



## **NORTH CAROLINA MILITARY AFFAIRS COMMISSION**

**Minutes of the 3<sup>rd</sup> Quarter, July 31, 2018, Economic Development Committee meeting  
Department of Commerce, 5<sup>th</sup> Floor, Room 544, 301 N. Wilmington Street, Raleigh, NC**

### **MEMBERS IN ATTENDANCE:**

Chair Cresswell Elmore  
Frank Bottorff  
David Hayden  
Tony Stimatz  
Jeremiah Daniels, (by-phone)  
David "Crockett" Long, (by-phone)

### **MEMEBERS ABSENT:**

Tim McClain  
Gary McKissock

### **ADDITIONAL ATTENDEES:**

Brad Helton, EDPNC  
Scott Dorney, NCMBC  
Will Best  
Ron Massey, City of Jacksonville (by-phone)  
Whitney Campbell Christensen, ACT (phone)  
Tom Bowlin, NC National Guard, (by phone)  
Will Miller, Commerce Dep Director  
Larry Hall, Secretary DMVA (by phone)  
Kelly Jackson, DMVA

### **WELCOME/INTRODUCTORY REMARKS: CHAIRMAN CRESSWELL ELMORE**

Chairman Elmore called the meeting to order at 10:04 am. He welcomed everyone to the meeting.

### **CONSENT AGENDA: CHAIRMAN CRESSWELL ELMORE**

Chairman Elmore said that there would be a modification to the agenda. He was going to have Stuart Ruffin; NC Military Foundation give a presentation. Cresswell Elmore requested a motion to modify the agenda to add Stuart Ruffin. Frank Bottorff made a motion to approve the modification to the agenda, which was seconded by David Hayden and passed by unanimous vote.

### **OLD BUSINESS: CHAIRMAN CRESSWELL ELMORE**

Chairman Elmore asked if there was any old business that needed to be discussed by the committee. There was no old business to discuss.

### **CONSENT MINUTES: CHAIRMAN CRESSWELL ELMORE**

Chairman Elmore requested a motion to approve the minutes from the 2<sup>nd</sup> quarter meeting of the committee on April 26, 2018. Tony Stimatz made a motion to approve the minutes, which was seconded by David Hayden and passed by unanimous vote.

### **NORTH CAROLINA MILITARY FOUNDATION: STUART RUFFIN**

Stuart Ruffin presented on the Army Future's Command (AFC), where we are now and where we are going in the forward. Also, how we see the defense market growing. We have a tremendous opportunity to seize on opportunities coming out of the defense market in the Army but also across the Department of Defense (DOD). We have formed a team for the AFC and have a full commitment not

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to have this be the end of the conversation. We have put a lot of effort into this project. We have gained momentum and great partnerships that we intend to seize on. The AFC effort has encompassed this group for the past 9 months. In total, we had about 40 organizations working on this in some fashion. They came from the political side, military side, industry side, academic side and the government side. We all put our best foot forward on this project to make the case for the Research Triangle. The fact that we were in the top 5 and then the top 2 says a lot about the merit of the organization relative to developing DOD capabilities in this area. We are happy with what we put forward and what this team created but we are disappointed in their decision. We are going to let Army come out and say why they did not select us and why they went in a different direction. The Governor's team, Senator Tillis and Senator Burr have had a debriefing with the Undersecretary, General Wesley and others last week. I am still getting information from that debriefing. We are checking the numbers but we do not see this decision being changed. We put up a great fight but we are ready to move forward. After all that we have shown Army there is no way that they can't take note and look at this area for other participations. During next couple of days in Downtown Raleigh, the Network Cross Functional Team, one of the 8 Cross Functional Teams looped in with AFC will be having an Industry day at the Raleigh Convention Center. They will share with industry where their gap areas are and where they are headed with the technology and how they can input into that cross functional team that is ultimately responsible for spending of dollars on modernizing the Army network. This is one opportunity in the large opportunities for DOD wide. As part of this 9-month effort, we got a keen understanding of how our industry and academic assets in the Triangle line up with what Army needs what the DOD needs. We have created a 30 plus page document that gives a representative sample of what we have to offer in 6 key modernization priorities. We are hoping to come out of this with an awareness internal of what we have, but most of all shopping that information out with other DOD primes that want to develop capabilities. Also, shopping that out to other military services that have needs in certain areas and wonder who they should do business with. To paint the broader picture from DOD fiscal 2018 and 2019, DOD received an additional \$68 Billion this year. Historically 50% goes to private sector and 15% goes to the big 5 DOD contractors. There is a lot of money floating around DOD right now that is being spent in areas that we align very closely with. We do not want to let those opportunities slip by. Part of that is why we got several organizations together last week at the NC Military Foundation's Board meeting to talk about how we move forward and what opportunities we will seize on. Some themes from that went back to our 2009 Defense Asset Inventory and Cluster Analysis. There are been some conversation about refreshing that document. We have the right team members on board and there is some funding that we can talk about. We will use creative solutions to pull data from different sources including the sources we used last time. There is a dollar figure to make that happen. We have a need for continued coordination to go after these large-scale activities as a team and leveraging the momentum that we have created. That was the goal of the conversation last week. The Governor also made a surprise appearance at the board meeting last week to relay how happy he was with the leadership of the AFC team and the great proposal that was put together. Brad Helton commented that we were the best choice and disappointed with the decision.

