

**Logistics Task Force Meeting
September 21, 2010
Wilmington, NC**

Lt. Governor Walter Dalton, Chairman of the Logistics Task Force, called the meeting to order at 9:44 a.m. on Tuesday, September 21, 2010 at Cape Fear Community College North Campus in Wilmington with the following members present:

Al Delia, Keith Crisco, Dee Freeman, Nelson Cole, Larry Wooten, Dee Blackwell, Earl Brinkley, David Willauer, Gary Teng, David Congdon, Patricia Long, Beth Austin, Dan Danieleley, Tom Eager, Terry Bellamy.

Members absent were: Gene Conti, Clark Jenkins, Dawn Clegg, Allen Joines, Guy Shavender, John Atkins, Jerry Orr, Bob Morgan, Paul Kauffmann, Lew Ebert, Joseph Stephens, Danny McComas and Michael Walters.

Correction to the August 25, 2010 minutes: Task Force Member Thomas Eagar participated via conference call during the meeting in Lenoir.

Chairman Dalton introduced Dr. Eric McKeithan, President of Cape Fear Community College who welcomed everyone. Dr. McKeithan introduced Mr. Bill Saffo, Mayor of Wilmington, who welcomed everyone to Wilmington and stated how important roadways are in this area. Mayor Saffo introduced Mr. Jason Thompson, Chairman, New Hanover County Commission. Mr. Thompson also welcomed everyone to New Hanover County. He stated that New Hanover is a Triple A rated county. He also stated Education is so very important to this county. New Hanover County works in a partnership with the City of Wilmington. One of the biggest things going on is "White Space". New Hanover County is the model for the US as to how this can bring opportunities. Google and Microsoft are looking in the Wilmington area.

Chairman Dalton thanked Dr. McKeithan and talked about what a great community college they have in New Hanover County. He also thanked Mayor Saffo and Chairman Thompson. Chairman Dalton stated that the Task Force is looking at how we will move goods and people in this century and come up with a plan of how North Carolina can make this work.

Al Delia thanked everyone for having the Task Force meeting in Wilmington. He stated that Wilmington is one of the economic engines in the state and he was looking forward to hearing presentations and working to make those presentations take effect.

Mr. Mike Rice, No Port Southport Group was introduced by Chairman Dalton. Ms. Toby Bronstein thanked the Chairman for allowing time to speak to the task force. This group was formed 3 years ago to stop the progress of the port. They will continue to present information to Raleigh and Washington. Mike Rice presented information to the task force about the general lack of understanding of what this group is trying to do. He

presented each member with a report. The proposed port will be located on 600 acres between the Progress Energy Plant and the Cape Fear River. There would be 17 miles that would have to be dredged out in order to get out into deep water. The estimated cost of this would be \$1.2 billion. This would have to be dredged each year. There are several environmental impacts. Mr. Rice stated this project has been advanced by the ports authority from the bottom up and that is not the way to do it. It has to be done from the top down. Chairman Dalton stated this is not a matter the Logistics Task Force will be dealing with at this time due to action taken by the General Assembly.

Chairman Dalton introduced Mr. Steve Yost, Director of NC Southeastern Partnership. Mr. Yost presented information to the Task Force regarding an economic overview of the area. Region covers 11 counties with 7,500 square miles. The mission and purpose is to try to provide regional partnerships, generate industry leads for region and counties, collaborative initiatives, build on key regional assets, focused and innovative marketing strategies and lead and facilitate where we can add value. Logistics is critical to all sectors. There are 28,000 people employed in logistics in the region. Some of the logistics assets in the region are I-95, I-40, I-74 and NC Port of Wilmington. There are four new industrial logistics parks in region. He stated the Port of Wilmington is the region's most direct and important link to the global economy. 40% of the NCSE new clients have a port component, this percentage is increasing.

Mr. Bill Ralph with RK Johns Associates was introduced by Chairman Dalton. He presented information to the Task Force regarding US Container Trade Trends. His company works with a lot of ports. What drives container trends – 1/3 (30%) of containers that move into our areas effects our homes. The “Great Recession” hit trade hard. 13 of 22 ports that report monthly information to AAPA show an increase by midyear 2010. According to a Danish magazine, the Ebba Maersk recently carried 15,011 containers on board during a voyage from Europe. East/Gulf Coast ports need to take necessary steps to be ready for larger ships after Panama Canal expansion. Dredging is a critical component, as is terminal productivity and new development.

