



US 70 Corridor Commission

DIRECTOR'S REPORT FOR MONTHS OF JUNE & JULY, 2017 M. DURWOOD STEPHENSON, DIRECTOR

The heart of the summer, June & July, have now passed with record heat (23 consecutive days exceeding 90 degrees and high humidity) taxing our spirits and our dollars allocated disparately to cooling. The General Assembly has adjourned with plan to return for special issues in August.

As we glance in the rear-view mirror and our report for April and May the dominant issues and themes: Transportation and infrastructure, Flood Control and Food Processing economic opportunities are still at the forefront. The Havelock Bypass remains stalled in negotiations, but under the leadership of NCDOT Secretary Trogdon, there is progress to report on our U.S. 70 Agenda. Progress at James City has advanced planned "let" date by 2 years – from 2021 to 2019 and enjoys full community support divested of local animosity and resistance; Kinston Bypass (R-2553) is active and progressing with renewed support to raise the road level above the flood waters that Matthew decimated in late 2016. Draft Environmental Impact Statement is planned for early 2018. Local public officials convened at Global Transpark on Monday, July 24 to discuss project. Advancing our Interstate 42 agenda continues with traffic congestion projects in Johnston County: U.S. 70 Improvements near Pine Level (W-5107) are now 80 percent complete. Improvements near Wilson's Mills (W-5600) have now been embraced by the local community. I attended a public informational meeting in Wilson's Mills on July 17 and noted the positive reaction from more than 80 local officials and property owners. Right of Way Acquisition is scheduled to begin next year – FY2018.

After years of heated debate, confrontational discussions and too many fatalities, NCDOT has announced plans for improvements along I-95 in Johnston and Harnett Counties. Although I-95 is not a part of our U.S. 70 agenda; it does significantly impact traffic and connectivity in Eastern North Carolina and our U.S. 70 Corridor.

NCDOT Secretary Trogdon shared his recent presentation to USDOT on Challenges Unique to Rural Areas Regarding Transportation. A review of the presentation of data revealed and informed the realities of a region in decline:

M. Durwood Stephenson
Director

P.O. Box 1187 ❖ Smithfield, NC 27577 ❖ (919) 934-1249 ❖ DurwoodUS70@gmail.com

- Of the State's 553 municipalities only 35 percent experienced growth in last 6 years. (2010-2016). Forty-one (41) percent saw population decline. 192 towns and small cities saw flat or nearly no growth. The UNC Population Center predicts 66 percent of all growth in North Carolina will be in only two counties. In a "hard to believe" report in a July issue of **THE WEEK** news magazine reports "just 20 counties are responsible for half of all new businesses created in the U.S. since 2008. That's 0.64 percent of the 3,100 counties in the U.S."
- In urban Counties, the majority of workers are employed in the County. In Wake County 63 percent of employed residents work in the County, but the more rural the County, the greater the number of out-commuting workers. Therefore, for rural residents, the transportation system in both the home County and the County where they are employed are of equal importance.
- Economic Hubs are driven by travel-time to employment and work force density/demographics.

The basis for our "think regionally" is appropriate and justified by this data. Although we should and will continue to promote transportation connectivity between our rural population and job market counties, it is also imperative that we continue to pursue entrepreneurship and job creation within our region.

Our transportation agenda is on-track and progressing and in most instances the agenda is being escalated. Obviously, there are routine disruptions and delays; i.e. the Havelock Bypass. But a review of the total agenda confirms progress can be celebrated, but with no decline in our persistent push forward.

Equally important in our quest is our commitment to economic opportunity for the citizens of rural Eastern North Carolina. Hence the hard "push" on the Food Processing cluster with a promise of 38,000 jobs in the industry. We are aware and have been constantly reminded of the need for food – both quantity and quality. The world has been alerted that North Carolina has the capacity to become the "bread basket" of the world.

In my April & May Report, we included an excerpt from the **North Carolina Food Processing and Manufacturing Initiative**. ..."Funding in the amount of \$500/K year for a three year period." At the time of the last report, the final budget from the General Assembly was not completed or approved. Unfortunately, despite voicing strong support for the plan Senate Appropriations Chair, Brent Jackson, and House Appropriations Co-chair, Linda Johnson, the proposal did not make the final budget. I was promised the funds would be included in next 2-year budget. We cannot afford to wait that long.