Stuart Ruffin informed that committee that he had been elected by the NC Military Foundation Board to take over as the Executive Director as of April 1. David Hayden said that he thanked Stuart Ruffin and his team for the momentous effort that was put forward for NC. We have many reasons to pat

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ourselves on the back for a job well done. We just need to know how to support the team moving forward. He had always heard that it was a horse race between Raleigh and Boston. He knew that if we went up against Texas we could have some problems since Texas does not have state income tax and a great network of universities. He thought that Texas just sneaked in there as a competitor to NC. Stuart Ruffin said that from the beginning the top three were Boston, Austin and Raleigh. Many people commented on the high cost of living in Boston and that might have been the disqualifier for them. But if you look at Austin it is a good choice. They have a strong University system and other elements but the numbers that the Research Triangle can put up is staggering. Austin was not a surprise but it is a good second choice. We all think that the Research Triangle was the best choice. We are happy with the team and the effort that we put forward. David Hayden said that our 2 Senators are powerful and should not take their foot off the pedal and get more defense dollars into NC and it could be in the form of another research center. Stuart Ruffin said that he had been on the phone with Senator Tillis' office the past few days and we are working on these things currently.

Scott Dorney said that it is important to have a frank discussion about lessons learned. The NC Military Business Center (NCMBC) and DEFTech were pleased to be a part of this team that worked on this project. He wanted to thank Economic Development Partnership for NC (EDPNC) but mostly Stuart Ruffin and the NC Military Foundation for a lot of effort into this project. We need to work on the lessons learned. David Hayden mentioned what did we learn and what can we do better? Scott Dorney said that we must resource our capability to capture industry capabilities in NC. There are 3 possibilities on why Austin won the decision. #1 Austin had the best proposal, the best option and they were picked and NC was not the best. #2 NC was the best, but there were other factors, politics that kept NC from getting picked. #3 NC was the best but we could not tell our story. The proposal was good and got us into the game. The site selection team gave us a better opportunity to present our capabilities. So, the question is if we were not able to document why we were the best, why not. We need to be able to document are industry compacity that matched to what the Army was looking for the Cross Functional Teams and the Headquarters. There are a couple of indicators that I have for that. First, the Cross Functional Teams and the Network Cross Functional Team that is in Raleigh tomorrow. We have done a lot to get an audience for that event and that has been a lot for work. It is hard to identify those companies in NC that can contribute to that discussion. That is very hard and it should not be that hard. Second we were asked to do an article for the Fayetteville Observer on military activities and military business in the Cape Fear Region. We had no problem identifying construction companies, service companies and product providers. When it came to finding Research and Development companies we could not identify closer than south of Morrisville in the Cape Fear Region. I know that they are there but I can't identify them. I am talking about industry not universities. The third indicator is the 30-page document put together by the University System is the Triangle Region Technology Capabilities Mapped to Army Priorities. It is a great document and a wonderful record of what exists in our university system that maps to the A-Cross Functional Team. At the end of each section there are 2-3 business that can support that Cross Functional Team. During this process, we managed to put together a 1 and ½ page spreadsheet of businesses that map to the functional teams. The lesson to me from all 3 of these examples is that we have great compacity in NC but we are not documenting it. If we want to grow our compacity for defense contracting in NC, it is a lack of businesses being engage in military market place and lack of our capability to identify businesses that can perform military work and map to the Cross Functional teams. I would say that the Cluster Analysis that the Military Foundation did in 2009 was a

