

NORTH CAROLINA

CARTERET COUNTY

The Highway 70 Corridor Commission of North Carolina, Inc. met on Thursday, January 16, 2014 at 2:00 p.m. at the Crystal Coast Civic Center, 3505 Arendell Street, Morehead City, North Carolina.

County members present:

Carteret County – Robin Comer, Tom Steepy and David Whitlow
Craven County – Bobby Darden; Tom Mark; Jack B. Veit, III and Danny Walsh
Johnston County – Ted G. Godwin, Tom Hogg, Frank Price and Donald B. Rains
Jones County – None
Lenoir County – J. Mac Daughety, Brian Lucas and Mark Pope
Wayne County – Chris Boyette, Joe Daughtery and Bill Pate

Other persons present:

North Carolina Board of Transportation – Ferrell Blount
North Carolina Department of Transportation – Dwayne Alligood, Jeff Cabaniss, Tim Little, David B. Morton, Christopher L. Pendergraph, John Rouse, David Sawyer and Reed Smith
Highway 70 Corridor Commission Director – M. Durwood Stephenson
Carteret County – Greg Lewis, Shirley Powell and Richard Stanley
Craven County – Don Baumgardner
Duke Energy Progress – John Nelms
Eastern Carolina RPO – Rob Will
Johnston County – Chris Johnson
Lenoir County – Craig Hill
New Bern – Maurizia Chapman and Jeff Ruggieri
North Carolina's Eastern Region – John Chaffee
North Carolina Ports Authority – Stephanie Ayers
Wayne County – Marcia R. Wilson
Wilson's Mills – Johnny Eason
Media – Mark Hibbs
Citizens – Don Black, Ophelia Davis and Jesse Vinson

Call to Order

Highway 70 Corridor Commission Chairman Robin Comer called the meeting to order.

Approval of Agenda

Upon motion of Carteret County Member David Whitlow and seconded by Lenoir County Member Brian Lucas, the members of the Highway 70 Corridor Commission unanimously approved the agenda as presented and added Resolution of Opposition to Alternative Energy Projects Negatively Impacting the Military in Eastern North Carolina to the agenda.

Approval of Minutes

Upon motion of Wayne County Member Chris Boyette and seconded by Craven County Member Tom Mark, the members of the Highway 70 Corridor Commission unanimously approved the minutes of the meeting on October 17, 2013.

Financial Report

Highway 70 Corridor Commission Executive Director M. Durwood Stephenson reported as of January 6, 2014 there was an account balance of \$192,328.38.

Duke Energy Progress Presentation

Carteret County Economic Development Council Director Myles Stempin introduced Duke Energy Progress Economic Development Manager John Nelms.

Duke Energy Progress Economic Development Manager John Nelms gave a corporate overview of Duke Energy Progress. In 2013, Duke Energy and Progress Energy combined forces to become the largest electric utility in the United States, serving more than 7.2 million customers in six states in the Southeast and Midwest. One of the most important ways Duke Energy Progress serves its customers is through economic development. Duke Energy goes to great lengths to attract businesses, help create jobs and strengthen community vitality in the regions it serves. The company collaborates with state and local governments to improve industrial sites and recruits new companies to its service territories.

Duke Energy Progress is located in North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky. The company has 7.2 million retail electric customers and 500,000 retail gas customers. Since 2007, the company has invested more than \$3 billion to grow wind and solar business. Duke Energy generates energy using fossil fuels, such as coal, natural gas and oil, as well as nuclear and renewable energy sources including water, wind, solar and biomass.

In 2013, the Duke Energy North Carolina-South Carolina Economic Development team continued its successful track record announcing 63 new and expanding projects, which contributed over \$1.3 billion in capital investment and created over 6,700 jobs in the Carolinas. The Business Development Team recruited seven specific target industries, which created jobs, capital investment and electrical revenues. The Site Readiness Program identifies, evaluates and prepares future sites for industrial development. The Site Certification Program provides certification of sites for specific industries. Eastern North Carolina had five high profile announcements, including Georgia-Pacific in Wayne County.

The Site Readiness Program is the cornerstone of Duke Energy's economic development model. It identifies, evaluates and improves industrial sites in the company's service territory for potential industrial development. Ideal properties for this program are 75 acres or larger and served by the utility. A qualified site can be suited either for a single, large industrial facility, data center or potential industrial park (multi-tenant site). There were 16 industrial sites assessed in 2013. In 2014 the company will introduce Target Industrial Certified Site Pilots to officially

certify large industrial sites for specific purposes, such as food and beverage, automotive, data centers, chemical, life science/research and development, aerospace and industrial manufacturing. The Duke Energy Site Readiness Program includes:

- Initial assessment of industrial sites (existing or potential) from the perspective of a top site selection consultant, McCallum Sweeney Consulting
- A more detailed “buildable area” assessment and development of conceptual plans for the site(s) by expert land use/site planners
- For each site the studies validate as viable for large industry, Duke Energy will provide a \$10,000 matching grant for implementing improvements recommended by the studies.

