

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 1:30 p.m. Tuesday, June 16, 2015, at the NCDOT Offices, Raleigh, North Carolina, upon notice duly given.

Chairman Tony Tata presided. He stated that participating members constituted a quorum and declared the meeting officially open for business. Members taking part included:

Secretary Tony Tata

Mr. Billy Lamm

Ms. Fran Lawrence (for Treasurer Cowell)

Mr. John Lennon

Mr. Jerry Kanter

Mr. Joe Koletar

Mr. Steve Mayo

Ms. Cheryl McQueary

Mr. Danny Smith

Mr. George York

Mr. Tom Adams (via conference call)

Mr. Scott Clontz (via conference call)

Ms. Cecelia Holding (via cc for Secretary Skvarla)

Mr. Rob Hosford (via cc for Comm. Troxler)

Mr. John McNairy (via conference call)

Dr. Courtney Thornton (via conference call)

Other participants included:

Mr. Rudy Lupton, GTP Executive Director/NCDOT Director of Logistics

Ms. Lori Fuller, GTP Legal Counsel/NCDOT Deputy General Counsel for Logistics

Mr. Rick Barkes, GTP Airport Director

Ms. Mary Jane Westphal, GTP Controller

Mr. Shelley Blake, NCDOT General Counsel

Ms. Ann Dishong, Director, NCDOT Office of Governance

Mr. Nick Tennyson, NCDOT Chief Deputy Secretary

There were no contractual matters to come before the Board, but 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.”

No conflicts were identified at the time.

Chairman Tata said that Open and Closed session minutes of the March 17, 2015 meeting had been distributed to the Board prior to the meeting. There being no corrections to the open session minutes, a motion to approve the said minutes was made by Ms. McQueary, seconded by Mr. York and unanimously approved. Mr. Lennon then made a motion to accept the closed session minutes as presented. The motion was seconded by Mr. Smith and unanimously approved with Ms. McQueary abstaining since she did not participate in the closed session.

In his opening remarks, Chairman Tata said the Governor, himself and State Budget Director Lee Roberts had been around the state talking about the Connect NC \$2.85 billion bond proposal. The proposed bond targets critical long term infrastructure assets that will last for 50 years and are vital to competitiveness. The Chairman said this will not result in any new taxes and debt affordability comes from revenue growth with the General Assembly determining the mechanism for repayment. The roads portion of the bond will receive \$1.37 billion, and the list is driven by the strategic mobility formula with selection being made by strategic priority. Non-highway projects such as education, parks, the ports and the military will receive \$1.48 billion and will also be selected by strategic priority.

Chairman Tata stated that North Carolina has not issued bonds in the last 15 years but has added 2 million to the population that has resulted in an inability to keep up with growth and replacement of aging infrastructure. The amount proposed for the State Ports would take Radio Island at Morehead into a next generation marine terminal with an inter modal rail piece connecting the GTP on the NC RR and resulting in the GTP becoming an inland port for container storage. With road work going on from Kinston to the west, Hwy. 70 then becomes an interstate standard road to I-95 and I-40.

The Chairman said now is the time for the bond proposal since interest rates are at an historic low, there is good revenue and other promising things going on with the economy. He emphasized the importance of letting voters decide the bond issue in November. Ms. McQueary offered to share the copy of a resolution she had offered to county commissioners which requests that legislators put the bond issue on the November ballot.

Following his remarks, Chairman Tata asked for reports from standing committees.

Aviation Committee Chairman John Lennon said this committee met on April 29 and June 1. At the April meeting, commercial air service at the GTP was discussed at length and the Committee agreed it is not the role of the state to pursue this but is something that should be addressed at the local level. The Committee also received updates on the clearing project, an interagency disaster drill, and various events at the airport. On June 1 the Committee met specifically to discuss two proposals for a GTP-based MRO that will be reviewed during Closed Session.

Land Use Planning Committee Chair George York stated that the Committee met March 31 with the main discussion points being solar operations at the GTP. He said a lease is being prepared for a solar rooftop installation on the North Cargo Building while discussions are ongoing for two additional solar projects.

Finance Committee Chair John McNairy reported that the Committee met May 21 and reviewed the third quarter financials, the 2016 budget, and the refinancing of the remaining bank debt.

The Marketing Committee met June 9 to review work on the competitiveness of the matrix and to discuss other potential industries for inclusion. Committee Chairman Mayo said the following are currently on the GTP's industry matrix: aviation, aerospace, advanced manufacturing, defense, logistics, exporting, existing industries and expansion, and emergency response/disaster relief.

There was no report from the Executive Committee since that group had not met since the March Board Meeting.

Mr. Lupton was asked for a GTP update. With regard to the financials, Mr. Lupton said through May 31 the net assets had not changed and there was a positive cash flow with 86 percent of revenues collected and expenditures at 93 percent. Mr. Lupton reviewed line items in the proposed 2016 budget and stated it is basically the same as the current one but with some differences in capital spending and rental revenues. He reported that the state appropriation for 2016 had been reduced by 1.4% (\$10,500) to \$739,500. A budget deficit is projected for the upcoming year but staff is working on a project that will offset that.

Mr. Lupton said the GTP has three remaining long term obligations totaling approximately \$6.453 million. Terms have been renegotiated to 12 years and there have been reductions in interest rates that will result in a \$4.5 million savings in long term interest payments. Mr. Lupton also reviewed the status of goals for the 2015 fiscal year and was optimistic that the majority of the goals would be achieved by June 30.

Following Mr. Lupton's report, Chairman Tata said the Board would enter into Closed Session to discuss personnel matters or business involving the location or expansion of other business at the Global TransPark as permitted under N.C.G.S. Sec 143-318.11(a)(4). Upon a motion by Mr. Lennon and a second by Ms. McQueary, the Board unanimously agreed to adjourn the open portion of the meeting and reconvene in Closed Session to consider such matters.

(Closed Session Minutes 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 Board did not take any action in Closed Session but had asked the Aviation Committee to revisit the question of airline service at the Global TransPark.

With no other business to come before the Board, the Chairman accepted a motion from Mr. York to adjourn the meeting. It was seconded by Mr. Smith and carried unanimously.

Respectfully submitted this 17th day of November, 2015.

Annex C. Stagleford
Secretary/Assistant Secretary