

NORTH CAROLINA

LENOIR COUNTY

The Highway 70 Corridor Commission of North Carolina, Inc. met on Thursday, March 17, 2016 at 1:30 p.m. at the LaGrange Community Center, 410 East Washington Street, LaGrange, North Carolina.

County members present:

Carteret County – Robin Comer, Jesse Vinson and David Whitlow
Craven County – Don Baumgardner, Bobby Darden, and Tom Mark
Johnston County – Ted Godwin, Zach Ollis, Frank Price and Donald B. Rains
Jones County – None
Lenoir County – John Craft, Brian Lucas, Mark Pope and Linda Rouse Sutton
Wayne County – Jack Best, Chris Boyette, Joe Daughtery and Bill Pate

Other persons present:

North Carolina Board of Transportation – Hugh Overholt
Highway 70 Corridor Commission Director – M. Durwood Stephenson
Senator Richard Burr's Office - Janet Bradbury
Representative David Rouzer's Office – Billy Barker
Governor Pat McCrory's Eastern Office – Steve Keen
Federal Highway Administration – John F. Sullivan, III
North Carolina Department of Transportation – Mike Bruff, Jeff Cabaniss, Jimmy Eatmon, Rob Hanson, Jiles Harrell, David Morton and Christopher L. Pendergraph
NC Ports – Paul Cozza and Laura Blair
Down East RPO – Patrick Flanagan
Capital Area MPO – Alex Rickard
Upper Coastal Plain RPO – James Salmons
LaGrange – Woody Gurley
Havelock – Karen Lewis and Katrina Marshall
NCEast Alliance – John Chaffee
New Bern Area MPO – Maurizia Chapman and Kim Maxey
Wayne County – George Wayne Aycock, Jr. and Marcia R. Wilson
Citizens – Don Black, Ophelia Davis and Sandy Korschun
Kinston Free Press – Zach Frailey and Wes Wolfe

Call to Order and Welcome

Highway 70 Corridor Commission Chairman Ted Godwin called the meeting to order and welcomed everyone to the meeting.

LaGrange Town Manager John Craft and LaGrange Mayor Woody Gurley welcomed the members of the Highway 70 Corridor Commission to LaGrange.

Approval of the Agenda

Upon motion of Lenoir County Member Linda Rouse Sutton and seconded by Vice Chairman Tom Mark, the members of the Highway 70 Corridor Commission unanimously approved the agenda as presented with the deletion of the Rural Center Update by Rural Center President Patrick Woodie.

Approval of Minutes

Upon motion of Lenoir County Member Linda Rouse Sutton and seconded by Wayne County Member Jack Best, the members of the Highway 70 Corridor Commission unanimously approved the minutes of the meeting on January 21, 2016.

Interstate Designation Process

Federal Highway Administration Division Administrator John F. Sullivan, III updated the members of the Highway 70 Corridor Commission on the interstate designation process. The Federal Highway Administration works with the states to develop the interstate system. Since 1991 the transportation program has evolved into addressing highway needs. In 1991 after the development of the interstates, Congress developed high priority corridors. In 1995 Congress stated when the corridors are built to interstate standards they can become part of the interstate system.

The recent Fixing America's Surface Transportation Act or the FAST Act added US Highway 70 from Raleigh to the Port of Morehead City as a high priority corridor. Once the corridor is built to interstate standards, it will become part of the interstate system.

The corridor becomes part of the interstate system when the Federal Highway Administration determines a segment meets the interstate system design standards in 23 U.S.C. §109(b) and connects to an existing interstate system segment. The US Highway 70 segment would connect to Interstate 40, Interstate 95 and Interstate 795.

The future interstate can be signed when:

- The specific route location to the appropriate termini has received Federal Highway Administration environmental clearance or route location publicly announced by the state
- Numbering is approved by AASHTO (American Association of State Highway and Transportation Officials). AASHTO meets once in the spring and once in the fall.
- Federal Highway Administration approves the general location of the signs.

The US Highway 70 segment would typically be an even number. Usually, the state traffic engineer works with the North Carolina Department of Transportation Secretary's Office and proposes a number to AASHTO. The Federal Highway Administration keeps track of the numbers.

Future interstate shields can be installed if the standards are very close to being interstate standards.