On a positive note, \$100,000 was appropriated in nonrecurring funds for the 2017-2018 fiscal year to establish FOOD SCIENCE INSPECTION ADVISORY COMMITTEE. The Food Processing Innovation Center Committee to be located administratively in the Department of Agriculture and shall be charged with the responsibility of developing a business plan with priority given to entities located in rural and economically distressed areas. Upon finalizing a business plan, it will be submitted to N.C. State University, the primary author of the original Feasibility Study suggesting 38,000 jobs is possible with this cluster. (Copy of Legislation Attached).

Always looking for the good news and spinning the legislation as a good omen, we must accept establishing a Steering Committee to develop a business plan for food production and processing is a first-step forward to seeking those 38,000 jobs.

I admit to disappointment the plan and funding is less aggressive than proposed by the Feasibility Study and the participation initially by the farm community is minimal. Ultimately as voiced and reported in April & May report, Christopher Gergen, a Fellow in Innovation and Entrepreneurship at Duke University. "We must save our farms to enable the farm population to earn a living wage and to grow the food needed by a growing population worldwide." We now have a master plan to save and grow the farm community. Historians tell us the general population began an exodus from rural life in the 1920's favoring industrial revolution and manufacturing. The exodus and rejection of rural farm pursuits has continued.

Historically farming was people doing the same work as their parents without choosing it for themselves; a trend that has been abandoned as family farms are in decline. New crops, food demand, science technology and efficiencies of operations is now the path of profitable farming operations. This requires specialized training in lieu of the follow your parents model.

As the population increases, the demand for food grows exponentially. The growth of the population and the demand for food now outpaces the traditional methods of growing and processing food. These parallel conditions have created significant interest in agtech and the opportunities it provides. Savy investors are now active in food marketplace and ag biotechnology.

In pursuit of the recommendation of the aforementioned **North Carolina Food Processing and Manufacturing Initiative**, the Town of Ayden under the direction of Mayor, Stephen Tripp, has diligently pursued the first model food processing and storage facility. Mayor Tripp and his staff have been able to secure \$2.8 million in Economic Development funds from Federal sources. The plan to develop a Farmer HUB facility of approximately 24,000 SF has been stymied by the inability to attract matching State and/or local funds.

Napoleon Wallace, Deputy Secretary for Rural Initiatives, N.C. Department of Commerce and I met with Mayor Tripp and his staff to learn more about his plan and the status of the plan.

The growing of food is a natural progression for entrepreneur economic development in our region. The local population has the skills, equipment, lifestyle, and available fertile lands for agricultural pursuits.

As advocates for economic improvements in Eastern N.C., we have an obligation to assist the effort in Ayden as a model for the concept suggested by the Study.

Mayor Tripp made a passionate presentation to the U.S. 70 Corridor Commission Directors in Morehead City on July 20. We are continuing the dialogue and I am in the process of enlarging our support team to explore every possible source for matching funds.

Back to the rear-view mirror of April & May, we cannot forget Matthew, its devastating impacts along the Neuse River Basin and the people along the U.S. 70 Corridor.

My April & May report chronicled Hurricane Matthew and its aftermath. Downstream flooding has become a regular occurrence since Fran in 1996, followed by Hurricane Floyd just 3 years later in 1999. It seems each succeeding flood over the past 20 years has been more intense and severe. Yet there is scant evidence of any major effort to minimize the vastness of the devastation.

Nearly 9 months after Matthew funds from FEMA and other State and Federal agencies are beginning to trickle in to relieve in some small measure, the pain and suffering of the citizens of Eastern North Carolina. Print media, television, internet and other communication reports have continued to expose the underbelly of a people and region in crisis that taxes all available funding sources, but fails to address the probability of the next big flood event. The losses of homes, businesses and lives has challenged the spirit of a people challenged too frequently with the helplessness to prevent as repeat and probably more damaging storm events.

In lieu of waiting for the next “shoe to drop,” it seems prudent to address the root causes of down-stream flooding and expand resources to minimize the after effects with flood prevention measures.

The Corridor Commission joined the City of Kinston with Resolutions to be provided to our elected officials suggesting and offering preventive down-stream flooding ideas. We have continued to encourage Resolutions from other affected towns, cities and impacted entities.

In our search for better solutions to minimize down-stream flooding, I contacted Jamie Shern, a former COE employee and technical expert in the role of COE in flood events and potential preventative actions that may minimize continuing flood impacts along the Neuse River Basin. On June 30, I met with Kinston Mayor, B.J. Murphy and Craven County Commissioner, Linda Rouse Sutton and staff. The Mayor is engaged in pursuit of preventive flood measures.

