDOT General Counsel
Ms. Helen Landi, Deputy Director, NCDOT Office of Governance
Ms. Fran Lawrence, NC Deputy Treasurer
Mr. Keith Weatherly, Deputy Secretary, NCDOT Legislative Affairs and Policy
Mr. David Tyeryar, NCDOT Chief Financial Officer
Ms. Susan Pullium, Director NCDOT Strategic Planning

In keeping with the requirements of state ethics policies, the Chairman read the following statement:

“In accordance with the State Ethics Act, N.C.G.S. §138A-1, et seq., as applicable, and N.C.G.S. §63A-21, it is the duty of every Board member to avoid both conflicts of interest and appearances of conflict.”

“Does any Board member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today?”

“If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.”

Board members were reminded that conflicts could be identified at the time a matter was presented for discussion.

The Chairman said minutes of the May 20, 2014 meeting had been distributed to the Board prior to the meeting. With there being no corrections or additions, a motion to approve the open portion of the stated minutes was made by Ms. McQueary, seconded by Mr. Smith, and unanimously passed.

In his opening comments Chairman Tata announced this would be Jeff Sheehan’s last Authority Board Meeting since he would be joining the Board of the N. C. Department of Transportation. The Chairman thanked Mr. Sheehan for his service to the Authority Board.

Chairman Tata then spoke about the Governor’s 25-year vision for transportation in North Carolina. He said North Carolina is one of the fastest growing states in the nation and must keep pace with increasing infrastructure demands. The Governor’s plan provides a roadmap for strategic investment over the next 25 years; and since each region in the state has unique characteristics and challenges, the plan divides it into four sections – coastal, eastern, central and western. It is focused on community needs as expressed to planners, offers 22 solutions on which progress will be tracked, and also identifies comprehensive solutions for the State as a whole. The plan compliments the Strategic Transportation Investment (STI) law passed last year, provides guidance to rural and metropolitan planning organizations, and helps shape where investments go in the future. He said though the 25-year vision is about solutions, there has to be an investment in the vision to accomplish the goals. Present revenue is flat, and to address the infrastructure gap, NC’s increasing population, and revenues not keeping pace, alternative funding solutions need to be identified. Solutions include: (1) optimizing public-private partnerships, (2) reducing dependency on federal dollars, (3) taking advantage of low interest rates, and (4) presenting targeted revenue recommendations to the General Assembly during the 2015 session.

Mr. Lupton expressed his appreciation to Mr. Sheehan for his willingness to serve on the Board and for his support. He also recognized four GTP staff members who recently left the GTP and said all were dedicated and committed employees. Allen Pope and Alanna King both left to pursue other opportunities and Elaine Artis and Janice Dove of the janitorial staff retired.

The Chairman called on Committee Chairs for updates.

Mr. Lennon reported for the Aviation Committee. He said the Committee met briefly before the Board Meeting to discuss commercial air service at the GTP, but no action was taken.

In reporting for the Marketing Committee, Mr. Mayo said the Committee had not met since Ms. King left but was looking forward to having a replacement for her so the work of the Committee could move forward.

Mr. York reported for the Land Use Planning Committee. He said although the Committee had not met recently he has been communicating with Ms. Fuller and Mr. Lupton, and was updated about the GTP filing a boundary modification with the Army Corps of Engineers in which it is seeking to include 158 acres north of the current 404 permit boundary. Mr. York said he was also told potential budget cuts could affect the efforts of the Committee and specifically the work of GTP consultant, The Wooten Company. The Committee is planning to meet in October to learn more about the environmental requirements for future development at the GTP and hopes to be able to bring the land exchange to a vote at the next meeting of the Board.

Mr. Lupton said the reason for the 404 modification action is the 158 acres in question was bought after the permit area was established, and so the Corps has been asked to include that acreage inside the permit area in exchange for land in the southern part of the GTP that is not as developable. There is a net zero change in any mitigation credits or land area.

The Finance Committee met on June 26 to discuss the budget and propose a debt reduction plan that would basically allow the GTP to present a balanced budget to the Secretary. Based on the discussion, the Committee agreed with a debt reduction plan to pay off the longest term and highest interest loans and to use the resulting loan payment reduction to offset the deficit revenue that was removed from the GTP budget. The Committee agreed to take the proposed budget to the Secretary for approval. A budget update will be presented in a later portion of the meeting.

Chairman Tata said the Executive Committee had met today. He stated that Ms. King's departure vacated an Assistant Secretary's position. The Executive Committee unanimously nominated and agreed to bring Anne Stapleford's name to the Board to fill that position. The Chairman opened the floor for additional nominations from the Board. There were none, and upon a motion from Mr. York that was seconded by Mr. Lennon, Ms. Stapleford was unanimously approved as Assistant Secretary.

The Board received a legislative update from Mr. Weatherly who gave a brief overview of the legislative activity during the short session. He said there were 22 legislative items on the agenda at the beginning of the session that went through the Joint Transportation Oversight Committee and 21 were passed by the General Assembly. Mr. Weatherly said from DOT's perspective this had been a fairly successful session.

