

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 10 a.m. Thursday, January 21, 2016, at the Spirit AeroSystems Composite Center of Excellence, 3800 Hwy. 58 N, Kinston, North Carolina, upon notice duly given.

Secretary Tennyson was unable to be present at the meeting but participated via conference call. In his absence he appointed Rob Hosford as acting Chair. Before turning the meeting over to Mr. Hosford, the Secretary made brief comments. He spoke about the State Transportation Improvement Program (STIP) and said the transition plan amendment that allocates greater funding from available monies is now a reality. Funds will be distributed by law according to placement on the project list therefore making it easier to explain selected projects. This is a policy that will last longer than previous ones and the Department looks forward to continuing to come up with systemic change that is needed for a broad transportation solution. Following his opening comments, Secretary Tennyson left the call to join an emergency weather briefing.

In the acting Chair role, Mr. Hosford called the meeting to order. He stated that participating members constituted a quorum and declared the meeting officially open for business. Members taking part included:

Secretary Tennyson (via conference call)	Mr. Joe Koletar
Mr. Tom Adams	Mr. Billy Lamm
Mr. George Andrew	Mr. Mark Lesnau
Mr. Andrew Bolton (for Treasurer Cowell)	Mr. Steve Mayo
Mr. Scott Clontz	Mr. John McNairy
Ms. Cecilia Holden (for Secretary Skvarla)	Ms. Cheryl McQueary (via conference call)
Mr. Rob Hosford (for Comm.Troxler)	Mr. Danny Smith
Mr. Jerry Kanter	

Other attendees and participants included:

Mr. Rick Barkes, GTP Interim Executive Director
Ms. Lori Fuller, GTP Legal Counsel/NCDOT Deputy General Counsel for Logistics
Ms. Mary Jane Westphal, GTP Controller
Ms. Ann Dishong, Director, NCDOT Office of Governance
Mr. Sebastian Montagne, FTZ-214 Administrator
Mr. John Chaffee, President & CEO, NC East Alliance
Mr. Christopher Chung, CEO, Economic Development Partnership of NC

Mr. Mark Pope, Executive Director, Lenoir County Economic Development
Ms. Anne Stapleford, GTP Administrative Assistant and Assistant Secretary
Mr. John Rouse, NCDOT Division Engineer
Mr. Cliff Isaac, NCDOT Rail Division
Ms. Kristen Dwiggin, NCDOT Division of Aviation

There were no contractual matters to come before the Board but in keeping with the requirements of the state ethics policies Mr. Hosford 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.”

No conflicts were identified.

Mr. Hosford said the November 17, 2015, minutes had been distributed to the Board prior to the meeting. A motion to accept the stated minutes as presented was made by Mr. McNairy, seconded by Mr. Adams, and unanimously approved. Mr. Holton and Ms. Holden were not present at the November 17, 2015 meeting and abstained from voting.

Mr. Hosford then called on Committee Chairs for reports.

In the absence of Aviation Committee Chair John Lennon, Rick Barks reported that the committee met on January 19, 2016 for an update on airport activity. He said North State is moving quickly and has finished work on its fourth aircraft at the GTP location. About 25 are presently employed by the company, 21 of whom are full time and locally hired. A class for another 25 employees was recently conducted. In other airport-related activities, Mr. Barks reported that Ms. Dwiggin of the Department of Aviation is working with the GTP at no cost to obtain an electrical grant to replace cabling and lighting at the airport and at the same time is working with the FAA on an approach lighting system upgrade. TSA will carry out a comprehensive inspection in February; and a meeting is scheduled with the US Army within the next week to begin talks about the Army performing additional training exercises at the airport.

In addition, Mr. Barks said he has had lengthy discussions with Mr. Kanter about the air traffic control tower situation. The GTP is one of five contract towers in North Carolina that annually has to go through a reauthorization process. In each of those years the importance of the tower has been addressed with the congressional delegation. Mr. Kanter reviewed the history of the air traffic control tower and distributed to the Board a copy of the letter that he sent to the Chairman of the House Transportation and Infrastructure Committee in support of keeping the control tower at the Kinston Regional Jetport.

Finance Committee Chair John McNairy said the committee has not met recently, but there is good news in that there is a positive cash flow for the first six months of the fiscal year and GTP is breaking even for that period.

Steve Mayo, Marketing Committee Chair, reported that this committee met via conference call on January 12, 2016 as a follow up to its November 17, 2015 meeting. Today's meeting participants and their presentations are a result of discussions that proposed bringing together economic developers within the state to find ways to help market the GTP.

The Executive and Land Use Planning Committees have not met since the November 17, 2015 Board Meeting.

Mr. Barkes updated the Board on GTP activities and said though not a great deal has transpired since the last meeting, there have been some encouraging signs. There is now a positive cash flow; talks have been held with two potential tenants; information about the GTP was provided to a Washington, D. C. group going on a trade mission to Northern Africa; and Mark Pope has been engaged in ongoing discussions with a possible tenant for the GTP. In 2012 the NC Division of Aviation began an economic impact study of airports in North Carolina, and at that time GTP numbers were almost \$220 million of total output and about 1230 jobs. The preliminary report for the 2015 study shows a fairly significant increase with about \$452 million total output and almost 1350 associated jobs.