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good document and needs to be updated and funding needs to be found. The work was done by RTI. The State very heavily resources our Universities System which is a great system. But what we have not resourced is our capacity for Industry to do businesses with the military. The NCMBC is a component of the University system and has a \$1M budget yearly and we had to cut DEFTech to 20 hours a week. I think the state need to take a serious look at this due to the AFC project. We do have gaps but there are things that our state can do to resource our state assets to identify and document businesses in our state that are doing research and development, map to Army Capabilities and the bottom line is be able to do business with the military. If we are serious about growing the military economy in NC we must put more dollars behind it.

Cresswell Elmore asked what should this committee be doing to be more engaged in this entire process? David Hayden said reference the Cluster Analysis produced by the Military Foundation in 2009, are you looking to the Economic Development Committee or the Legislature for possible funding? If that is true, how much would that cost and who could put that together? This is something that might be worthwhile for us to look at. If this is a useful document and it is 9 years old then, it needs to be updated or replaced now. Scott Dorney said that it is not just one report. We need to be resourcing the Department of Commerce (DOC) and EDPNC. If we want to move the needle for defense contracting in NC and grow our military economy, which is the second largest section in our economy. Clearly it has demonstrated that it is right for further investment. We need to resource Commerce, EDPNC, the University and Community College system, and NCMBC. All of that is clearly beyond the capability of this committee. I do think that this committee can recommend to the Full Commission that at some time they endorse and request that the General Assembly (GA) and the Governor further resource these entities of the State who are empowered to grow the military economy. We don't want to be the Bridesmaid any more. It is wonderful to be at the dance but we want to be the Bride. I think the Cluster study is great but the world has changed since that study was done and the DOD demand for the future has changed, our capacity in NC has changed and what we need to do is stay current with the times. Bottom line we need to be able to document what we have in the state and are they capable of meeting the demands of the DOD. Second be able to present that when we have an opportunity to do that in the future. Cresswell Elmore said that he will have the opportunity to bring this forward for the Full Commission. Frank Bottorff asked Stuart Ruffin when the NC Military Foundation completed the last Asset Inventory, did you so that in conjunction with Commerce or independently?

Stuart Ruffin said that report is a 35-page report that is on the NC Military Foundation website and the last page of it lists about 12 people from 5 organizations that were involved which includes DOC, RTI, General Administration, Community Colleges system and many others. They all provided information at various levels. When we think about a re-boot or refresh, we are not saying that we would start from scratch or do this alone. We work best when we work as a team. This momentum around the Cluster Study are come to a head. I have reached out to RTI and looking to see what their involvement might be and the cost we are looking at. There are conversations that I need to have with people at DOC and EDPNC for what resources they can bring to the table. All those conversations are taking place with week, so we can get to a what do we need as far as a content perspective. The dollar figure that it costs to refresh this is going to dependent on the resources that can be brought to bear on this project, whether that is data, people, organizations or etc. I need to follow up with Scott Dorney after this

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meeting. This project is actively moving and I don't think the dollar amount is great enough to go back to the GA. As for the time, we need this yesterday. We will be moving forward with this project more quickly.

Frank Bottorff said to Stuart Ruffin that he had made a comment about potential funding sources in your initial comments. What grant sources have you been looking at? Stuart Ruffin said that they are looking at anyone who has grant dollars that they want to give us. We are assembling our needs list and the NC Military Affairs Commission (NCMAC) is one group that could provide funding. We are talking about relatively small amounts of money but it also depends on what we can get from other organizations. We could be talking about \$50,000 or \$150,000. We need to get our team together to develop that needs list. The NCMAC is an avenue and so is the private sector. Our organization is 100% privately funded so if there are organizations, private entities that want to contribute funding to bring this to fruition that is an option as well. Frank Bottorff said that he thought that they had some funding already lined up but that is not the case. Stuart Ruffin said that they have some thoughts on that but no funds committed. Frank Bottorff said is there any relationship where you could use some of the information from the Department of Military and Veterans Affairs (DMVA), NCMAC, Officer of Economic Adjustment (OEA) Grant supply chain mapping study. Stuart Ruffin said that was a necessity not just an opportunity. We have talked to individuals at RTI and what a critical path might look like. Step 1 is getting a small group together so determine what questions do we want to answered. The Cluster Analysis was wonderful and answered a ton of questions but are those the same questions that a refreshed study would want to answer. Then when we have determined what we want to accomplish, then we can get into where can we pull information from, where can we pull dollars from and where can we pull people from to bring this to fruition. Scott Dorney said there are many lines of data from the Supply Chain Mapping study and they are looking at how to package that information. The Supply Chain study is going to be essential to refresh the Cluster study but also to identify resources in the state. Stuart Ruffin said that he appreciated the time to speak he agrees with just about everything that Scott Dorney said but on resourcing and supporting the industry side of the house. That was one of our key take away from the AFC.