Mr. Tyeryar was asked by the Chairman to brief the Board on the NCDOT budget. Mr. Tyeryar said the major funding source for the Department's funds is from the motor fuels tax, which accounts for 70% of income; 15% from license and fees, and 14% from the highway use

tax for a total of \$4.3 billion. Of that amount approximately 75% is used for construction and maintenance. He then went on to review trust fund and highway fund appropriations and highlighted the sources for expansion, the areas in which those expansions will occur, and any reductions. He said there is an increasing emphasis on the use of public-private partnerships and pointed out that as a result since FY 2008 DOT staff has been reduced by 15.68 %.

Mr. Lupton was asked to present the GTP 2014-2015 budget to the Board. He said in March of this year the Board was briefed on GTP goals and objectives for 2014-2015; and to make sure the GTP is operating within its means and achieving those goals and objectives, a number of steps were taken to set the stage for this year's budget. GTP operations were consolidated in one building – the Spirit Center – to save on costs and better utilize personnel. Environment and historic preservation reporting that has previously been outsourced to contractors and consultants is being insourced in the near term. Maintenance and repair efforts are being scrutinized. Every lease agreement and contract currently in place has been reviewed to insure the GTP is receiving what it is due and that the GTP is providing the required services to its customers. Leases have been standardized and contain the types of clauses that insure the GTP is protected; i.e., terminations, cancellations, etc. Actual revenues and expenses for FY 2014 and the budgeted revenues and expenses for FY 2015 were reviewed by Mr. Lupton along with the status of 2014 goals and those proposed for 2015. He said the Legislature took \$250,000 from the GTP appropriation but that has been covered with funds from fuel sales from the previous FBO and the renegotiation of the DOT loan.

The agency continues to support all its tenants and has worked particularly closely with three of its airside tenants to insure they are complying with current environmental regulations to which the GTP has to adhere. The GTP works closely with Spirit AeroSystems and recently assisted them with an autoclave expansion that will be operational next summer and allow them to ramp up production. In addition, GTP has been approached by Spirit for assistance with construction of a 63,000 square foot storage facility on the north side of its factory to house equipment that is inside the current facility and taking up space. The GTP would provide support and facilitate the process at no cost.

Mr. Lupton said the 404 permit is an important part of GTP development. Though it doesn't expire until October 2018, a significant effort is required for renewal, and the GTP has already begun reaching out to the Corps and laying the groundwork. In the meantime the Corps has been asked to include the 158 additional acres mentioned earlier in the permit area so that land could be used for a potential prospect.

Ms. McQueary brought up the possibility of having an air conditioned storage facility at the GTP for use by FEMA, Red Cross, and other disaster agencies. She suggested that over the next year GTP staff determine what the needs and capital expense would be with the expectation that with the GTP's location it could win a contract from an agency such as FEMA. Mr. Lupton explained that as a result of the SB 402 study the GTP already has a rendering of this type building inside the fence with access to the runway and has started to cost it out.

Chairman Tata called on Ms. Pullium to speak about the Governor's 25-year vision for North Carolina. Ms. Pullium first provided an update on the Strategic Transportation Investment

law. She said over the summer all local MPOs, RPOs, along with division engineers were asked to take scores that came out of the prioritization process and evaluate those for not only the projects in their division but in the region. At the regional level 30% of the overall score for each project is based on the local input process and 50% at the division level. To engage the public 20 events were held by Division Engineers across the state, the DOT web site was utilized, and all kinds of social media were engaged along with traditional newspaper advertisements. Some feedback was received, and at this point the program development team is starting to receive the final evaluation forms. The team is looking at the scoring that came out of that process to create the 10-year Strategic Transportation Investment Program. The goal is to have a finalized document to present to the Board of Transportation in June 2015. Ms. Pullium then expanded on Secretary Tata's earlier remarks about the Governor's 25-year vision for transportation in the state.

The Chairman announced the Board would enter into Closed Session to discuss personnel matters or business involving the location or expansion of other businesses at the Global TransPark as permitted under N.C.G.S Sec. 143-318.11(a)(4). Upon a motion by Mr. Sheehan and a second by Mr. Smith, the Board unanimously agreed to adjourn the open portion of the meeting and reconvene in Closed Session to consider such matters.

(Closed Session Minute Recorded Separately)

At the conclusion of the business of the Closed Session, the Board reconvened in Open Session.

Upon reconvening in Open Session, Chairman Tata said the May 20, 2014 closed session minutes were approved. No other official action was taken by the Board.

With no other business to come before the Board, the Chairman accepted a motion from Ms. McQueary to adjourn the meeting. It was seconded by Mr. Sheehan and unanimously approved.

Respectfully submitted this 17th day of November, 2014.

Anne C. Stagleford
Secretary/Assistant Secretary