Along the way, we discovered a study prepared by COE more than 52 years ago that obviously anticipated the likelihood of down-stream flooding. During the course of our research, the study revealed a plan of action to minimize and control down-stream flooding.

The 1965 study suggested the development of 12 reservoirs along the Neuse River Basin. Unfortunately, only one (1) of the recommendations was actually implemented. The Falls Lake Dam did evolve from the study – but not for down-stream flooding as suggested – but to provide a water source for the City of Raleigh. In the interest of transparency, one additional reservoir has now been added – the Buckhorn reservoir in Wilson County.

Governor Cooper initially requested \$929 million for Hurricane Matthew relief. We now find ourselves 9 months after the event with too many of our citizens living in temporary housing, sleeping on wet mattresses and businesses not yet fully functional.

The North Carolina General Assembly approved \$100 million in Hurricane Relief. In May 2017, HUD awarded the State a mere \$6.1 million for housing. An additional \$32 million in relief aid has just recently been promised. In total, approximately \$630 million in federal aid has been allocated or promised.

Unfortunately, the Bureaucracy has been slow to deliver relief funds to our rural citizens who are daily struggling with untenable living conditions. Despite the seemingly large sums of money directed to Hurricane Matthew relief, it is significantly less than the \$4.8 billion estimated necessary to recover from the devastation of last October.

Another Hurricane season has arrived as we struggle to recover from last year’s damage. Recent reminders from past Hurricane events in our State suggest in lieu of the “laissez-faire” approach of sitting idle to await the next big Hurricane, we should and must pursue preventive actions to minimize the unwanted results of down-stream flooding.

As noted above, the total costs of damages in our rural counties resulting from Hurricane Matthew is \$4.8 billion with the price tag to alleviate and minimize down-stream flooding estimated at \$ 1.3 billion.

We can and must make the argument to our Congressional Representatives and Senators that the cost of preventive action is far less than the now seemingly routine flooding along the Neuse and many of the small rivers traversing Eastern North Carolina.

A plan of action must be developed to reduce or at least minimize down-stream floodings. A more current study of the Neuse River Basin should be initiated by the State of North Carolina and USACE. A resolution from U.S. House Transportation and Infrastructure Committee is probably necessary and a good next step forward. Congressman Rouzer serves on this Committee. Kinston Mayor B.J. Murphy and I are scheduled to meet with Congressman Rouzer on August 17 to ask for his assistance and support for the Resolution.

I am grateful for all who have provided Resolutions supporting the Flood Prevention actions, but we still have 'work to do', in a concerted group effort, all eyes and some really sharp, experienced minds are seeking solutions. There are on-going discussions and planning with a specific plan to be announced and pursued, hopefully soon. Stay tuned and keep pushing.

On another front, we have been hearing good things from our Ports – Stephanie Ayers reports Brian Check joined the Ports as Chief Operating Officer in June and is implementing operational policies and procedures to maximize efficiencies. Stephanie also advises NC Ports has secured reliable, cost competitive intermodal rail service at the Port of Wilmington, the first in over twenty years. The new service is delivering lower cargo cost for goods coming from or is going to the greater Charlotte region.

As reported in April/May Report, the U.S. 70 Corridor Commission endorsed and passed a Resolution in support of the Atlantic Coast Pipeline following a report from Rosemary Wyche.

The Directors of the Corridor Commission has endorsed the pipeline construction, believing the economic benefits exceed any potential environmental impacts. The Atlantic Coast Pipeline will change the lives of the people in Eastern North Carolina along the planned route of the pipeline. The economic development community has voiced strong support and a desperate need for the natural gas. The project is one of the largest economic stimulus packages ever and receives no incentives from public sources. Despite objections from a small number of property owners, the long-term benefits to a region in need outweighs individual impacts. The route of the pipeline through eight (8) counties, all but one (Johnston County) is among the most economically distressed counties in the State and even Johnston County is like North Carolina; a County divided by the "haves" in western end of the County and the "have nots" in Eastern region of the County. The media has portrayed the route of the pipeline as preying on the poor and vulnerable. The reality is these regions are poor and in decline because of a lack of modern infrastructure. Environmental interests have generally sided with the opposition landowners in an effort to stop the project. The environmental impacts of the project have been thoroughly vetted and deemed environmentally safe. Infrastructure investments (gas) have long-term benefits and creates jobs.

