



NORTH CAROLINA MILITARY AFFAIRS COMMISSION

**Minutes of the 3rd Quarter, July 17, 2019, Economic Development Committee meeting
Wells Fargo Building (Smith-Anderson), Floor 23, 150 Fayetteville Street, Raleigh, NC**

MEMBERS IN ATTENDANCE:

David Hayden, Chairman
Frank Bottorff (by-phone)
David "Crockett" Long
Arnold Gordon-Bray (by-phone)
Timothy McClain (by phone)
Paul Friday, NCMAC member

MEMEBERS ABSENT:

None

ADDITIONAL ATTENDEES:

Jamie Norment, ACT (by-phone)
Scott Dorney, NCMBC
Will Best, Department of Commerce
LTC David Baker, NC National Guard
Ron Massey, City of Jacksonville (by-phone)
Denny Lewis, EDPNC
Chris Chung, EDPNC
Cory Bryson, Speaker Moore's office (by phone)
Secretary Larry Hall, DMVA (by phone)
Kelly Jackson, DMVA

WELCOME/INTRODUCTORY REMARKS: CHAIRMAN DAVID HAYDEN

Chairman David Hayden called the meeting to order at 10:00 am. He welcomed everyone to the meeting and had all the attendees introduce themselves. There were 5 committee members in attendance for a quorum. Chairman Hayden said that we would have one additional guest, Chris Chung that will be late due to another meeting.

CONSENT MINUTES: CHAIRMAN DAVID HAYDEN

Chairman Hayden requested a motion to approve the minutes from the 2nd Quarter meeting of the committee on April 2, 2019. Crockett Long made a motion to approve the minutes, which was seconded by Arnold Gordon-Bray and passed by unanimous vote.

OLD BUSINESS: CHAIRMAN DAVID HAYDEN

Chairman Hayden asked if there was any old business that needed to be discussed by the committee. Kelly Jackson just reminded the members to speak up so everyone on the phone could hear the conversations. Scott Dorney wanted to thank the Commission and this Committee for their support of the expansion of their budget in the 2020 budget. Unfortunately, it was not in the House budget and not in the Senate budget but when they went into the Conference committee, it was in there. That is just an indicator that the leadership understands the importance of this and as a result the action of this Commission that made this clear. We are in the same budget issue as everyone else, since the budget was passed by the General Assembly but vetoed by the Governor. I just did not want this opportunity to pass without thanking this Commission for the support. Chairman Hayden said that is his personal view, that this is long overdue, and the NC Military Business Center plays an important role in NC to protect our military installations and growing our defense industry. This is one of those things that can

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be a bi-partisan support and easy to get it through. I think things are a little slow at this point, but I have confidence that this will get approved and you can do all the things that you proposed to do with the additional funds.

BUDGET UPDATE: FRANK BOTTORFF

Frank Bottorff said that there are no changes to the budget plan for next year as if this date. We will have to adopt a budget at the next meeting if the new budget is passed. The good news is our carry over from last year, which I will call our fund balance is \$1,667,000. Since there is no signed budget we can continue to spend from our carry forward. We are continuing to pay the bills that were already approved last year. We are still moving forward and in good shape. We will validate our expenditure plan for next year at the next meeting. We continue to pay a couple of bills from the lobbying firm, strategic facilitator and Cluster analysis. The only change that I see could be more funding for travel costs for next year. There will be two Association of Defense Communities (ADC) conferences, one in February 2020 and one in June 2020 in DC. They also plan to have an ADC Regional summit (FL, GA, AL, KY and NC). We may want to look at adding funding for that event and send a couple of Representatives to that meeting. No questions or comments on the budget update.

