



# US 70 Corridor Commission

## **DIRECTOR'S REPORT FOR MONTHS OF NOVEMBER & DECEMBER, 2013 M. DURWOOD STEPHENSON, DIRECTOR**

This report represents a summary of Corridor Commission activities for the months of November – the holiday of overeating – and December – the season of overspending. Seasonal changes are calendared and as singer – songwriter, Bob Dylan once penned, “The times are a-changing.”

Transportation advocates are deeply stressed about future prospects for funding of transportation needs and wants. In a meeting with reporters on November 15, North Carolina Department of Transportation Secretary, Tony Tata, shared his concerns citing a decline in transportation revenue during a period of population escalation. A revenue source funded primarily locally and nationally by fuel taxes is projected to decline by approximately \$ 1.7 billion over the next decade because vehicles are more efficient and the “new” generation drives less. Coping with a dramatic reduction of gas tax revenue, transportation officials throughout the Nation have discussed and explored many options. Legislative leaders in Virginia recently enacted a tax revision plan reducing the impact of gas taxes while adding new sales taxes providing nearly a billion dollars for road needs. The proposal promoted by Governor McDonnell includes nearly \$ 400 million for a major freeway to serve the port at Norfolk.

Transportation leaders in the North Carolina General Assembly have also expressed concerns on the future of transportation funding, but readily admit there appears to be little appetite for new taxes to replace the gas tax.

DOT Secretary Tata has announced plans to offer funding recommendations to General Assembly at next session in May, 2014. We should be engaged and support his efforts.

In light of funding challenges and the difficulties of balancing environmental and real life conflicts, slowing down is not an option. As a region in decline, we must fight our way through the challenges before us.

As we enter 2014, our mantra must be adaptation – change or follow the path of escalating decline. Our focus must be centered on “how-to” process rather than a big-picture agenda.

The documented reduction of future transportation revenues coupled with new mobility funding allocation forces us to re-evaluate priorities established in 2011 by U.S. 70 Corridor Commission in concert with MPO/RPO’s of Eastern Coalition:

Urban Loop Project:

- Greenville Southwest Bypass, R-2250  
The Greenville Southwest Bypass is an eleven-mile freeway facility that will connect US 264 to NC 11, improving mobility for the Greenville metropolitan area and increasing regional connectivity.

SPOT Projects

1. Slocum Gate, R-5516, SPOT ID: 786  
The Slocum Gate project will improve US 70 at the Marine Corps Air Station Cherry Point Gate in Havelock to enhance access to the base and reduce congestion on US 70.
2. Kinston Bypass, R-2553, SPOT ID: 128  
The Kinston Bypass is a proposed freeway facility along US 70 between LaGrange and Dover that will enhance the safety and efficiency of US 70 in Kinston.
3. NC 11/241/24 Connector, SPOT ID: 125  
The NC 11/241/24 project will consist of a Pink Hill bypass, upgrading NC 241, and a northern NC 24 bypass of Beulaville. This freeway facility will enhance connectivity between Jacksonville, Marine Corps Base Camp Lejeune, Marine Corps Air Station New River and I 95, while also improving mobility between the North Carolina Global TransPark and the Port of Wilmington. This project is a substitute for improving NC 11-903 (R-2204) and US 258 (R-2235) currently identified on the NCDOT Strategic Highway Corridors Vision Plan.
4. Maysville Bypass, R-2514B, SPOT ID: 108  
The Maysville Bypass is a proposed freeway that will improve regional mobility within eastern North Carolina by enhancing the efficiency and safety of US 17 between Jacksonville and New Bern.
5. NC 24 Upgrade, R-2303 E & F, SPOT ID: 82 & 83  
The upgrade of NC 24 between I40 and I95 will improve mobility between Fort Bragg and Marine Corps Base Camp Lejeune/Marine Corps Air Station New River, while also providing greater regional connectivity to I95.

6. Hampstead Bypass, R-3300, SPOT ID: 215

The Hampstead Bypass will improve mobility between Jacksonville and Wilmington, while enhancing the connectivity between Marine Corps Base Camp Lejeune/Marine Corps Air Station New River and the Port of Wilmington

All of these projects are vital to future economic interests of Eastern North Carolina, but at this juncture, we must assess each project to evaluate project scoring value under new funding formula.

As we close the book on, for me a too-quick annual, the turn of the calendar to a new year is a time for retrospection: gratitude for another year, thanks for small achievements, regrets for mistakes and failures; with nostalgia for a past that is probably better remembered than lived; but cheery optimism for tomorrow's clean slate.

Looking ahead to the new game in 2014 with new opportunities to correct past mistakes and confront challenges of a changing world, persistence and diligence must be in vogue.

In 2004, U.S. Highway 70 was designated as Strategic Highway Corridor 46 providing regional and statewide mobility from Raleigh to Morehead City. The new funding formula promotes regional and statewide transportation routes. If we as a region can develop and secure approval of project scoring methodologies to maximize local participation and the regional and statewide significance of Corridor 46, our funding opportunities will be enhanced.

The MPO's/RPO;s of Eastern North Carolina came together as a region unanimously adopting a scoring process that maximizes regional project scoring.

We are grateful for the dedication, persistence and regional unity of the Coalition. As our regional partner, we will continue to support and assist their continuing efforts. Michael Lazzara, Chairman, Eastern North Carolina MPO/RPO Coalition has scheduled the next meeting of Coalition for February, 2014.

In a recent "twitter," Julie White, Executive Director of N.C. Metropolitan Mayors Coalition lamented the continuing sluggish economic recovery of the State's major metropolitan areas while acknowledging the challenges of the urban-rural divide. Unfortunately the economic chiasmic divide continues to escalate and as noted in the "twitter" is an all-too familiar problem.