Federal Highway Administration Division Administrator John F. Sullivan, III congratulated the members of the Highway 70 Corridor Commission for getting US Highway 70 added as part of the future interstate system. He and his staff looked forward to working with the Highway 70 Corridor Commission and the North Carolina Department of Transportation on developing a signing plan and getting future interstate shields installed.

Members of the Highway 70 Corridor Commission recommended Interstate 50 as the number for the future interstate.

North Carolina Board of Transportation Member Report

North Carolina Board of Transportation Member Hugh Overholt stated the groundbreaking for the Bonner Bridge was a huge accomplishment, especially for eastern North Carolina. It will set a pattern for environmental issues for what can be done on US Highway 70. He is currently working on the Havelock Bypass, which has been funded. The final environmental document for the Havelock Bypass needs to be approved. The Southern Environmental Law Center submitted comments and objections to the Havelock bypass, which will need to have responses submitted. This is one of his highest priorities, which will help traffic flow to the Port of Morehead City. The Gallant's Channel Bridge is ahead of schedule. All of the pieces are falling in place to support the Port at Morehead City and tourism, which support the economy in the area. He has also been involved in meetings concerning James City. A freeway upgrade has also been funded for the section past James City to Havelock. The goal is to have a quality highway from Kinston to Morehead City. He gave special thanks to Rob Hanson, Patrick Flanagan, Paul Cozza and Steve Keen.

North Carolina Ports Report

North Carolina State Ports Authority Chief Executive Officer Paul J. Cozza updated the members of the Highway 70 Corridor Commission on the North Carolina Ports.

Fiscal year 2015 was a banner year for the North Carolina Ports. The North Carolina State Ports Authority broke a record in terms of the number of containers handled – just under 300,000 TEU (Twenty Foot Equivalent Unit), which is an 18% increase over the previous year. Wilmington is one of the fastest growing ports on the United States east coast by container volume growth percentage. New services, diversions and lack of congestion have led to a banner year. Fiscal year 2015 was the most profitable year in the history of the Authority.

This year the port is holding its own and is flat. The ports are seeing a decrease in containers due to the global economy, especially on the outbound side.

Last year Morehead City had an increase of 35% increase in tons. Through February 2016 there is a 15% increase. We need to grow our business through our ports. The growth helps from a federal prospective in getting funding for water-based infrastructure and increases our market share for services and spurs more activity throughout the state. The ports making a profit is one his objectives. Non-critical assets are being sold and being reinvested. Proceeds

from the sale of the Southport Marina totaling \$3.5 million are being used to dredge the Port at Morehead City.

The North Carolina State Ports Authority is increasing focus on marketing/sales to compete with other southeast ports through:

- A new Chief Commercial Officer
- Coverage of cargo owners/shipping companies
- Getting the word out

The container segment is a priority. Increased vessel service provides options for North Carolina communities. The Port of Wilmington has ZIM as a new ocean carrier and is in negotiations with Evergreen. Both ports need more shipping services.

Expansion Solutions Magazine recognized the North Carolina Ports in its 9th annual “Top Five” Awards of Excellence. These awards identify economic development organizations, which have shown exceptional progress and potential in the area of recruiting, retaining and growing business. The ports want to be a catalyst for economic development in the state.

North Carolina State Ports Authority Chief Executive Officer Paul J. Cozza showed a graphic of the following:

- 18% of Savannah’s container business starts or stops in the State of North Carolina
- 43% of Charleston’s container business starts or stops in the State of North Carolina
- 27% of Norfolk’s container business starts or stops in the State of North Carolina

His job is to enhance the North Carolina economy. Many North Carolina importers and exporters are being forced to use ports that are not as close.

The Port of Wilmington has a public-private partnership pellet project underway. The facility has a long-term lease on port property. The design, finance and construction are a \$35 million investment. Exports should begin in September 2016 with 1 million + tons per year. The production facilities are in Sampson County and Richmond County. A similar project is being planned for the Port of Morehead City.

A cold storage public-private facility is being built at the terminal at the Port at Wilmington. The initial construction is 101,537 square feet with 200,000 square feet of expansion space planned. It is expected to be completed in July 2016. North Carolina agriculture ranks nationally as follows: #1 in sweet potatoes, #2 in pork and turkey production and #5 in poultry production. Eastern North Carolina has turkey, poultry, pork and sweet potato producers.

