

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., Tuesday, January 8, 2013, at the NC Department of Transportation Offices, Raleigh, North Carolina, upon notice duly given. Board members who attended constituted a quorum and included the following:

Mr. Cecil Boyd	Mr. Danny Smith
Mr. Tom Bradshaw	Dr. Courtney Thornton
Mr. Terry Bralley	Mr. Kevin Williams (via conference call)
Dr. Eugene Conti	Mr. George York
Mr. Danny McComas	Ms. Fran Lawrence for Treasurer Cowell
Mr. Kent Misegades	Mr. Ron Fish for Commissioner Troxler
Mr. Bill Ross	Ms. Maureen Little for Scott Ralls
Mr. Carter Sitterson (via conference call)	

Others in attendance included:

Mr. Roberto Canales, NCDOT Strategic Initiatives Coordinator
Mr. Charlie Diehl, GTP Operations and Transportation Consultant
Ms. Lori Fuller, GTP Legal Counsel
Ms. Alanna King, Authority Marketing and Communications Manager
Ms. Darlene Waddell, GTP Treasurer
Ms. Trina Warren, GTP Senior Accountant
Ms. Katherine White, DOT Legal Counsel
Ms. Beth Wood, State Auditor
Mr. Rick Barkes, Deputy Director, DOT Division of Aviation
Mr. Ron Ferrell, Atkins North America
Mr. Warren Miller, Fountainworks
Mr. Allen Pope, NCDOT Statewide Logistics Engineer
Mr. Rob Hosford, NC Department of Agriculture

Chairman Conti presided and called the meeting to order, and in keeping with the requirements of the state ethics policies read the following non-conflict 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 OF 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.

Chairman Conti stated that minutes of the September 20, 2012 meeting had been distributed to the Board prior to the meeting. He requested a motion to approve the Open Session minutes and said Closed Session minutes would be approved during that portion of the meeting. A motion to approve the Open Session minutes was made by Mr. Ross, seconded by Mr. Smith, and unanimously approved.

The Chairman welcomed Ms. Wood and asked her to present the GTP 2012 audit report for the fiscal year ended June 30, 2012. Ms. Wood said a management letter had been issued, the opinion was an unqualified one, no deficiencies were revealed in internal controls for the time frame, and there were no adjustments to the financial statements provided by the GTP to the State Auditor's Office. It was noted that issues of concern are the \$25 million debt to the Escheat Fund and the \$14 million owed to the FAA and the EDA. However, the State Auditor's Office continues to say the GTP is able to carry on its operation based on what has been going on with the General Assembly and the ongoing relationship with the Treasurer's Office. Ms. Wood said the GTP staff was cooperative and forthcoming with information needed to finish the audit in a timely fashion and her office is pleased with its relationship with the GTP.

Chairman Conti thanked Ms. Wood for her comments and called on Ms. Waddell to present the financial report. Board members were supplied with the following financial documents as of December 31, 2012: statement of net assets; statement of revenues, expenses and changes in net assets; and detailed budgeted revenues to actual expenses. Ms. Waddell said she had met with the Systems Analyst for NCDOT to discuss how the GTP might better use the DOT system to get information that will be helpful not only for its staff but for the Board and the public. They have been asked to prepare a financial statement format similar to that used in the audit report and to also set up another cost center for projects. Ms. Waddell said going forward it had been discussed about doing a three-year budget projection to determine what it will take for the GTP to reach the point of becoming self-sufficient on an operational basis.

At the conclusion of the presentation of the financial report, Ms. Waddell introduced the Foreign Trade Zones Board 2011 Annual Report for North Carolina. She stated that the GTP Authority is the grantee of FTZ 214 that includes 3 general purpose sites and two subzones that have been activated. She said the two subzones employ 2,357 and FTZ status for the two companies generated a savings of approximately \$1.7 million. Ms. Waddell commented that the numbers shown for production activity are in a summary fashion due to the information being proprietary.

Following Ms. Waddell's report, Chairman Conti introduced Trina Warren, who joined the Global TransPark staff in September 2012 as Senior Accountant. Chairman Conti said Ms. Warren had become a valuable staff member and asked for a motion to elect her as Assistant Treasurer. The motion was made by Mr. Boyd, seconded by Mr. Ross, and unanimously approved.

The Chairman next called on Mr. Diehl to provide background on the Exclusive Development Ordinance (EDO). Mr. Diehl said the stormwater permit requires compliance and activity on the Board's part to update the EDO and give the GTP power to gather needed information from its tenants. Mr. Diehl said a letter and questionnaire will be sent to all tenants to determine the stormwater status of each and a tenant meeting will be held on January 23 to answer questions and to also use the opportunity for an all-inclusive forum to discuss ideas or concerns tenants might have going forward. The permit requires compliance by the end of February, and Mr. Diehl then called on Ron Ferrell, Environmental Consultant, to provide further information.

Mr. Ferrell said it is important to understand that the GTP is a unique project from a number of perspectives, one of which is environmental. When the GTP was established, the goal was to have all environmental permits in place, which would then be beneficial in marketing the GTP to prospective tenants. A requirement of the stormwater permit is compliance with the Neuse River Basin Nutrient Sensitive Water Management strategy. Another requirement was that the GTP acquire a NPDES federal stormwater permit, and this was issued March 1, 2011. The GTP also has to develop and maintain adequate mechanisms to reduce pollutants discharge, and in the EDO there was insufficient legal authority for the GTP to administer this permit. Two ordinances have been proposed, one of which was adopted in 2010 and is associated with the Neuse Basin rules; and the second is an illicit discharge ordinance. The ordinances were presented to the Development Committee in December 2012. A motion to approve the ordinances as presented was made by Mr. Ross, seconded by Mr. Bralley, and unanimously approved.