As citizens of the whole state, we are supportive of an improved economy in all regions of the State, but as citizens and promoters of rural Eastern North Carolina, our first priority is to minimize the escalating economic separation: Not by a reduction of growth in our larger, more prosperous region, but by maximizing economic opportunity in rural North Carolina. As former Rural Prosperity Task Force member and North Carolina leader, Tom Lambeth, messaged in the parable of the leaking boat, we rise and fall together. As someone quipped, "We're never closer than when we're in the same boat."

For much of November and December, a proposed wind energy project in Newport has been the focus of the leaders and residents of Carteret County and the Newport Community. John Droz, Jr. has carefully scrutinized the development plan and has been a strong advocate opposing this particular project and wind energy development in general. The U.S. 70 Corridor Commission has not taken a position on the issue, but are on record as opposing any development of wind energy that may negatively impact North Carolina military bases. We will continue to monitor the dialogue as pros and cons of this development are debated.

We continue to be reminded of the economic impact of the military in the East surpassed only by the \$ 73 billion contribution of agriculture. In 2013 firms located in the Eastern Region were awarded nearly \$ 3 billion in military contracts. This does not include direct economic benefits generated by more than 108,000 active troops in North Carolina. According to a report from N.C. Department of Commerce, the military's impact on gross state product in 2013 was estimated at about \$ 48 billion. A recent study released by the Labor & Economic Analysis Division of N.C. Department of Commerce concludes the military provides nearly (10%) percent of all economic activity in North Carolina. Governor McCrory said "This report confirms the importance of supporting our bases and the North Carolina businesses that benefit from our significant military footprint." We are certainly aware that all of North Carolina's military bases are located in the East. As the Governor reminded it is a huge economic engine that demands our protection and support. It is also an asset that should aid us in our efforts to improve infrastructure for economic growth.

On November 15, Project Consultants Paula Dowell, Ernie Pearson, Rocky Lane, John Rouse, DOT Project Adviser, and I discussed in detail the status, schedule and plans forward for U.S. 70 Economic Impact Study. Interviews with Corridor focus groups and leadership have been completed. Follow-ups with Economic Development Directors and interests in the region are planned. A preliminary report for review by U.S. 70 Economic Impact Steering Committee was scheduled for December 16 in Kinston. Cambridge Consultant, Paula Dowell reported she is hopeful preliminary report can be delivered to Committee and Corridor Commission Directors at next scheduled meeting on January 16 in Morehead City.

The Steering Committee did meet on December 16 in Kinston. Status presentations by consultants provided future objectives and tasks to be completed and incorporated into report. Committee members had many good questions and expressed concern and some skepticism on road traffic counts. The group asked for new Proposal "Shallow" Kinston Bypass be incorporated with accurate traffic counts. The report will not identify nor suggest any specific routes along the Corridor.

In view of the issues raised, Paula advises the preliminary report will probably not be available until February 2014. As noted in earlier meeting, we prefer good, factual data rather than a quick finish. ROD (Record of Decision) has been determined for Goldsboro, Havelock and Gallant's Channel Bridge. ROD for Kinston and new-route bypass for New Bern remains undetermined and is in NEPA deliberative and fact-finding mode.

During the past 20+ years, Eastern North Carolina lost significant number of manufacturing jobs primarily in textile and small sewing operations. A majority of the lost jobs are being replaced by non-manufacturing employment generally requiring more skilled workers.

It is ironic that textile jobs are returning from Asian manufacturers that benefitted from the exodus of these jobs several years ago. Certainly this is not a job source that will dramatically alter manufacturing growth in the United States, but it is a trend worthy of note.

The resurgence of manufacturing in North Carolina is a conscious effort to abandon labor-intensive, low skilled manufacturing jobs that are easily transferred offshore to new product production requiring higher job skills.

Programs are being developed at several community colleges to provide work-skills training that will attract new-age industries, such as biotech pharmaceuticals, aviation and electronics.

In recent months there has been a renewed focus on the plight of the declining economics of rural North Carolina. The spring session of Emerging Issues Forum explored the issue and offered several suggestions for a reversal. The Administration of Governor Pat McCrory says helping rural regions is critical to healthy North Carolina economy. Governor McCrory and Commerce Secretary have created a new position in the Department: Assistant Secretary for Rural Economic Development. The focus is appropriate, but unfortunately, it is a complex issue with few quick-fix solutions.

In our region, U.S. 70 is frequently labeled the "Main Street of Commerce." Corridor Commission advocate and supporter recently found an article that identified U.S. 70 as "Broadway of America." The State of Tennessee Tourism Authority is actively promoting "Broadway of America."

As we conclude another productive year, we have been in an adjustment phase as we adapt to new transportation funding rules. We now know and understand the new process.

It is human to look back at the past, but we must look forward to the future where our region must live in an environment that will shape the lives of our children and grandchildren. Their future must hold more promise than the status quo of today.

It will not be easy, but it is a challenge we must accept and conquer and as Ms. White "tweeted" it cannot continue the old familiar ring.

In the end we all become closer to who we started out in life than we set out to be. The mission, the agenda and the future must be who and what we become as a people and a region.

Unfortunately this report must end on a note of great sadness. On December 23, long-time Corridor Commission member and community activist and leader, Joan Pulley passed away after a brief illness. She will be missed by all of us as she leaves a void in our communities and our hearts.

More recently, a legendary, iconic leader of our State and especially Eastern North Carolina, Felix Harvey, left us. His influence and countless contributions to our region have made an indelible print on the region and have improved the economics and lives of countless North Carolinians. His vast footprint will live in time for decades. The Father of the Global Transpark and innumerable other economic enterprises are a testament to a larger than life legacy.