MARINE CORPS AIR STATION (MCAS) CHERRY POINT AND FLEET READINESS CENTER EAST (FRC EAST) UPDATES: JAMIE NORMENT

Jamie Norment gave the committee an update on Cherry Point. We are on track as far as the new construction goes for Cherry Point. That is assuming that the Congress and the President can agree on a final budget number and comes to an agreement on the final appropriations for the Defense Department and Department of the Army (DA) MILCON bill. All the new construction for Cherry Point is related to the future of the Air Base. The F-35 improvements and access to the air station improvements are what we call Base Realignment and Closure (BRAC) proofing. The State of NC has invested a large amount of money, almost \$30 million to Department of Transportation (DOT) to improve access to one of the two primary gates at Cherry Point. In the near future the Main gate will have improvements from NC DOT. We have been working with Senator Tillis' office with the help of Chad Sydnor, Cassidy and Associates to get additional funding for road improvements on the Air Station side, Slocumb Road, which is much needed for traffic and safety. That is approximately \$55 million in new construction with federal dollars.

The Regional impact of all of this continues to be local jobs. The civilian employers at Fleet Readiness Center-East (FRC-East) will increase as much as their space will allow. They are almost at capacity with over 4,000 employees and most of those are federal and civilian employees with a few hundred contractors. That is all going well.

The hurricane clean-up at Camp Lejeune, New River and Cherry Point continues. We have received some of the funding that we need and are trying to find out exactly where it goes. That is certainly better than no money. That is all good news.

We are hoping to have the Deputy Commandant for Aviation, Gen Rudder come down for Community Forum some time in the Fall. We will be sure to let the NCMAC know what that date, so you can attend if possible. That will be our big next public event.

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David Hayden asked if there were any conversations since President Trump is going to be in Greenville, NC today and Vice President Pence will be at Fort Bragg and plans to join the President this evening. That is a lot of attention for Eastern NC. Normally, when you get that much attention from the Administration you may get a few nuggets of support. Have you heard of anything? We are interested to hear anything that they might say along those lines and could be of benefit to this committee. Jamie Norment said that he would not be there, but a couple of Ward and Smith people will be there. I think what he will focus on mostly is his endorsements for Senator Tillis and Representative Murphy who is running for Walter Jones' seat. I have not heard of any specifics for the Marine Corps or the military. David Hayden asked if they know of any other bases being visited. Jamie Norment said that he did not know of any Marine Corps visits. Arnold Gordon-Bray said that he had heard that there was a possible swing by Greensboro. That is what he had heard but can't confirm that rumor. Jamie Norment said that he had heard that the Vice President might go to Greensboro but did not know anything about the President going to Greensboro.

Frank Bottorff said that one of the Havelock Commissioners will be giving the lead off prayer at the event in Greenville tonight. Havelock will be represented at the event.

FORT BRAGG UPDATES: ARONLD GORDON-BRAY

Fort Bragg Economic Concerns:

Below are Fort Bragg concerns that may be presented in conversation with VP Pence and reflect the broad brush of Fort Bragg community concerns. The initial framing establishes the uniqueness of Fort Bragg, but should be expanded by NCMAC to discuss the nexus of our collective military "rapid response" forces.

FORT BRAGG, ONE OF A KIND BASE WITH UNIQUE PEOPLE AND UNIQUE DEMANDS.

Fort Bragg, NC is the only Joint Strategic Deployment Platform that provides the National Command Authority the ability to respond in hours versus days, weeks or months. Enabling the US Military to seize the initiative and win the first battle of the next war. "Speed is the Essence of War" Sun Tzu, our ability to rapidly project force creates options that otherwise would not exist.

This capability requires an investment in facilities, resources, and effort. These investments purchase time and options for the National Command Authority. Time is impossible to buy in a crisis – you have to invest now.

Fort Bragg is the largest military post (by population) in the US Military. It deploys more personnel, to more countries on shorter notice than anywhere else in the entire military and does so on an extremely compressed timeline.

The facilities at Fort Bragg have not received the investment required (\$500 million below requirements) because we have continuously focused on ensuring success despite the challenges. Special Operators and Paratroopers expect to be outnumbered and under-resourced in combat but they shouldn't have to

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face these challenges here. Investing in Fort Bragg, buys time and options for the National Command Authority and eliminates options for our enemies.