The Panama Canal is being enlarged to allow larger ships from Asia to come to the east coast of the United States. Ships are measured by TEU (Twenty Foot Equivalent Unit) or about the size of a truck-hauled container box. Currently, a 4800 TEU vessel will go through the Panama Canal and this will change to an approximate 12,000 TEU vessel. The Port at Wilmington has a turning basin expansion project to accommodate the larger vessels up to 10,000 TEU. The \$10-12 million project will be completed in June 2016. The project had support from multi levels of government.

The North Carolina General Assembly funded \$35 million for this fiscal year and \$35 million for next fiscal year for capital expenditures. Infrastructure investments at the Port of Wilmington include Berth 8 replacement and upgrade project (\$53-58 million), purchase of new post-Panamax container cranes (\$32-36 million) and the capability to operate two post-Panamax vessels simultaneously. The completion date for the Port of Wilmington projects is December 2017. A \$1.4 million study is underway with the U.S. Army Corps of Engineers to complete navigational improvements to the Cape Fear River Channel, including deepening the Cape Fear River basin. The study will include the type of rock. Long-term viability requires channel improvements. The Port at Morehead City has \$3.1-3.5 million appropriated for inner harbor dredging.

The CSX Central Carolina Connector will be a transformational state-of-the-art intermodal rail terminal in eastern North Carolina, which will serve as a major transportation hub in the Southeast. Intermodal is movement from truck to rail or rail to truck. There is domestic and international movement. The location is along the Interstate 95 corridor along the A-line. This will be an efficient way to get into the CSX network. The transportation hub in the mid-Atlantic region presents an economic development opportunity:

- Catalyst for distribution centers, warehouses and logistics consolidators
- Manufacturers near the Central Carolina Connector have a competitive advantage
- Reduces traffic on interstates and highways (Interstates 95/85/40)
- Improves safety and reduces emissions for freight traffic
- Intermodal advantages for the North Carolina ports with direct rail to Charlotte and premiere service over southeast ports

Manufacturers, distribution centers, light manufacturing, warehouses and logistics centers will locate around the intermodal rail terminal. This is the largest economic development project underway in the state now. The correct location in eastern North Carolina needs to work operationally and for the landowners. This will be an unprecedented catalyst for economic development.

CSX serves the Port at Wilmington. Norfolk Southern serves the Port at Morehead City. Daily CSX trains could run from Wilmington to the hub and then the containers would be dispersed all over the United States. This would be a catalyst for the ports to negotiate with ocean carriers to use the North Carolina ports. There will be more volume and more services and the ability to serve all of the cargo customers. North Carolina State Ports Authority Chief Executive Officer Paul J. Cozza stated he could not stress the importance enough of the hub.

Long-term decisions are based on the network of roads and rail. Decisions in each part of the state affect the other areas of the state. Growth areas of the United States over time are in the Southeast. People and businesses are moving into the Southeast. Successful states are using the transportation network as an economic catalyst.

The North Carolina ports support North Carolina by:

- Providing directly or indirectly 76,700+ jobs statewide
- Adding \$707 million+ in annual tax revenues to the statewide economy
- Adding \$14 billion + in an annual economic contribution to state's economy associated with goods moving through the ports

- Looking for sites to develop for industrial sites

The North Carolina ports must be better and faster than the surrounding ports now and in the future. The advantages are:

- Unmatched performance – one of the highest crane productivity rates in the South Atlantic; second to none truck turn times
- Velocity leader – fast, seamless service from the berth, to the yard, to the gate; lack of congestion
- Cost efficient – cost competitive solutions offered to the customer base
- Impeccable service – accolades from the customer base

The Port at Morehead City does bulk business, not container business. The port is approved to 45 feet. The challenge is the repetitive shoaling problem. The Port at Morehead City has great ocean access, but needs intermodal access to roads and rail. Radio Island is an inhibitor. If needed in the future, rail to the Port of Morehead City can be increased.

The importance of the missing link at Castle Hayne depends on the location of the intermodal hub. Future development will determine the importance.

Congressman David Rouzer's Office Report

Billy Barker with Congressman David Rouzer's Office stated Congressman David Rouzer sits on the Transportation Infrastructure Committee in the House of Representatives. He was able to get the Highway 70 language into the bill, which was passed. Interstate designation is vital to the future transportation needs of eastern North Carolina. Once the routes are built to interstate standards, they will become part of the interstate system and receive the shield. He offered the assistance of Congressman David Rouzer to the members of the Highway 70 Corridor Commission.