The mission of Duke Energy is to provide site selection services and electrical rate data to companies and allies considering locating in its electric service territory. Duke Energy supports industrial users of energy, site consultants, real estate service providers, architectural and engineering firms, and law firms. The company provides services in site identification, building identification, electrical rate quotes, incentive summaries and hosts client visits. A final report is given in a private setting, which critiques the economic developer on how the proposal was done and how the site visit with McCallum Sweeney Consulting was conducted. McCallum Sweeney Consulting gives its findings and a presentation concerning the importance of investing in the sites in a public meeting.

Duke Energy Progress Economic Development Manager John Nelms stated a renewable solar generation needs to be near a company substation. A large solar facility has to pay for the transformer, meter, electric conductor and system upgrades to accommodate the farm. While the cost of renewable equipment has decreased, money will have to be spent to upgrade the grid and to increase base load generation. Customer electrical service has been basically flat for several years due to the economy and more efficient residential and commercial equipment. Duke Energy has a demand profile it is trying to meet and can purchase from other sources in order to meet the demand. Duke Energy has energy efficiency grants. By 2021, the energy portfolio is mandated to have 12.5% from renewable sources. It is better for Duke Energy and the consumer if building base load generators can be delayed. Building a nuclear generator has been put on hold due to the economy and the decrease in natural gas prices.

Remarks

Highway 70 Corridor Commission Executive Director M. Durwood Stephenson stated Carteret County Member Joan Pulley died. She was very supportive of the Commission with her ideas and thoughts. Her funeral services will be held on January 18, 2014.

Highway 70 Corridor Commission Executive Director M. Durwood Stephenson stated Felix Harvey died. He was a major player in economic development in eastern North Carolina.

Highway 70 Corridor Commission Executive Director M. Durwood Stephenson stated new crash data will be available later this year.

Highway 70 Corridor Commission Executive Director M. Durwood Stephenson stated the Highway 70 Corridor Commission and the Highway 17 Association have evolved from

committees to work groups under the North Carolina Board of Transportation. The next meeting will be held on February 5, 2014. He encouraged the Highway 70 Corridor Commission members to attend the meeting. We want to be included in the 25-year North Carolina Department of Transportation plan.

Port of Morehead City Presentation

North Carolina Ports Planning and Development Director Stephanie Ayers stated in 2013 the organization re-evaluated its strategic plan and reconfirmed its plan for bulk and break-bulk business. The Port of Morehead City is looking at North Carolina industries and trying to grow North Carolina businesses. The demand for wood pellets is growing in Europe due to a change in environmental policies. Europe was mandated to reduce its carbon footprint. One of Europe's commitments was to replace coal in boilers with wood pellets. This presented an opportunity for the Port of Morehead City due to the North Carolina's lumber industry. The project at the Port of Morehead City is a 20-year lease with Wood Fuels North Carolina, which is investing \$25 million at the Morehead City terminal to design, construct and maintain a wood pellet export facility. The company has a manufacturing site in Sims, North Carolina that will make use of lumber coming from within a 50-mile radius. Lumber will come by truck to the manufacturing facility where the wood will be manufactured into dehydrated wood pellets. The pellets are loaded onto a railroad car and sent to the Port of Morehead City. The pellets will then be exported to the electric utilities in Europe. This commodity will be moving 100% by rail on 40-60 cars per week. It is anticipated these railcars will be added to the existing three trains per week going to the Port of Morehead City. There will be nine vessels in port for three to four days. The Port of Morehead City is utilizing private investment money to develop this opportunity. After the 20-year lease, the facility will revert to the Port of Morehead City. North Carolina State University projected 150 direct jobs with 1/3 in logging, 1/3 at the port and 1/3 at the Sims manufacturing site.

North Carolina Ports Planning and Development Director Stephanie Ayers stated the new gate at the Port of Morehead City should be completed within one month. Moving the gate allows the Maritime Building to be used for public meetings and allows additional queuing for trucks to keep truck traffic off Arendell Street.

Resolution Opposing Alternative Energy Projects Negatively Impacting the Military in Eastern North Carolina

Highway 70 Corridor Commission Chairman Robin Comer stated there is a windmill project proposed for the Newport area in Carteret County. Since the wind energy project is at the end of a runway, it is anticipated the project will threaten the mission of Cherry Point Marine Corps Air Station.