We will be doing an after-action review on the AFC process once we get final information from Army and our Senate and Congressional offices. He expects that information to come to him around Wednesday. Then we will be following up some individuals from this meeting to participate in that review. Frank Bottorff said that he wanted to take this opportunity to thank Stuart Ruffin, Brad Helton, Scott Dorney for all that they did for the AFC effort. The lessons learned from this effort are going to be invaluable for the future. The hard work over the last 9-months from all of you was tremendous. I think we all learned a lot that will help us in the future. Cresswell Elmore seconded the comments by Frank Bottorff. David Hayden said that he did not want to lose sight of a comments by Scott Dorney. Just doing a Cluster Study is only a part of this process. Looking at organizations within the state that bring out industry into the defense industry. For example, the NCMBC does a tremendous job throughout the year. They periodically hosting conferences and providing free advice to start ups that are trying to penetrate this market. There are non-profits such as NC Defense Business Association that also supports that effort. We need to think bigger picture than simple funding or recommend funding for another Cluster study. Any recommendation that we might make to the NCMAC for both the Governor

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or the Legislature should be a more comprehensive resource plan which includes the Cluster study.

**ECONOMIC DEVELOPMENT FOR NORTH CAROLINA (EDPNC): BRAD HELTON**

Brad Helton presented for EDPNC.

Farnborough International Air Show July 16-22. He was responsible for the states engagement for this air show which was a couple of weeks ago and a major event. This Air Show and the Paris Air show alternate events. The Secretary of Commerce attended the first couple of days. We use these meetings nurture relationships and close deals. You must be present to win. Making those relationships and continuity of the relationship are key to this business. We have some secure looks at opportunities from this Air Show. Cresswell Elmore asked if he had a relationship with our DC delegation? Brad Helton said that he did. He works with the Economic Development community and the Military Liaison Officers.

The next big event is Association of the United States Army (AUSA). Governor Cooper attended this event last year and he anticipates attending this year again. They are currently setting up the meetings at this event. If you know of any companies that you think the Governor should talk to and would have value, please let him know that information.

Cresswell Elmore asked about the OEA Grant study. He said that he thought that it was going to be complete soon. Frank Bottorff said that it had about 6-months remaining on the grant and we plan to have an update from Ms. Burns at the Full Commission on Aug 21. Scott Dorney said that he knows that the Army had accelerated the application for the implementation grant that has been done and it is on track. Cresswell Elmore said that he had been reading that there will be more money put into the OEA system in the next year.

**BUDGET UPDATE: FRANK BOTTORFF**

Frank Bottorff said that he had a quick budget update. See Handout. I have gone over this information with the Base Sustainability Committee. The column on the far right is the FY 2018-2019 plan that we will be addressing with the Executive Steering Group and then the Full Commission meeting. I have moved the appropriate funding into the FY 18-19 plan. For the lines with unexpended funds from FY 17-18, I either added them as appropriate into the FY 18-19 plan or consolidated them into the fifth number down, Other Stabilization Initiatives. That is undesignated or unprogrammed funding currently of \$900,000 that we need to address. Our total unspent \$2,082,002.83. The only modification that I plan to do prior to the Full Commission is under the Community Grants line, the first grant amount was \$200,000 but by Statue was can go up to \$225,000. For this cycle, I kept it at \$200,000 due to other funding obligations at that time. We have not spent those funds yet due to delays but I think that I need to change it to \$225,000 for the Grant process. We have a couple of contracts that are under review. The new Grant Applications and the Lobbying contract. We split the lobbying and consulting contracts up. We thought that we needed the bang for our buck with the lobbying contract on a regular basis. That contract has not been approved for putting the Request for Proposal (RFP) on the street. As soon as we get that we can put the RFP out. The lobbying firm could help with a lot of our efforts. Our next priority is the lobbying contract. Tony Stimatz asked what the \$6,000 under Community Grants was for? Frank Bottorff said that the DMVA overpaid one of the Grant recipients by \$6,000. This was just a mistake. One of the Grants was for \$66,000 but \$6,000 in-kind from the Grant recipient. The Grant recipient has

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repaid the \$6,000 by check. Frank Bottorff will change the spreadsheet to reflect Grant refund in the comments.