Strategic Transportation Investments Funding Status Funding Methodology

Eastern Carolina Council Planning Director Patrick Flanagan stated the North Carolina Department of Transportation will release the scores for all of the projects at the end of the month. We will know the statewide projects that were funded. From April 1st to the end of May points can be assigned, based on the local adopted methodology, to regional projects and unfunded statewide projects cascaded down to the regional level. MPOs and RPOs need to have discussions about projects they want to assign points and how many points. The regional projects also include highways, rail, larger airports and multi-county transit agency, which are eligible. The projects will be submitted to the North Carolina Department of Transportation at the end of May. Local input points will be incorporated into the score during the June and July. Funded regional projects will be released at the end of July. Points can be assigned to division need projects in August-September, as well as any unfunded statewide and regional that were cascaded down. Division projects include all modes of transportation including bicycle, pedestrian, ferry, rail, highway, public transit and aviation projects. The draft Strategic Transportation Investment Program (STIP) will be released in December, showing where projects got funded in the 10-year STIP.

Region A consists of Division 1 and Division 4. Region B consists of Division 2 and Division 3. You must subtract the allocation in the STIP for the first five years. The difference is how much is left for regional impact projects.

Eastern Carolina Council Planning Director Patrick Flanagan reviewed the draft numbers for the regions and divisions.

Capital Area MPO (CAMPO) Deputy Director Alex Rickard stated funding for projects in the first five years may extend into future years and the appropriations need to be taken into account. The project costs have escalated and should be taken into account.

Fixing America's Surface Transportation Act Grant

Eastern Carolina Council Planning Director Patrick Flanagan updated the members of the Highway 70 Corridor Commission on the Fixing America's Surface Transportation Act (FASTLANE) Grant. The FASTLANE grant provides financial assistance to nationally and regionally significant freight and highway projects that align the program goals to improve the safety, efficiency and reliability of the movement of freight and people. There will be \$4.5 billion available from fiscal year 2016-2020. Fiscal year 2016 has \$800 million authorized with 25% set aside for rural projects and 10% for small projects. Eligible project types include a highway freight project on the National Highway Freight Network, highway or bridge project on the National Highway System to improve mobility, freight project or a railway-highway grade crossing, intermodal project or grade separation project. The cost for a large project is \$25 million or greater. The cost for a small project is \$5 million or greater. The cost share is for 60% with the remaining 40% from other (state/local) funds. Some federal funds can be matched. Any previously incurred expenses cannot count towards to the cost share. The grant application is due April 14, 2016. The North Carolina Department of Transportation staff is examining eligible projects. Once the contract is signed, the project must be let in 18 months.

If the North Carolina Department of Transportation matches money to transportation projects, the project must have money committed to it in STIP.

The FASTLANE grant criteria are:

- Economic outcome
- Mobility improvements
- Safety improvements
- Community and environment benefit
- Partnership and innovation
- Cost share more than one funding source

There are very few projects, which would qualify in this round of funding. The staff is working on projects in subsequent years.

Highway 70 Corridor Commission Director M. Durwood Stephenson stated it is hard to find qualifying projects for the FASTLANE grant. He talked with Congressman G. K. Butterfield about the plan being great, but the window was too narrow. Hopefully, the legislation will be modified. The CSX intermodal project is scheduled to be a public-private project with STI funding \$100 million. The CSX intermodal project is the #1 rated project in North Carolina.

Logistics

Sanford Korschun stated we must get the CSX intermodal hub in order to the entire state to benefit. CSX wants to handle long distance containers from the east coast to the heartland of the United States.

Division 4 Update

North Carolina Department of Transportation Division 4 District Engineer Jiles Harrell updated the members of the Highway 70 Corridor Commission on the following projects:

- Wilson's Mills interchanges. A public hearing was held on February 2, 2016 and was well received. Alternate selection is taking place now.
- Pine Level – US Highway 70 Business culvert has been completed and water has been turned into the new culvert. The adjacent culvert under US Highway 70 construction is nearing completion. The drain field on the north side is being brought up. The bridge contractor should be mobilizing by the end of the month to drive piles and work on cap construction. In 6-8 weeks the shoulders will be widened to allow more room in the median for interior bridge supports. The culvert construction on Davis Mill Road is nearing completion. The comments from the Davis Mill Road public hearing are being reviewed and reviewed for environmental concerns.
- Martin Livestock Road safety project. Plans are in development. The target let date is summer 2016. Options include a cul-de-sac on the subdivision side.
- Goldsboro Bypass western section completed. Wetland mitigation project with stream relocation near the Little River is nearing completion.
- Goldsboro Bypass eastern section – Final surface work. Incidental work, such as guardrails, sign installations, etc., is continuing now. Completion scheduled for June 1, 2016.
- Goldsboro Bypass Intelligent Transportation System project is underway. The submittal phase, which is typically a six month window, is currently underway. The time between the award of the contract and beginning of construction allows for approval of materials and fabrication. Construction should begin mid to late summer.
- Interstate shield sign will be unveiled March 30, 2016 at 10:00 a.m.

Division 2 Update

North Carolina Department of Transportation Division 2 Division Planning Engineer Jeff Cabaniss updated the members of the Highway 70 Corridor Commission on the following projects:

- James City – traffic forecasting taking place and working on the preliminary designs. Public meetings will be scheduled for late summer.
- Slocum Gate – scheduled to be let in June 2017.
- Havelock Bypass – waiting on Record of Decision, hopefully in May 2016.
- Gallants Channel Bridge – construction is ahead of schedule. Estimate traffic will be on the bridge in late 2016.

Havelock Bypass Update

North Carolina Department of Transportation Eastern Project Development Section Head Rob Hanson updated the members of the Highway 70 Corridor Commission on the Havelock Bypass. The Record of Decision is expected in May. The Southern Environmental Law Center sent a thick packet of comments on the final Environmental Impact Statement, which the consultant is answering. The schedule authorizes right of acquisition in August. The design plans are on schedule. There is flexibility in the schedule if the Record of Decision has to move back some.

North Carolina Department of Transportation Eastern Project Development Section Head Rob Hanson stated he was very proud of his staff and their work on the Havelock Bypass. This is a new location freeway taking property from the Croatan National Forest, by agreement; and affecting red cockaded woodpecker habitat under the purview of the United States Fish and Wildlife Service. The United States Fish and Wildlife Service had no comments on the final Environmental Impact Statement document.

Federal Highway Administration Division Administrator John F. Sullivan, III stated once the Record of Decision has been signed, notice is published in the National Register. The statute of limitation for a lawsuit is for 150 days after publication in the Federal Register.

Senator Richard Burr's Office Report

Janet Bradbury with Senator Richard Burr's Office stated Congress has been out of session. Senator Burr introduced the Veterans Choice Improvement Act of 2016. The Act allows veterans to get needed health care outside of the VA system. It will also provide needed changes and reforms to address the bureaucratic delays, hassles and confusion that veterans have continues to experience in attempting to access health care. Senator Burr introduced a bill requiring the IRS to justify audits. He has introduced legislation for emergency pandemic preparedness for a major disaster. He is working on legislation for more rapid approval of medical devices. Janet Bradbury stated other legislation is beneficial to help others.

Financial Report

Highway 70 Corridor Commission Director M. Durwood Stephenson reported as of March 17, 2016 there was an account balance of \$228,288.74.

Comments

Highway 70 Corridor Commission Chairman Ted Godwin thanked everyone for their excellent presentations. He also thanked the Town of LaGrange for hosting the meeting.

Wayne County Member Joe Daughtery stated Wayne County would take on an initiative to create an organization to promote rail in eastern North Carolina, which will be patterned after the Highway 70 Corridor Commission. Our counties need to come together to place emphasis on rail in order for eastern North Carolina to grow. Wayne County Member Jack Best will head the organization and will be asking governmental entities in eastern North Carolina to support the agenda to improve rail service in eastern North Carolina. He thanked Jack Best for accepting the challenge.

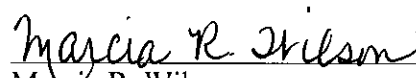
LaGrange Mayor Woody Gurley thanked the Highway 70 Corridor Commission for holding its meeting in LaGrange. The town is proud of its new Community Center.

Next Meeting

The next meeting of the Highway 70 Corridor Commission will be held on May 26, 2016 at 1:30 p.m. in the New Bern Riverfront Convention Center, 203 S. Front Street, New Bern, North Carolina.

Adjournment

At 3:15 p.m., Highway 70 Corridor Commission Chairman Ted Godwin adjourned the meeting.



Marcia R. Wilson