Fort Bragg is at a critical juncture. Our primary and alternate airfields, rail systems, roads, training areas, maintenance facilities and infrastructure are in desperate need. Without these we are challenged to get to the fight. We are not complaining – we are informing. We stand ready to do the impossible. We can't buy time in a crisis but if we invest here and now we can.

Conventional Forces at Fort Bragg received only one Military Construction Projects since 2010. The Army assumed Pope Army Air Field from the USAF at a significantly degraded level and has spent a significant amount of funding to make it operational. (e.g. The control lights are from 1938)

In alignment with the US Army's New Doctrine – Multi-Domain Operations we need:

- Dedicated funding to maintain and improve Pope Army Airfield (\$30 mil) per year.

- The Global Response Force Strategic Deployment Complex -SOF and Airborne Forces (\$74 mil)

- The Alternate Command Complex – Continuity of Operations Site (FORSCOM, SOF, NEC, GRF) (\$20 mil)

- The Rail Deployment Complex Relocated – (operating on safety waiver at 5 mph now)- (\$60 mil)

- Four Tactical Equipment Maintenance Facilities – (82nd ABN – Separate Brigades)

- XVIII ABC Separate Brigade Facility – (Largest Engineer Brigade in the World)-

- USASOC Aircraft Hanger / Barracks – (One of a kind capability)

- Four Critical Ranges and a Range Control Facility – (Busiest Ranges in US Military)

Fort Bragg a partner beyond the Army

'Preparing for the Future of Warfare'

Fort Bragg is the nexus for developing energy resiliency and readiness across the military. In coordination with DOE conducted a electric grid attack during a no-notice. Lessons learned being shared.

Fort Bragg is the Department of Defense's main effort in building energy resiliency. FBNC is working hand –in –hand with leading elements in DoD, the Dept of Energy, the US Army Corps of Engineers, CERL -MIT- Lincoln Labs, Installation Command and leading initiative groups to build a robust, ready and resilient energy infrastructure to enable the force. Our intent is to maximize our organic energy production capability through the most efficient and effective mechanisms possible by harnessing the intellect and initiative across the interagency, academia and private –public utilities.

We are hardening our grid and coordinating for on-post power generation (2x 20 MW Natural Gas Generators – through Duke Energy) to support 223 Mission Critical Facilities. WE WILL NEED NC AND NATIONAL LEVEL SUPPORT TO EXTEND THE ATLANTIC COAST PIPELINE TO FBNC – THIS IS A NATIONAL SECURITY ISSUE but will significantly improve the local economy- current natural gas delivery systems are unable to support. We are working with a new NC technology firm which should reduce our energy requirements by 33% and improve our renewable energy generation by 50%. We are coordinating with CERL and MIT –Lincoln Labs to develop two micro-grids for our remote facilities. We are coordinating

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with Portland USACE to expedite our Hydro-Electric plant to ensure water delivery and sewage processing. We are incorporating new fuel technology to improve fuel storage efficiencies. We are simultaneously increasing our solar capacity wherever possible.

The "Defense Critical Electric Infrastructure" (DCEI) effort is a DOE-led effort in partnership with Department of Homeland Security (DHS), Department of Defense (DOD), Federal Energy Regulatory Commission (FERC), and various local utilities that are partnering to strengthen security and resilience of the electric power grid supporting key DoD Installations. Details of the pilot are still being worked out, but in general the various government agencies will work together with the local utility (Duke Energy) to improve the local utility's off-post infrastructure to make it more resilient, thus indirectly improving the resilience of the supported military base. There is also discussion of the partnership working together to possibly support the military installation with on-post issues, bringing their collective expertise to bear on resolving on-post installation resilience issues.