Tony Stimatz asked what are we going to do with these funds? Frank Bottorff said that was a good question. He said that besides the lobbying contract which was a sizeable amount of money in the budget for that, we need to do one consulting contract for the update of the Strategic Plan. It is written in the legislation that this year we must update our Strategic Plan. We need do another RFP for that project. Hopefully we will get the other RFP out first. Frank Bottorff said that we may want to discuss this after Stuart Ruffin and this team get together and have more information on the Asset Inventory project. That looks like it is right up our alley. Tony Stimatz said I agree. If we as an organization want to market the state and what it does and meet our goals, we need to have that information. We need to be proactive. Frank Bottorff said that the problem is that we meet quarterly and we need to get it approved. How fast can we get a concept plan together and a RFP out there. Stuart Ruffin said that they could meet any deadline that they are given. Frank Bottorff said that we are 3-months away from a decision and then the contract following the next meeting if it is approved. If we give ourselves a 90-day window to have something that we can approve at the next Economic Development Committee meeting. Scott Dorney said that he thinks that it is a good idea to have the NC Military Foundation be the lead on this project because they are a private organization and have more flexibility if they want to do an RFP or not. They could have a product ready to present to the Economic Development Committee, ESG and Full Commission. We have this proposal and we would like you to fund a certain amount of this project. I don't think that Stuart Ruffin would need to slow down the process, or at least identify the contractors and maybe come to you for your next meeting with a proposal. Stuart Ruffin said that he preferred not to wait for 3-months to have this product in some level of completion and well past the proposal stage. Is it possible if we get started on this project that the NCMAC would consider funding a certain percentage of this project even if it was already in the development stage or almost completed? Frank Bottorff said I don't know that that can happen. That is up to lawyers. In the normal governmental system that we are restricted by I don't know that that can happen but we can ask the question. Tony Stimatz said that if you want to work on this we can maybe put you on the agenda for the Full Commission meeting on Aug 21. Frank Bottorff said that from historical data, if it is not ready for the ESG which is on Aug 7, then Chairman will not allow a vote at the Full Commission because it has not gone through the ESG first. Tony Stimatz said that this would not be a vote but just an informational brief. Also, that we need a strategic plan for data collection and manipulation continually in concert with DOC. Frank Bottorff said that he did not want to speak for Stuart Ruffin but it sounded like he planned to move forward with the project and you can pay us in the rears. The NCMAC can't promise future funding. He was thinking that potentially if the Chairman is agreeable, can we get to the point to that on Aug 21 we are financially participating. That is a push but if not it will be 3-months. We can't in any way indicate that we would potential fund on the future. Tony Stimatz said that we could call a special meeting. Frank Bottorff said that was possible. Stuart Ruffin said that to just let him know what the process is and the fastest we can get this done, they will move mountains to hit that deadline. He wants to preserve the momentum that they have created with AFC. Frank Bottorff said Stuart if he can participate in the ESG on Aug 7 from 10:00 – 12:00? Stuart Ruffin has a conflict that day. Frank Bottorff said that he could call into the meeting if that would work for him. Scott Dorney said that he could help Stuart Ruffin get prepared for the Aug 7 call in. Frank Bottorff asked if the Economic Development committee member if they support this initiative? The

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consensus was they do support this initiative. Tony Stimatz asked how do you do this with an unsolicited proposal, in the Government you must do that. Frank Bottorff said that since they are a non-governmental agency that we are giving them money and they are doing what they think is right with it within the guidance and information that they present. Can we pass money to this organization and we have no Memorandum of Understanding (MOU)? That is going to be the hard part to figure out, the mechanism. How do we legally fund this in the timeframe we are talking about? We have a week to review this and try to figure this out. We have the money in the budget.