Chairman Dalton introduced Dr. Woody Hall from UNC Wilmington. Dr. Hall shared information with the Task Force regarding NCSE Economic Conditions. The area consists of 11 counties. The average annual unemployment rate was at a 25 year high. He stated there is a 75% reduction in sales of single family homes. Two areas in Eastern North Carolina that have held up fairly well are Camp Lejeune and Fort Bragg. Online analysis is available at <http://www.csb.uncw.edu/cbes/newsletter/index.htm>.

Mr. Billy King, Wilmington Industrial Development was introduced by Chairman Dalton. Mr. King shared information regarding what Wilmington Industrial Development does for the area. Everything the client looks at involves how to get products out to the citizens. He stated that we have to make sure there is proper infrastructure.

Chairman Dalton introduced Mr. Jim Bradshaw, Brunswick County EDC; Mr. Gary Lanier, Columbus County EDC; and Mr. Jimmy Yokley, NC Ports. Mr. Bradshaw talked

with the Task Force regarding the International Logistics Park of North Carolina and the Mid Atlantic Logistics Center. Mr. Lanier shared information regarding key clients that are looking at areas (Feasibility Study). He then called on Mr. Yokley who discussed the mission at the North Carolina Ports. One very important issue is they want to enhance global economy.

Mr. Glen Carlson from NC Ports was introduced by Chairman Dalton. NC Ports is an economic engine for the state. Port of Wilmington serves container, bulk and break-bulk markets. Morehead City handles both break bulk and bulk cargo. They support a lot of industry in the state. A few examples are: International Paper, Nucor, Goodyear, Camp LeJeune/Fort Bragg, Lowe's, and QVC. He stated that NC Ports have historically supported manufacturing. In the mid 1990's a new trend began there was a transition from exporting to importing driven by Global Outsourcing of manufacturing. When intermodal rail service is added to a ports truck service area a much larger cargo access market is created. He recommended the Task Force actively support at port distribution center model in North Carolina.

Chairman Dalton introduced Mr. Don Parker, Deputy to the Commander with MOTSU. Mr. Parker shared information regarding the Military Ocean Terminal Sunny Point North Carolina. They are the DOD's premier ammunition terminal. They own 17 miles of army rail track. 80% arrive by rail and 20% by truck. He also shared information regarding Force Protection – Landside Security and Water side Security. They are mutual aid to the community of Brunswick County. The rail line they own supports 3 commercial industries: Progress Energy, Edmonton Power Corp and Archer Daniels Midland Co.

Mr. Johnny Griffin with Wilmington Regional Film Commission was introduced by Chairman Dalton. Mr. Griffin shared information regarding the film commission. They have the largest studio complex east of California. They also have a water tank. There are very few of these in the country. Weather and history are a big part in getting clients. For 15 years NC was known as the third largest place for the film industry. This changed in the mid 90's. He stated we are losing locations to Louisiana, Georgia and New Mexico.

Chairman Dalton introduced Ms. Kim Hufham with the Cape Fear Visitors Bureau. Ms. Hufham shared information about tourism in Southeastern NC. In 2009 domestic visitors to New Hanover County generated an economic impact of \$390 million. This was a 7.6 % decrease from 2008. Ms. Hufham also mentioned the Wilmington Convention Center opening late 2010.

Chairman Dalton opened the floor to Public Comments.

Mr. Dan Ryan with the Nature Conservation presented the Task Force with a map. He shared information and stated what a great investment this could be in North Carolina heritage.

Mr. Sandy Korschun shared his feelings regarding the Ports. He feels that both ports are important. He stated that North Carolina has 2 Class A Railroads operating that could possible give us an advantage with our ports.

Dr. Michael Mallin from UNC Wilmington stated that he supports the No Ports-Southports. He feels it will greatly impact storm water runoffs and wetlands as well as increase amount of erosion.

Dr. Curt Stiles stated that he is eager for development in the area. His emphasis is on scholarly activities. Please check out website.

The next meeting of the Logistics Task Force will be Monday, October 18, 2010 at Elizabeth City State University beginning at 11:00 a.m.

The meeting was adjourned at 1:20 p.m.