The Command elements at Fort Bragg are meeting the challenge of multi-domain operations head on by truly testing our capabilities. These tests helped us to see ourselves and focus our efforts to build a more robust and resilient infrastructure.

Specific Areas for State Coordination.

FBNC leads the DoD in the number and scope of Inter-Governmental Service Agreements. Saving the Federal Government millions and improving the economic situation of local governments.

FBNC injects \$11.6 Billion annually into the local economy -> \$75 billion when the multiplier effect is included.

A state initiative to exclude military retirement pay from state taxes would increase local revenue injection exponentially. While FBNC has a large retiree population the number would be exponentially higher based on our data and polling. The local result would be lifting Cumberland County out of poverty.

The majority of retirees cite their reason for moving is based on the tax rate compared to other options. (Key area for NCMAC data collection and information sharing).

Active Jumpmaster Pay- The Army has a difficult time retaining Soldiers in critical positions because they are not supplemented for their skill set. Currently new Paratroopers and Master Rated Parachutists are paid the same amount -\$150 per month extra. Raising the bonus pay of a master Rated Parachutist to even \$250 would inject millions more monthly into the local economy and motivate Master Rated Parachutists to retain their credentials – saving the Army millions in turnover and improving effectiveness of the Airborne force.

Roads - We need to expedite the Memorandum of Agreement for NC DOT to address the Road infrastructure in the FBNC Training Area and FBNC Cantonment Areas. The ability to expedite these road repairs and transfers will exponentially increase the demand for off-post housing for military personnel and simultaneously increase readiness for time compressed deployments.

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Energy - We would like to better integrate ourselves with NC Energy Initiatives and incorporate NC into our initiatives.

Legal- We need to hold a discussion with the Attorney General, reference retrocession of our federal legal authority for criminal cases involving minors. While this is a relatively small number of cases, less than 10 annually, it will allow us collectively to address minor (under 18 y/o) criminal offenses at that the local rather than the Federal level.

State Historical Preservation Officer – We held a phenomenal meeting with the State Historical Preservation Team and look forward to our collective efforts moving forward. We are in the midst of coordinating a second visit and introducing the team to historically significant locations across Fort Bragg.

Organizational

Raise Garrison Commander Spending Levels – The process to build new construction requires a minimum of 8 years with minimal chance to receive a new facility. Raising the law limiting Garrison Commander's Spending Levels to \$2 mil per project enables the Army to address challenges now.

Remove the Barriers to Sustainment and Restoration Funding – Current regulations prevent Garrisons from transferring significant funds from Sustainment to Restoration. The Army has not funded SRM above 65% in a decade leaving critical gaps that we need the flexibility to address now. Remove this barrier at FBNC as a test site so that we can address critical issues now and not squander the funds.

Chairman Hayden asked Arnold Gordon Bray who prepared this report? Arnold Gordon-Bray said that the report was prepared by the Garrison Commander, COL Philip Sounia. Chairman Hayden referenced the item on retrocession of our federal legal authority for criminal cases involving minors. What they are talking about is the surrendering of federal jurisdiction partially on Fort Bragg to allow state authorities to get involved in criminal cases involving minors. Chairman Hayden said that they had done this when he was on Active Duty. We allowed Social Welfare to be on base and deal with child abuse scenarios. Now you are talking about duplicating that again to surrender more jurisdiction and allow state courts to get involved in criminal cases involving minors. Do you know who is pushing that? I think it is being pushed by Court JAGs. We have done this before but now I know who to contact.