### **NORTH CAROLINA MILITARY BUSINESS CENTER (NCMBC): SCOTT DORNEY**

Scott Dorney presented for NCMBC and had a couple of handouts for the committee.

Scott Dorney said that he had given a briefing to the Full Commission in May about the stage of the Military Economy. He appreciated that opportunity. The Legislature just completed their Short Session and there were very few adjustments to the budget. The NCMBC did not receive any additional funding from the Short Session. We are rethinking this process and anticipate a major push during the next Long Session. We would appreciate the support of the NCMAC. Until you tell me otherwise we will not come and make a formal ask. Maybe at the fall meeting we will be prepared to do that and would appreciate any support that you can provide to the legislature. Frank Bottorff said that this is something that we will continue to struggle with as an organization. How do we handle organizations that are funded by the GA? If the GA has a bite of the apple, how is the NCMAC going to be questioned if the GA doesn't fund them and the NCMAC does, unless it is specifically authorized. We did that with EDPNC and then they put it into the legislation to fully fund EDPNC. Which is potentially the route we could go with DEFTech or the NCMBC. But what we don't want to do is, if they had a debate on it and they did not fund it and we fund it are they going to reduce our funding the next session. Scott Dorney said that is was going to take some more research with the GA to figure the best way to make this happen. Realistically, there are not many organizations that have 10% less funding that then they did in 2005. That is not a sustainable model in the 21<sup>st</sup> Century. We will figure out the right way to do this and get back to you.

Frank Bottorff said that he thinks that Scott Dorney is correct. Through this process with the AFC, we have learned how much we have to offer. Also, what the NCMBC has to offer. We are not marketing what you are doing with the money that you are given. I don't think that people understand the value of what you are doing and what we have to offer. What that could mean to potential outcomes. We need to market this better since it is the second largest industry in NC. Scott Dorney said that he remembered in 2004 when they went to the GA and the LT Governor and gave them a budget. They said are you sure that is all you need? I realized we made a mistake. The military economy is something that works in NC and the 2<sup>nd</sup> largest sector. We take our bases for granted and think they will always be here. We don't tend to grease the wheel that is not broken. We need to continue to put the grease in. Frank Bottorff said that he thinks there is one area that we have been relatively successful on, in the sustainability area is Wind Power. I think we are gaining a better understanding and a broader understanding across the entire legislature. Understanding how the interaction between wind power and the ability of the military to train. It is an ongoing discussion and there are emotions on both sides, people understand that the issues exist and how important the discussion is. If we focus on it, we can make some big gains like we have with wind power.

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David Hayden asked if there was any reason why this committee couldn't go into our next Full Commission meeting and at least have that discussion about how we need to seriously consider a strong recommendation on behalf of the NCMAC to the Legislators and the Governor to significantly increase the budget for NCMBC? Is there any reason that we would not go in and advocate for that? We have Rep Cleveland and Rep Martin, two key players from both parties. Frank Bottorff said that is exactly what we should do and we have from now until November to put that together so they are putting the right foot forward to the GA for the next session. We could do this on Aug 21 but we want it to be correct and ready for the Long Session. Scott Dorney said that when he presented the first time he had a low number and we were told by a couple members of the GA that we needed to be more aggressive. We think that 100% is very aggressive but that is what we developed. Tony Stimatz said the items that we might fund should come out of continuing funds. That is another thing to look at and shift that funding source from NCMAC to the NCMBC budget. Then NCMBC is the focal point and controller for all this information. Then you will be working with RTI, NC Military Foundation and all the other people. Scott Dorney said they have an MOU with the NCMAC for DEFTech could that vehicle be used? Frank Bottorff said that was not a bad idea. Scott Dorney asked if we have an MOU with NC4ME or the NC Military Foundation? Kelly Jackson said we had a vehicle for FY 17-18. Frank Bottorff said that we needed to consider all that information. Scott Dorney said that if they want to have this discussion with the ESG and the Full Commission, they are willing to help in any way they can. David Hayden asked Sec Hall if he had any thoughts or comments to add to the discussion? Sec Hall said he was listening and taking notes about going forward with the GA. I think Scott Dorney mentioned several other organizations. You have been talking about the Cluster analysis being redefined and updated and having partner involved in the process. Overall when you approach the GA, one of the things that has been tough on military issues has been several groups approaching with very different agendas. We know how that happens, so the collaboration before you go to session if this is one of the major issues for the NCMAC is important. You need to reach out to other groups that may be coming forward. Maybe you can have an order of priorities and get better results. I know you don't want them to just divert the money from your budget allotment and give it to them. I think you are trying to expand the overall amount that is being used. Frank Bottorff said that he thought that Sec Hall was correct. We need to have a couple different discussions. One is called sustained funding for NCBMC and DEFTech and the short-term funding for the asset inventory study. The short-term is up our alley and the long-term for the GA. No further discussion.