Mr. Barkes brought before the Board a road naming issue at the airport. There is an unnamed extension off Jetport Road that stops at the terminal and recently caused a problem for EMS responders. After talking with tenants, Mr. Barkes asked the Board to approve a motion to extend the Jetport Road name down to the intersection with Rouse Road. A motion to do so was made by Ms. Holden, seconded by Mr. Mayo and carried unanimously.

Mr. Barkes next introduced Cliff Isaac, Properties and Facilities Manager of the NC Rail Division. Mr. Isaac referred members to the January 20, 2016 memo that detailed the selection of Gulf & Ohio from among five proposals to be the lessee for the GTP's rail line. He said the company has a long standing relationship with NCDOT, Norfolk Southern and CSX and reviewed Gulf & Ohio's qualifications while also pointing out the key points of the Lease Agreement and current activities.

The next agenda items included presentations by economic developers. The first to speak was Christopher Chung, CEO of the Economic Development Partnership of NC (EDPNC). Mr. Chung's background includes 17 years of economic development at the state level in Ohio. The EDPNC was set up in October 2014 and he became CEO in January 2015. He explained that the Partnership is a result of a new trend that takes certain functions out of the public sector; i.e., in this case the Department of Commerce, and moves them into a private nonprofit organization. Marketing and promoting NC as a location are now at the heart of the new organization. Its functions include: (1) new business recruitment; (2) taking care of existing industry; (3) international trade and export assistance; (4) small business counselling; and, (5) tourism promotion. Although these functions now reside outside state government, EDP has not separated

from the NC Department of Commerce but has a contractual relationship with it. The funds previously used by Commerce on the above functions have been moved out of the public sector and appropriated to the EDPNC through its contract with Commerce. NC is the 16th state to use a public/private partnership, and as a nonprofit it can conduct fundraising so that it is no longer restricted to state funding. There is a 17-member Board of Directors drawn from all over the state. There are 10 targeted industry sectors with aviation and advanced manufacturing representing one part. With this number of targeted industry sectors and not enough people to cover each, the decision was made not to specialize based on industry sector but for economic developers to be able to speak about several different industry targets rather than pitching only specific industry sectors.

Mr. Chaffee, President and CEO of NCEast Alliance, is a native North Carolinian who has been in economic development in Eastern North Carolina since 1977. In 2009 he was named CEO of NC's Eastern Region, and recently that organization merged with its counterpart, NC's Northeast Commission, into NCEast Alliance. The Alliance is a regional, private, nonprofit economic development agency that represents a group of 24 affiliated counties and an additional 4 counties with whom it works in terms of a regional STEM initiative. Some of the highlights of Mr. Chaffee's presentation included the following: the development and promotion of the Career Readiness Certificate with employers and individuals; economic clusters, the supply chain and the effect on the economy of Eastern North Carolina; the impact of the STEM program; and, the military presence in the region, the broad scope of people trained by them, and their entry into the work force after retirement.

Mr. Pope, Executive Director of the Lenoir County Economic Development Commission, is a native of Lenoir County who spent 21 years in banking and the last 10 in economic development. The goal of his department is to create jobs by partnering with state and local allies so that those jobs in turn create a tax base and an increase in wages and personal income. In terms of location, he spoke about Lenoir County's interstate connectivity and ports access, and said Lenoir County and the GTP are an ideal location since they are midway between New York and Florida. He also supplied each Board member with a booklet that is representative of what is prepared for clients. Mr. Pope said Lenoir County is ready to partner with GTP at any time to help bring jobs to Lenoir County.

Mr. Hosford introduced Sebastian Montagne, new Administrator of Foreign Trade Zone 214 (FTZ). Mr. Montagne served as an active duty Civil Affairs Officer with the US Army and in strategic planning at NCDOT where he worked on the 25-year vision and also served as military advisor. He explained that a FTZ is a "duty-free" zone for businesses that encompass a geographical area at or near a US port of entry and allows imported goods to be assembled for export with little to no import taxes. This is a good incentive to attract manufacturing, and also works with the food processing businesses, since a company gets duty-free status and jobs are created for the area. FTZ-214 consists of 22 counties from Nash in the north to Hyde in the East to Brunswick in the South and Cumberland in the West. FTZ-214 is poised to be competitive with other FTZs. It will soon start marketing FTZ-214 and emphasize its advantages which include great ports, access to rail lines that cover the country, and great road networks as well as developable land. An application was recently submitted for Alternative Site Framework (ASF) which reduces the time a company can start utilizing a foreign trade zone from months down to weeks. New partners will be brought in to help with advertising and marketing the use of developable land. The

goal is to change the way business has been done to make it more attractive for new business as well as adding new partners within the FTZ.

Mr. Hosford thanked all participants for their presentations and reminded members that the next meeting will take place Thursday, June 16, 2016 in Kinston. With no further business to come before the Board, a motion was accepted from Mr. McNairy to adjourn the meeting. It was seconded by Mr. Smith and unanimously approved.

Respectfully submitted this 16th day of June, 2016.

Anne C. Stapelford
Secretary/Assistant Secretary