Scott Dorney said that he meets regularly with the Garrison Commander and the Command team. Some of this has been brought up in the past and some of it is surprising. I am impressed with their focus on Energy Resiliency because we had done several energy focused events and it has been a struggle to get Fort Bragg to engaged in energy related activities. I am pleased that there is an interest in that. I agree that we are interested in sustaining our bases in NC but as you know me I am also interested in a mutually beneficially relationship. I have a concern about the road issues and have talked to Daniel Johnson, Department of Transportation (DOT). I think we need to be careful about this topic. He alleviated some of my concerns. It comes down to public funds for public purposes. A lot of those roads on Fort Bragg might be open to the public are really military only. I think that the state needs to be cautious in that area. DOT did say that the roads would be required to come up to state standards

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before they would take them over. There is a need for repair of the roads. Arnold Gordon-Bray said that the road network does have public interest because it affects deployability which is military. Also, the number of military personnel that live off base and need to go places. Some of the road network impacts Commerce and the movement in and around Fort Bragg. So, this goes beyond Fort Bragg. Some of the work that is being funded that is specific to deployability, has a national impact. So, you need to break the discussion down as to which specific roads we are talking about. I think that they have done that. That is part one. The second part is DOE and energy resiliency. I think there is a broader discussion that we can have because the challenges and the targeting of our threats. As we talk about the impacts of Future War is going to show less of its face especially during the competition periods which is where we are now. This is where we stay when you don't see the bullets flying. This period of conflict and the kinds of things that are being addressed in both the energy side of the world and this is the time to talk about what is mutually beneficial to both our academics and our war fighters. We should have these kinds of conversations with that part of the country to talk about energy, energy effects and impacts on forces. Do it from a perspective of the academics that are doing other studies that have implications in this world. I think that some of you have seen the study that came back and talked about how Texas beat us. They only compared a University versus Texas. They used NC State versus the University of Texas, as opposed to the Research Triangle with 3 major universities versus the University of Texas. This is also where we can have the conversation about energy and energy studies. Things that I think we are doing more of than others.

Will Best said that he would provide a date to Kelly Jackson to extend an invitation to this committee. Commerce sits on a Rural Land Use Advisory Commission (RLUAC) alongside Fort Bragg. We are currently with Department of Defense (DoD) funding implementing the recommendations that recently came from the DoD Joint Land Use Study which address a number of road issues, deployment issues and capability issues. The Department of Public Works and the MILCON control at Fort Bragg is involved in this. It has not been released yet, so I will extend an invitation to the next Board of Directors meeting so that anyone from here can attend.

NORTH CAROLINA MILITARY BUSINESS CENTER (NCMBC): SCOTT DORNEY

Scott Dorney said that he appreciated the opportunity to be here. This input from Fort Bragg is very good and they are in serious need of federal funds. We get federal funds for MILCON, energy, and road and we will be happy to help them with NC companies to do that work. I endorse all the items from Fort Bragg but some of them are surprising. David Hayden asked Scott Dorney to get with Arnold Gordon-Bray to discuss the things that Scott Dorney found surprising. Then you can report back at the next meeting with updates.

Scott Dorney said again that he appreciated the support of the Commission and all that the Commission does. That the NC Military Affairs Commission encourages businesses to come to NC. The NC Military Business Center is a component of the Community College System and at 12 colleges across the state. Our job is to help businesses in NC win federal contracts, grow the economy, expand jobs, and raise the tax base. But at the end of the day, whether you live in Jacksonville, Greenville, or Asheville, everyone in NC gets better public services if we leverage the military business opportunities to grow jobs and expand the economy in NC. I wake up every morning tasked with the responsibility from the General Assembly to grow the military economy through existing businesses. We partner with EDPNC, the Department of

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Commerce to circulate the economy through recruitment of new businesses to NC. We have a responsibility help retain the transitioning military workforce here in NC. We do maintain some important databases. We push people to Commerce and NC Works to register for real jobs. The retention of military people and retirees is important to our vision of being successful. Our fourth goal is technology transition. Only with the support of this Commission in 2016, in launching the Defense Technology transition office. With that we have been able to focus on that defense technology goal and help businesses in NC who are developing new technologies to introduce them to Department of Defense (DoD) and other federal agencies. We would not be able to do all the things we do without the support whether that is financial, political, infrastructure that we get from the State, Department of Military and Veterans Affairs (DMVA), this Commission or other State agencies. I always say that we are one part of the best infrastructure of any state in the country to help businesses get started, to grow and leverage new opportunities. We are helping businesses get federal contracts. We have a great team that works hard every day. The businesses in NC are having a good year in government contracting and that will grow with the hurricane recovery work.