Craven County Member Danny Walsh stated the major runway 32 at Cherry Point would be negatively affected. The problem is the windmills would affect the electronic equipment on the aircraft. This is a major problem to Cherry Point. The windmill project is within the FAA's designated air space of Cherry Point. Part of the project is within the flight space where structures as tall as the windmills would be constructed. Even by moving some of the windmills,

the project is immediately adjacent to the approach paths of the jets landing at Cherry Point. BRAC may decide Cherry Point is not viable and another base could assume Cherry Point's mission.

Highway 70 Corridor Commission Chairman Robin Comer stated if the windmills are constructed, Cherry Point will have to be mitigated. Cherry Point represents a \$2.1-2.2 billion industry along US Highway 70.

Craven County Member Danny Walsh stated Cherry Point has 12 active aircraft squadrons. If the windmill project is constructed, six of these squadrons will go away completely and will not be replaced. The remaining six squadrons would be replaced by F-35s after 2025 if they can be replaced at today's prices. The Dare County bombing range, used by Seymour Johnson Air Force Base, is owned by Cherry Point. The Dare County bombing range is the only electronic warfare bombing range on the east coast, which can be used 24/7.

Highway 70 Corridor Commission Chairman Robin Comer requested the Highway 70 Corridor Commission oppose anything, which would be a threat to the military.

Highway 70 Corridor Commission Executive Director M. Durwood Stephenson stated the military is forbidden to speak against alternative energy. However, Seymour Johnson Air Force Base 4th Fighter Wing Commander Col. Jeannie Leavitt wrote a letter opposing wind energy farms in the training route to the Dare County bombing range. The Highway 70 Corridor Commission is opposed to the any negative impact on the military by alternative energy projects.

Seymour Johnson Air Force Base agreed to mitigation of a four mile corridor along the mid-line and will not oppose the wind energy facility in Pantego.

Upon motion of Craven County Member Danny Walsh and seconded by Chris Johnson, the members of the Highway 70 Corridor Commission unanimously opposed any alternative energy project, which would negatively impact the military in eastern North Carolina

US 70 Economic Impact Study

Highway 70 Corridor Commission Executive Director M. Durwood Stephenson stated the preliminary US 70 economic impact study should be available within the next 30-45 days. The consultants are reviewing the study for reliability and accuracy.

North Carolina Department of Transportation Division 2 Update

North Carolina Department of Transportation Division 2 Engineer John Rouse updated the Highway 70 Corridor Commission on the following:

- Gallants Channel Bridge (R-3307) – Bids are slated to be opened next week. Permits are in hand for a 65-foot fixed span bridge. Construction time is anticipated to be approximately four years.

- US 70/Havelock Bypass – The final environmental impact study is due mid-2014. This project will need to go through the new prioritization process. Scoring on the project is unknown at this time. It is anticipated the let date is fiscal year 2016.
- Slocum Road Interchange at Havelock – The environmental document on this project is complete. Right-of-way acquisition is scheduled this year. Construction is scheduled to be let in June 2015. This project will not go through the new prioritization process.
- Kinston Bypass – Another southern option has been presented and is referred to as a shallow bypass option. It is a hybrid option with upgrades to the existing US Highway 70 on the existing alignment for approximately 2/3 of the project with the center 1/3 being a shallow bypass to the south from the Lowe’s shopping center to east of Lenoir Community College and thereby crossing the Neuse River and NC Highways 11, 58 and 258. Several benefits of the proposal would be environmental aspects and be more cost effective. A merger team is meeting today to see if this hybrid shallow option can be studied and to remove the northern options from the project. It is anticipated the shallow option will have the most diversion numbers. Taking the northern routes off the table would allow the extension of the Felix Harvey Parkway from NC Highway 58 to NC Highway 11 to move forward faster. This action would greatly benefit Lenoir County and eastern North Carolina. The community likes that the shallow bypass is within one mile of the existing US Highway 70. As long as the northern options are on the table, the extension of Felix Harvey Parkway cannot move forward. This project will need to go through the new prioritization process.

Craven County Member Danny Walsh thanked North Carolina Department of Transportation Division 2 Engineer John Rouse and Operations Engineer Dwayne Alligood for the completion of the Slocum Bridge in Havelock.

Division 4 Review and Project Updates

North Carolina Department of Transportation Division 4 Engineer Tim Little updated the Highway 70 Corridor Commission on the following:

- Cable median barrier on US Highway 70 from just west of Sadisco Road to Turnage Road has been completed. The project cost was \$290,000.
- Bridge #97 over Southern Railway on US Highway 70 at Princeton – The project has been completed.
- Pine Level – Existing US Highway 70 will be upgraded from Firetower Road to Davis Mill Road/Stevens Chapel Road. Right-of-way is currently being acquired. The right-of-way is proving to be a challenge with 65 acquisitions; business, residential and billboard relocatees and two graveyards (one of which the North Carolina Department of Transportation discovered). The contract is scheduled to be let in February 2015. There are septic and cemetery issues. The latest cost estimate is \$17 million. The project is a federal high hazard elimination project and is fully funded. There have been additional significant right-of-way costs with 59 appraisals needed.
- Wilson’s Mills – This project on US Highway 70 is west of Sadisco Road to west of Turnage Road near Wilson’s Mills. The project is only funded for planning study by Arcadis. The project will be scored in July 2014. A public hearing will be held in mid-2014 with options for each of the two intersections.