It is a major infrastructure investment that Eastern North Carolina can ill afford to lose. We cannot continue a path of decline as experienced in recent years. Between 2000 and 2013 poverty grew by 29 percent in cities, but by 66% in rural areas. As the war of words between rural and urban economic interests escalates, the gap in infrastructure resources continues to widen. About 39 percent

of the U.S. rural population, approximately 23 million people, lack access to broadband internet services, compared to just 4 percent of urban residents lacking the service. Without broadband, rural residents have slow, unreliable service; a detriment to businesses, education and personnel life quality.

On June 1, the Rural Center announced – a new program to assist North Carolina’s small business owner’s recovery from Hurricane Matthew, the western wildfires, Tropical Storm Julia and Tropical Storm Hermine. A fund was established to provide low-interest loans up to \$250,000 for terms up to 10 years.

Charles Edwards, NCDOT Logistics Strategy Director continues to keep us informed of concept of identifying U.S. 70 as an electrical vehicle corridor. This is significant as the future of Transportation continues to follow a major transition to electrical-powered vehicles. Volvo has recently announced that all of its new models will be either fully electric or a hybrid starting in 2019. Car manufacturers are concerned that the cost of meeting tougher emissions regulations with conventional-internal combustion engines will be difficult and less economically feasible than changing to electric cars.

July marks the end of an era of service to transportation as Wendi Johnson, long-time Division 4 Construction Engineer and Division 4 Engineer Jerry Page end their service. Both are retiring and will be sorely missed. We feted them and thanked them for their service at a luncheon in Smithfield on July 21. Happy trails and thanks!

In summary, this report for the months of June and July have generally followed the course of the previous report for April and May; Transportation and Infrastructure, Flood Control and Agricultural (Food) production.

It is a message of hope and a path to a better economic future.

Thank you for continuing to promote and support this path forward.

Earlier as noted by NCDOT Logistics Director, Charles Edwards the future of transportation will change drastically as new challenges – funding sources, transportation infrastructure and technology confront us and force us to futuristic concepts; i.e., electrical corridors as Volvo’s announcement and an update on the previously reported “hyperloop.” Government approval has now been issued Verbal approval to begin construction of the first active hyperloop. Developers of this futuristic travel system claim passengers can travel from New York to Washington, D.C. in 29 minutes – and remember rapid travel had its beginnings here in North Carolina, “Kitty Hawk the birth of aviation.”

I look forward to visiting with you in New Bern on September 21.



Durwood Stephenson <durwoodus70@gmail.com>

FOOD SCIENCE INNOVATION ADVISORY COMMITTEE

2 messages

Ross Barnhardt (Sen. Brent Jackson)

Thu, Jul 6, 2017 at

<Ross.Barnhardt@ncleg.net>

2:21 PM

To: "DurwoodUS70@gmail.com" <DurwoodUS70@gmail.com>

FOOD SCIENCE INNOVATION ADVISORY COMMITTEE

SECTION 10.24.(a) There is created the Food Processing Innovation Center

Committee (Committee), which shall be located administratively in the Department of

Agriculture and Consumer Services. The Committee shall consist of 14 members, including:

(1) The Commissioner of Agriculture or the Commissioner's designee, who will

serve as chair.

(2) The Secretary of Commerce or the Secretary's designee.

(3) The President of the Golden L.E.A.F. (Long-Term Economic Advancement

Foundation), Inc., or the President's designee.

(4) Three members shall be appointed by the Speaker of the House of

Representatives, at least one of whom shall be employed in the field of food

manufacturing and at least one of whom shall be employed as a farmer or grower of crops.

(5) Three members shall be appointed by the President Pro Tempore of the Senate, at least one of whom shall be employed in the field of food manufacturing and at least one of whom shall be employed as a farmer or grower of crops.

(6) The Dean of the College of Agriculture and Life Science at North Carolina

State University, or the Dean's designee.

(7) The President of the Community Colleges System Office, or the President's

designee.

(8) The President and CEO of Economic Development Partnership of North Carolina (EDPNC), or the President's designee.

(9) Agricultural Economist with expertise in food systems and agribusiness that

could help in creation of a business plan for the initiative appointed upon the recommendation of the Commissioner of Agriculture.