Events executed since the 2nd Quarter meeting:

- Southeast Region Federal and Defense Textile Summit, April 23-24, Hickory, NC. This was the first time we had this type of event and it was very successful. The textile industry is alive and well in NC. It is developing new technology and meeting the needs for DoD. We will conduct another textile event in 2020 or 2021.
- Medical, Biomedical and Biodefense Support to the Warfighter Symposium, June 11-12, Chapel Hill, NC. We had Dr. Richard Stone, Executive in Charge, Veterans Health Administration (VHA). The event was very successful in linking businesses in NC with military leadership and Defense Logistics Administration (DLA).

Upcoming Events:

- August 5-6, 2019: 18th Annual NC Defense & Economic Development Trade Show, Fort Bragg Business Outreach Event and Mission and Installation Contracting Command- Fort Bragg 4th Quarter Open House (Fayetteville, NC). The purpose of this event is to build relationships between senior representatives of the Congressional delegation, the Department of Defense, other federal agencies and numerous defense contracting firms, including NC small businesses, included are static displays and demonstrations of military equipment, informal networking opportunities, live vendor demonstrations, prime contractor "lessons learned" forums, installation small business panels and contracting workshops and agency briefings for both prospective and current federal contractors.
- August 12-13, 2019: Southeastern Opportunities in Aerospace Regional Summit (Raleigh, NC). Multiple federal agencies procure and utilize Aerospace and Unmanned System products and services supplied by firms located in each state. Fleet Readiness Center (FRC)-East at Marine Corps Air Station (MCAS) Cherry Point and the Aviation Logistics Center at US Coast Guard Base Elizabeth City have responsibilities for the repair, maintenance and upgrade of military aircraft. Military aviation assets are also located at Seymour Johnson Air Force Base and Simmons and Pope Army Airfields at Fort Bragg. Expanded acquisition of material/services by these assets will benefit companies in NC

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- August 20, 2019: Naval Facilities Engineering Command Industry Day: Hurricane Florence Recovery (Charlotte, NC). NAVFAC Mid-Atlantic senior leaders will set the stage for a \$17 billion program to restore Camp Lejeune and Cherry Point. Businesses of all sizes are encouraged to take part in the event to learn more about the acquisition strategy that includes 31 military construction projects in multiple solicitation packages.
- October 23-24, 2019: Southeast Region Federal Construction, Infrastructure and Environmental Summit (Wilmington, NC). The Department of Defense continues to spend hundreds of millions of dollars annually on new construction at bases in NC. Military installations are also turning increasingly to Operations & Maintenance funding to execute sustainment and modernization of existing facilities. The "Summit" brings together over 700 representatives of the military installations and federal agencies, general and specialty contractors, designers and construction suppliers from throughout the Southeast of the United States. The Summit provides training on federal construction bidding, project execution and building mentor-protégé and other teaming alliances to compete for federal projects. The Summit also connects NC constructors, designers, suppliers and service providers with federal infrastructure buyers from all military services and agencies and with major prime contractors competing for and executing federal construction projects worldwide.

ECONOMIC DEVELOPMENT FOR NORTH CAROLINA (EDPNC): DENNY LEWIS

Denny Lewis introduced himself. He works for EDPNC and is funded by the NC Military Affairs Commission.