Chairman Conti asked Mr. Diehl to update the Board on the wayfinding project. Mr. Diehl said the goal of this project is to provide better signage for the GTP for functionality, aesthetics and branding. The design firm MERJE has been engaged to assist in this endeavor. Mr. Diehl presented a proposal from MERJE depicting signage for the GTP that was developed with input from tenants, local government, various Eastern North Carolina entities, DOT, and GTP staff. He said the Marketing Committee had met and adopted the package being presented, and if approved by the Board, it would be submitted to DOT for preliminary approval. The bidding process for fabrication and installation would then follow. A motion to approve only the next step of preliminary designs approval, as presented, was made by Mr. Ross, seconded by Mr. Bralley and unanimously approved.

Mr. Barkes was asked by the Chairman to report on airport operations. Mr. Barkes commented on the following: airport paving/patching projects; completion of the CAT II ILS; TIP projects and improvements; the possibility of installing a wash rack in the general aviation area; the annual inspection of all facilities by DOI; corrective security updates being made by GTP for TSA; inside the fence mowing and the possibility of using a contractor for outside the

fence; fence line clearing in wetland areas; consideration of maintenance program issues with the FAA prior to purchasing equipment; utilizing DOT mowing contracts and non-secure location partnerships to reduce costs; using community service workers; and the Small Community Air Service Grant that is being utilized to attract an airline to the airport.

Following Mr. Barkes' report, Chairman Conti called on Ms. King for a briefing on marketing activities. Ms. King said the agreement with the original contractor engaged to develop and design the website due had been terminated due to its inability to complete the project in the specified time frame. She reported that a contract for this project has since been entered into with a Raleigh firm used by DOT for its web site design, and anticipated completion of the project is June 30, 2013.

Ms. King said the Marketing Committee, with input from the Department of Commerce and Don Blake of Spirit AeroSystems, had discussed aerospace supply chain strategy and whether the GTP should recruit by going up the supply chain with the Tier 1 aerospace suppliers and the OEMs or go down the chain with the Tier 2 – Tier 4 aerospace suppliers. She said the Committee recognized that DOC should handle the larger projects since those prospects only deal with project managers at the state level, and the better strategy would be to support Commerce by making the GTP more visible to the site selection consultants who handle those type projects. A list of site location consultants that deal specifically with large aerospace projects has been developed, and over the next few months these people will be contacted in anticipation of having them visit the GTP for a one to two-day familiarization tour, probably in the April/May timeframe. The GTP would have more control in Tiers 2 – 4 by being able to talk directly with the company with regard to the advantages of the GTP being part of the developing Southeastern United States aerospace cluster.

The Committee agreed its first focus should be on Spirit's immediate needs – metrology, fasteners, frame clips, testing and composite speed shops that produce small runs of aerospace composite components in a short time. Don Blake of Spirit advised the Committee that the GTP should be prepared for the ramp up leading to the A350's first flight scheduled for mid 2013, as that will be the milestone that prompts Tier 2 - 4 suppliers to make investments strategically based on the customer's location. The GTP along with Mr. Blake is working to identify and prioritize those supplier companies needing close proximity to Spirit. Ms. King said she is in the process of researching those companies to determine the type ownership they have, their priorities going forward, and attendance at upcoming trade shows and conferences to determine which ones to target from the suppliers list and how to get meetings with them.

Chairman Conti thanked Ms. King for her briefing and asked Mr. Miller of Fountainworks to report on progress for updating the Strategic Plan. Mr. Miller said he had been working for the past year with GTP and the logistics staff to help develop the Strategic Plan but that the logistics staff has held off finalizing it so the Ports Authority plan could be completed and combined with that of the GTP. In November the Logistics Planning Committee reviewed the final documents and its feedback was incorporated into the information now being presented. Three major strategic issues identified in the plan were: (1) maintain and increase tenants; (2) have market recognition and government/community support; (3) maximize revenue and minimize general fund support. Each strategic issue has goals, objectives and near and longer

term actions associated with it, and each has performance measures that focus on a small number of issues that can then be used to prioritize objectives. Performance measures of the strategic issues were discussed.

After thanking Mr. Miller for his presentation, the Chairman said the next item of business involved the location or expansion of industries or other businesses and personnel matters at the Global TransPark and asked for a motion for the Board to enter into Closed Session as permitted under N. C. General Statute Section 143-318.11(a)(4). Upon a motion made by Mr. York and seconded by Mr. Ross, the Board adjourned the open portion of the meeting to reconvene in Closed Session to consider such matters..

[Closed Session Minutes Recorded Separately]

At the conclusion of the business of the Closed Session, a motion was made by Mr. Bradshaw, seconded by Mr. Boyd, and unanimously approved to adjourn the Closed Session and reconvene in Open Session.

Upon reconvening in Open Session, Dr. Conti said the September 20, 2102, Closed Session minutes were approved and that no other official action was taken.

With no other official business to come before the Board, Chairman Conti declared the meeting adjourned.

Respectfully submitted this _____ day of _____, 20 ____.

Secretary/Assistant Secretary