- Goldsboro Bypass – Western end section (US Highway 70 from west of NC Highway 581 to Salem Church Road) is 44% complete and 10% ahead of schedule. This section is scheduled to open in late 2015.
- Goldsboro Bypass – Eastern section (Wayne Memorial Drive to LaGrange) is 36% complete and 3% ahead of schedule. This section is scheduled to open in late 2015.

Other Business

Highway 70 Corridor Commission Executive Director M. Durwood Stephenson stated officially the terms of the Directors end today. A notice will be sent to each county concerning the appointment of the Directors. The municipalities along the Highway 70 corridor have been identified and a letter will be sent requesting they join the Highway 70 Corridor Commission. Each county must know if the municipalities in its jurisdiction wish to become a member of the Highway 70 Corridor Commission.

Public Comments

Don Black stated he was interested in the economic divide between urban and rural counties. He reviewed a comparison of demographic and road data for select North Carolina counties with (Wake, Mecklenburg, Guilford and New Hanover) and counties without (Wayne, Lenoir, Craven and Carteret) an interstate. Counties not served by an interstate have a higher poverty rate, lower per capita income, lower population and higher unemployment rate. US Highway 70 was called “The Broadway of America” prior to the 1950s. There many opportunities to promote Highway 70 as a tourist route in our area and the entire state. Tourism would increase the economic prosperity in our region.

Election of Officers

Wayne County Member William H. Pate moved to elect Carteret County Member Robin Comer Chairman of the Highway 70 Corridor Commission. Carteret County Member David Whitlow seconded the motion.

Upon motion of Johnston County Member Don Rains and seconded by Carteret County Member Tom Steepy, the members of the Highway 70 Corridor Commission unanimously closed the nominations for Chairman of the Highway 70 Corridor Commission.

Lenoir County Member Brian Lucas moved to elect Lenoir County Member J. Mac Daughety Vice-Chairman of the Highway 70 Corridor Commission. Craven County Member Danny Walsh seconded the motion.

Wayne County Member Chris Boyette moved to amend the previous motion by Wayne County Member William H. Pate to elect Carteret County Member Robin Comer Chairman of the Highway 70 Corridor Commission and the previous motion by the motion by Lenoir County Member Brian Lucas to elect Lenoir County Member J. Mac Daughety Vice-Chairman of the Highway 70 Corridor Commission and Johnston County Member Frank Price as

Secretary/Treasurer of the Highway 70 Corridor Commission by acclamation as the officers of the Highway 70 Corridor Commission. The vote was unanimous for the amendment.

Comments

North Carolina Board of Transportation At-Large Member Ferrell Blount stated the Board of Transportation wants a super highway from the Atlantic Ocean as far westward as possible. He complimented the members of the Highway 70 Corridor Commission on their diligence. He believed there would be significant results in the future.

Highway 70 Corridor Commission Vice-Chairman J. Mac Daughety introduced Lenoir County Board of Commissioners Chairman Craig Hill.

Highway 70 Corridor Commission Executive Director M. Durwood Stephenson stated the six priorities of the Highway 70 Corridor Commission need to be revisited. The regional concept is important in order to get projects funded under the new priorities. Work continues on a Greenville Bypass.

Highway 70 Corridor Commission Executive Director M. Durwood Stephenson stated the Eastern North Carolina MPO/RPO Coalition needs to be reactivated. The Coalition has drawn up a good scoring plan, which promotes eastern North Carolina. We need to promote the projects with the best chance of funding.

Next Meeting

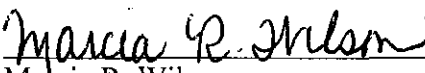
The next meeting of the Highway 70 Corridor Commission will be held on Thursday, March 20, 2014 at 2:00 p.m. in Craven County. The location will be announced at a later date.

The following meeting locations and dates were proposed for 2014 and 2015.

	2014	2015
January	Carteret County	Johnston County
March	Craven County	Wayne County
May	Lenoir County	Lenoir County
July	Carteret County	Carteret County
September	Wayne County	Craven County
November	Johnston County	Johnston County

Adjournment

At 3:25 p.m., Highway 70 Corridor Commission Chairman Robin Comer adjourned the meeting.



Marcia R. Wilson