EDPNC Defense Industry Update

Defense Industry Business Development Manager: Role Overview

- Find and attract defense company investment projects (i.e. relocations and expansions);
- Partner with strategic organizations on business development and marketing efforts
- Promote NC as a business location to industry decision makers and influencers through direct meetings, trade shows, marketing events, conferences, and forums
- Assist other EDPNC team members and project managers by providing DoD related operational and market insights

Defense Industry Business Development Manager: Metrics

30 Leads **8 Qualified Leads** **2 Wins**

Lead = Company has project specifics with timeline, jobs, investment

Qualified Lead = clear project plan (jobs, investment, timeline, etc.) along with immediate next steps for EDPNC recruitment manager action (e.g. building and/or site search)

North Carolina: Top Business Value Propositions:

- Best in class state for business
- Skilled workforce for growth & innovation

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- Proximity to Customers
- Top industry clusters
- Research & Development ecosystem
- Strategic location
- Transportation network
- Competitive incentives
- State-level support organizations
- Quality of life & schools

Mission: Increase Defense Business Presence in North Carolina

Concept of Operations: Actively scout, ID, and recruit Defense Contractors to establish a presence in NC or increase its existing presence.

- Build upon Build upon past successes developed by Brad Helton and others: contacts, leads, relationships
- See and be seen meetings, select tradeshows/conferences, cold calls, articles in publications, defense customer support
- Team with existing NC resources (NCMAC, NCMBC, NCDBA, NCMF, NCTECH, NC RiOT, Military/State/and Fed Govt reps/offices, NC Biotech Center, Public Private Partnerships, others) to assist in this effort
- Support EDPNC projects with DoD insights and expertise

Lead Identification:

Hard Lead:

- Company contacts EDPNC and asks for info and or assistance in evaluating, or this info is provided EDPNC by a national service provider
- Company has decided to invest the time and money into looking for a place to locate/expand
- Company plans to move or decide within 12-18 mos
- EDPNC assigns a project lead
- Defense Industry Business Development Manager (BDM) supports as required

Key Decision Factors: Suitable/available facilities & workforce availability/development

Defense BD Manager's Lead:

- Through relationships, contacts, etc, BDM identifies potential candidate companies and persuade them to consider NC
- Company has interest and indicates plans to move or decide within 12-18 mos
- Depending on size, EDPNC assigns a project lead
- Defense Industry Business Development Manager shepherds the effort

Key Persuasion Factors: **Business Case** = lower costs (labor, utilities, living, transportation, sqft), higher pWin (positioning with Customer & KOs), Incentives (state, access to capital, taxes)

Two-Pronged Strategic Approach:

Short Term 0-18 months

- Capitalize on previous success and leads
 - Relationships & Partner Synergy
 - Follow Up on previous leads
- Educate and Inform
- Prospect: Trade Shows, Cold Calls, Engagements
- Play to strengths (DIDI) but follow the money
 - Services
 - ✓ Information Tech / Cybersecurity
 - ✓ Training, Log Support
 - Supplies & Equipment
 - ✓ Textiles, Food, Supply Chain
 - Construction / A&E
 - R&D
 - *Aerospace*
 - *Biotech*
- Warfighter Presence

Long Term 18-36 months

Develop a **Niche'** to attract DoD

- Capital Factor Like ".Org" Incubator/Accelerator
- Human-Centered Development
 - Warfighters, ASSIST, Biotech, Human Factors Lab
- Next Gen Network 5G
 - DoD presence & SMART cities Huawei – 5G Security Threat
 - Univ System w NSA
 - Cyber COEs
 - Businesses (SAS, CISCO, Commscope, RedHat/IBM, WRC, NC RiOT, etc)
- 1 high tech job yields 5 other jobs

AUSA 14-16 October 2019:

- General Martin Dempsey (USA, Ret) to receive Marshall Award at formal Dinner on 16 Oct
- General Dempsey lives in Wake Forest and is the Rubenstein Fellow at Duke University
- Concept is to show North Carolina support for General Dempsey and the Military by executive attendance at this dinner, and by so doing, make key contacts and bring attention to NC.
 - **Governor Cooper will attend** and be invited to the VIP reception prior to the dinner
 - 10 person table in the front of the room...Gov will be introduced
 - Working the list of invitees
 - Based on the Governor's and other attendees' schedules, will arrange meetings at AUSA with focus on:
 - ✓ Gen Milley (CJCS)