Page 124 Senate Bill 257-Ratified

(10) One member who is a representative of the North Carolina Research Campus, who shall be a nonvoting member.

SECTION 10.24.(b) The Committee shall study and make recommendations to the

General Assembly on measures that will serve the following goals:

(1) Increasing the employment and private capital investment in food

manufacturing in North Carolina, with an emphasis on rural and economically distressed areas.

(2) Increasing the use of North Carolina produced ingredients, agricultural products, equipment, and other products of food manufacturers located in this State.

(3) Increasing the number and economic value of food manufacturing entrepreneurs and companies in North Carolina, with priority given to those entities located in rural and economically distressed areas.

(4) Any other goal the Committee deems advantageous to the State.

SECTION 10.24.(c) Appointments for all members shall be for terms of four years

beginning within 30 days of when this act becomes law. Appointed members may be

reappointed but shall not serve more than two consecutive terms of four years. Vacancies

among appointed members shall be filled by the appointing entity and shall be for the

remainder of the vacant term.

No member of the General Assembly, spouse of a member of the General

Assembly, or officer or employee of the State shall be eligible to serve on the Committee as an

appointed member.

The Committee shall meet at stated times established by the Committee but not less

frequently than four times a year. Special meetings of the Committee may be set at any regular

meeting or may be called by the chair. A majority of the appointed members of the Committee

shall constitute a quorum for the transaction of business.

From funds available to the Department of Agriculture and Consumer Services, the

Commissioner of Agriculture shall allocate monies to fund the work of the Committee.

Members of the Committee shall receive subsistence and travel expenses, as provided in

G.S. 120-3.1 and G.S. 138-5.

SECTION 10.24.(d) Notwithstanding subsection (c) of this section, the six

Committee members appointed pursuant to subdivisions (4) and (5) of subsection (a) of this

section shall serve a first term beginning on the date of their designation and ending on

December 31, 2020. Thereafter, they shall serve four-year terms which shall begin on January

1, 2021.

SECTION 10.24.(e) The Committee shall develop a business plan for the Food

Processing Research Center at the North Carolina Research Campus (Center) to implement.

The business plan required by this subsection shall include processes for designing and

marketing the Center. Of the funds appropriated in this act to North Carolina State University

for the Center, the University shall allocate not more than the sum of one hundred thousand

dollars (\$100,000) in nonrecurring funds for the 2017-2018 fiscal year to the Committee to

cover costs incurred by the Committee in developing a business plan required under this

subsection. The business plan required under this subsection shall ensure all of the following:

(1) The financial stability for the Center, including sources and uses for funds to

operate the facility and maintain equipment for the Center.

(2) The creation and implementation of revenue models that can be used to support the expenses of the facility with the goal of positioning the facility to ultimately cease to need State funds for continued operations.

(3) The creation and implementation of policies that protect the State's investment in the initiative and provide for a return to the taxpayers by Senate Bill 257-Ratified Page 125

increasing job opportunities, private sector investment, and increased markets for value-added agricultural products.

(4) Any other provision the Committee deems necessary to carry out the intent

and accomplish the goals established in this section.

Upon completion of the business plan required under this subsection, the Committee

shall submit the business plan to the University.

SECTION 10.24.(f) No less than 30 days prior to expending or encumbering any

other funds provided in this act to the University for the Center, the University shall submit the

business plan required under subsection (e) of this section to the Joint Legislative Commission

on Government Operations.

SECTION 10.24.(g) On or before September 1, 2018, and at least semiannually

thereafter, the Committee shall submit a report to the Joint Legislative Oversight Committee on

Agriculture and Natural and Economic Resources and the Fiscal Research Division with its

activities, accomplishments, and recommendations based upon its study of the items listed in

subsection (b) of this section.

SECTION 10.24.(h) This section expires January 1, 2025.

Ross Barnhardt (Sen. Brent Jackson)

<Ross.Barnhardt@ncleg.net>

Thu, Jul 6, 2017

at 2:35 PM

To: "DurwoodUS70@gmail.com" <DurwoodUS70@gmail.com>

Cc: "Sen. Brent Jackson" <Brent.Jackson@ncleg.net>

Mr. Stephenson,

Senator Jackson informed me that you are interested in the Food Science Innovation Committee that was recently established. Below is the language that was in the budget this year to establish the Committee. Below this is the language from the budget money report.

Please do not hesitate to let me know if you have any questions.

Thanks,

Ross