



US 70 Corridor Commission

DIRECTOR'S REPORT FOR MONTH OF OCTOBER, 2013 M. DURWOOD STEPHENSON, DIRECTOR

As October concludes, thoughts and plans turn from the routine of summer and the politics of the legislative season are viewed from the rear view window. Before we dismiss the realities of the initial ten (10) months of 2013 and lose ourselves in the fantasies of magical holidays before us and the excess of Thanksgiving followed by the glitz and glamour of Christmas, we must realistically assess our agenda and the path forward with the new rules.

Governor McCrory, the General Assembly and the N.C. Department of Transportation continue to plan the implementation of the new Strategic Mobility funding legislation that mandates a dramatically altered decision process in awarding dollars for funding transportation projects. In recent meetings of Joint Legislative Transportation Oversight Committee, legislators continued to question Department of Transportation's implementation of HB 817 focusing on three (3) issues:

- Equality of points between MPO/RPO locally elected officials and NCDOT Division Engineers
- Spending for non-highway projects
- Eastern MPO/RPO's unanimous adoption of their own criteria for regional and division scoring priorities.

These issues were discussed in last month's report following a September meeting of Joint Legislative Transportation Oversight Committee. The issues were raised again at JLTOC on October 4.

Although the debate continues, final resolution is probably far into the future as the process evolves. Legislators did concede DOT has the authority to decide the issue regarding equal authority between MPO/RPO's and our Division Engineers. As noted in September report this is not an issue of concern in our region because of the coalition of partnership between MPO/RPO's and our Division Engineers. The internal discussions between House and Senate members on JLTOC indicate a difference of opinion between House and Senate leadership on non-highway vs highway spending. We are grateful for the legislators who recognized the

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unique circumstances of Eastern North Carolina and with that recognition defended Eastern region's adoption of our own criteria for project scoring.

It is incumbent upon us to monitor these on-going discussions and deliberations and stay in-touch with our legislators and BOT members.

Two other events of October are significant and noteworthy.

The committees of Board of Transportation are being restructured. The U.S. 70 Corridor BOT subcommittee will probably now join U.S. 17 subcommittee as adhoc committees or work groups of newly established Highway Committee. The retirement of Deputy Secretary General Trogdon is a loss of a strong partner and advocate for Eastern infrastructure improvements. He will be missed as will his leadership and encouragement.

The U.S. 70 Corridor Commission has been very active in opposing wind energy developments that impact military operations. As previously noted, our members have no objections to wind energy, but do oppose any facilities or structures that may disrupt military training and/or operations.

Torch Renewable Energy, LLC is now planning a wind energy facility in the Newport and Carteret County area. I am not aware of any potential risks or impacts on military installations and the Corridor Commission has not been asked to be either an advocate nor an opponent. However the close proximity of the planned wind farms to military operations gives rise to concern. Dr. John Droz, Jr. continues to keep us informed on the status of wind energy in North Carolina and voice strong opposition to the wind energy concept. The membership of the Corridor Commission is less vocal in general opposition, but adamant in opposing any infringement or negative impacts upon our military partners.

Newport Planner, Bob Chambers has drafted a regulation for permitting tall structures to protect the residents of Newport.

We will continue to monitor the wind energy proposals for Newport and will be an ally to the community, if assistance is requested.

The September report included a description and purpose of a Resolution approved by Jacksonville to extend NC 241 into Jacksonville along Gum Branch Road with a request for priority consideration by Eastern North Carolina RPO/MPO Coalition. Haywood Daughtry, Eastern Regional Field Operations Engineer has followed up with Anthony Prinz. Haywood and State Traffic Engineer, Kevin Lacy have expressed doubt about probability of approval of this route change request and/or project funding feasibility. The Corridor Commission has expressed support for the Resolution, but may have some reservations about endorsing the project as an Eastern Coalition priority. Those reservations are not a by-product of revanchism, but are solely the unlikely prospects for funding.