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- ✓ Gen McConville, Army Chief of Staff
- ✓ Mr Jeff White, ASAALT
- ✓ Gen Murray, Army Futures Command
- ✓ NC Businesses in Attendance & Targeted companies

Summary:

- **Advantages:** Vet and Tech workforce, training, education, S&T, university system, warfighter presence, ARO, QOL, Location, Construction, Textiles, Services, IoT/IT, Commercial Aerospace
- **Disadvantages:** no PEOs, no Large DoD buying or R&D commands (less USACE), warfighter commands, few Defense VCs, no large Tech Incubator and Accelerator
- **Business Case:** factors that will drive a decision to expand or establish a presence in NC; Why NC?
- **Teamwork - Request your HELP** Scouting, Introductions, Insights, Messaging, Joint Meetings, Ideas

OPEN DISCUSSION:

Chairman Hayden ask if anyone had anything for the open discussion time?

Arnold Gordon-Bray said he had a comment that linked to what Denny Lewis was talking about. We are not going to get there today but there is a strategic communications element to our strategic plan that was not on the list. There was an expectation that we would talk a little about it but we won't get there. In the strategic communications plan there is also a STRAT plan, there is an element that we are talking about the messages that we send. I think it is critical that one we take economic notes, bullets that we want to pull in and make that a part of our STRATCOM for everyone else and get our notes in there. Some of the things that I saw on Denny Lewis' notes need to be in our Strategic Communications. Secondly, there is a different value. We have talked about getting businesses coming here. The businesses that we get to come here that will bring a commitment to build something besides just an office. We want a different level of priority One of the things that Denny Lewis talked about was the supply chain management. Those second and third levels of support that are coming in. Once you bring it in, it is hard to break the chain. That needs to be a higher priority. We have talked about the types of forces that we have in this state and we talked about warriors and killers. That will translate to those who wear the uniform, but the real next war is in two pieces. It is on the capacity of those war fighters. The capacity of those decision makers is also a place of significant say. We have tons of leaders here in this State that are those kinds of warriors. We also have folks like General Dempsey that work with Duke and that is an area of his personnel interest. That he tried to sell to the Army which was human dimension. That brings both an ally, a person and then the infrastructure of the type military leaders that we have here in the fight 24/7 and 365 which is unique to where we are. Then you combine that with the Research Triangle plus institutions. That is another whole argument that we have to hit, the human dimension.

Chairman Hayden said that we have a lot of Senior people that have retired in NC with great contacts. It is a resource that we need to tap into. I don't know if we do this well. I know that the Military Foundation has a lot of Senior people on their board. There is a lot of tremendous experience in this

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state and somehow, we need to learn how to tap into that experience. To have a conversation or get some insight.

Frank Bottorff said that it was brought up about the 19,000 transitioning military every year. Do we have the number of military personnel that retire out of the military to this state each year? That might be a helpful data point for the tax argument. I would like to go back to the comments from Arnold Gordon-Bray for Fort Bragg. For us to use this, there is a lot of wants and needs. Is it possible for them to prioritize this into their top 3 MILCON for our federal lobbying? Then with the background information and this is their top 3, where were they on the Fort Bragg MILCON list and where were they on the Army MILCON list. If any of these are unfunded, did they make the Army's unfunded priority list. Those are the data points that as we go and talk to our Congressional members this information will help them to support us. For all our installations we need to turn their top 3 priorities into a white paper. We need to do the same thing for the State side. We need information like this from all the installations.

Kelly Jackson said that she had a meeting with Mark Edmonds from Work Force Solutions. It was a good meeting and she recommends that we have Mark Edmonds come to the next Economic Development meeting and brief about what Work Force Solutions does for the state and veterans.

ADJOURNMENT:

Chairman David Hayden adjourn the meeting at 11:13 am.