On October 17, 2013, the U.S. 70 Corridor Commission met in Smithfield. Minutes of that meeting have been provided to you. The meeting was well attended with a full agenda. Logistics Director, Rudy Lupton provided insightful remarks regarding S.B. 402. Director Lupton informed Directors of scope, purpose and current status of the legislated study of Global Transpark and our Ports. The first objective, according to Director Lupton is to evaluate these two major assets in order to assure citizenry North Carolina is receiving an equitable return on further investments in these facilities. The much discussed railroad connection at Wallace to Castle Hayne will be included in the evaluation.

The U.S. 70 Corridor Economic Impact Study Team has completed personal interviews along U.S. 70 with interviews along proposed 795 scheduled for November and early December. We are anxiously anticipating the completed study and are hopeful it will provide additional recruitment tools for our economic developers in the region.

At the October meeting, the Directors approved a motion by Wayne County Commissioner and Corridor Director, Joe Daughtery to extend a formal invitation to municipalities along the Corridor to join the U.S. 70 Corridor Commission of North Carolina, Inc. The organizational documents specify a fee of \$ 10,000.00 per town for membership.

As we have repeatedly argued, we are blessed with several invaluable assets in Eastern North Carolina. Our fertile soils provide a foundation that supports an agricultural industry that represents \$ 77 Billion in annual economic impact providing more than 650,000 jobs. The natural beauty of the regions lures visitors from across the globe being the sixth most visited state in the Nation providing \$ 19 Billion of economic activity annually.

We have two ports with significant potential to compete for niche shipping opportunities. Admittedly we are probably not a competitor for large cargo ships because of water depths, geography and lack of expansion of storage capacity; however, there are global shipping opportunities.

In recent months, private developers have negotiated contracts with the State to build terminals at Morehead City and Wilmington to ship wood pellets to European markets. A \$ 28 million investment at Port of Morehead City is predicted to generate approximately \$ 840,000.00 annually creating a minimum of 150 jobs. Developer, Wood Fuels, says the terminal will be operational by late next year (2014). Enviva, a Bethesda, Maryland company is planning construction of a \$ 40 million terminal at Port of Wilmington. Scheduled to open in January, 2015, the facility will handle up to a million tons a year of wood pellets destined for power plants in Europe. Wood pellet mills planned for Wilson and another in southeastern North Carolina will impact communities outside of the Ports.

These developments represent progressive forward-thinking opportunities for economic progress so desperately needed in North Carolina. Both will have large economic impacts throughout the region and beyond. Both are possible because of natural geography that have given us the ports, but past failures to provide needed infrastructure limits the scope of these

opportunities. Rail and road infrastructure improvements are needed to expand Port opportunities. Forestry experts at N.C. State University report U.S. mills have been producing more than 3 million tons of wood pellets since 2009, but with the planned expansions we can ship no more than half of that capacity.

We are all aware the economic future lies within the global marketplace, yet less than two percent of North Carolina businesses export.

In our State, small business provides approximately 90 percent of our jobs. Export is a challenging task for small business and can only do so with committed support from elected officials, business advice and assistance from knowledgeable sources and, in many instances, available capital.

On October 29, a concept review meeting for I-795/US 117 feasibility study was held in Raleigh. Mark Reep, Project Consultant for project reviewed design concepts and documented comments and suggestions from large audience of supporters.

We cannot move forward pusillanimously, but must do so aggressively with purpose. The jobs we have lost regionally will not return; therefore, retraining workers and recruiting new jobs is a must.

Failure to retain our young in the region creates a vacuum of trainable workers, changes the demographics of the region creating a growing population of older residents with greater health-care needs and reduces the tax base minimizing reserve available for public service projects that improve quality of life in a community.

We continue to seek a more secure economic future for our region and to pursue the achievement of well-reasoned goals, not for frivolous reasons nor based on wishful thinking, but striving for goals that matter.

Thank you for your commitment and effort pursuing those goals.