### **MARINE CORPS AIR STATION (MCAS) CHERRY POINT:**

Whitney Campbell Christensen said that Allies for Cherry Point's Tomorrow (ACT) was very pleased with the appropriation that they received in the State budget for additional dollars for the Lift Fan facility. That has been very positive. Frank Bottorff said that Jamie Norment had met with the Commander Officer for Cherry Point last Friday. Cresswell Elmore said that the funding coming out for Cherry Point this year was excellent. Senators Tillis and Burr have been very engaged with the Senior Military in the staff area and policy discussions. I think they have met with Rep Jones and James McCleskey. Frank Bottorff said that since this is the first time that the State of NC has directly helped to fund a Military Construction (MILCON) project there are some legal hurdles to get over to pass the money. Right now, it looks like everything is moving forward. The State of NC is working closely with ACT, Department of the Navy and Marine Corps to ensure that it stays on track and the funding can get passed. Right now,

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everything is looking great. Cresswell Elmore said that other states have done this and all of them have had their challenges. This can be helpful for all the Installations in NC when this is accomplished. We have a lot of road projects around Cherry Point. Frank Bottorff said when you talk about support to the military installation, the Department of Transportation (DOT) is an unsung hero in the whole story. They have done a great job around all the installations. Cherry Point and Havelock in our area has 3 major projects either in the planning stage or in construction. The back gate to Cherry Point project is under construction to increase flow and increase safety to the back gate. The bypass project is getting ready to start. Then we will have another major road widening project. We will have 3-5 years of constant construction. Then you add this to Cherry Point and the construction phase to prepare for the F-35. This is going to be an interest place to drive around and the cost of construction is going up. Cresswell Elmore said that DOT is doing a great job in NC. The 42-corridor project is starting in New Bern. No further discussion.

### **OPEN DISCUSSION:**

Brad Helton said he wanted to make a couple of comments. He talked about what an asset NC4ME is to the state and the defense industry. I talk to a lot of companies and unemployment is low nationally. The workforce is a challenge for most companies and many of these companies are interested in hiring Veterans. Defense companies especially want to hire Veterans. The NC4ME program has been very helpful for me when I am talking to companies. They have a unique approach and very effective. Also, the NCMBC symposiums are very useful. The AEROPACE summit is coming up and it is on the radar of many companies. Our state is a destination state and if you can't be successful in NC I don't know where you can be as successful. I encourage you to attend one of these symposiums. Cresswell Elmore said that he thought there had been a large class of Information Technology students just graduate? Stuart Ruffin said that there is a Cyber Training Pilot program that has been developed. This NC Military Foundation is working with DMVA, CISCO and other private sector organizations on this project. This has not been announced yet but soon to come. The bottom line is there are 18,000 open IT jobs across NC. We are 4% unemployment across the country and everyone is struggling to find employees. This pilot program will be designed by industry to help solve that challenge. There will be through put of 200 students in year one. NC4ME is a major asset and in particularly because of the type labor market right now. I am part of a workforce panel with 6-8 others. The first half that spoke had very bleak stories to tell. When it came to NC4ME it was a good news story and everyone loved the story. This programs is a recruitment and an expansion tool. The program is not well known so we are working with our marketing team to make that happen. We are also having a resourcing challenge that we are working through and looking for additional private sector funding to support this program. NC4ME is a great program and needs better awareness around the state. Cresswell Elmore commented that there was a contract award to a consulting firm to help us market NC4ME throughout the state. He will get that information to Stuart Ruffin.

Tony Stimatz said that long term C-130 maintenance contract was up for re-compete this year. They have not awarded it yet but should have been awarded by July 1, 2018. The currently contractor (DRS) is still there so he will get an extension. The Coast Guard purchased the building from DRS and the land belonged to the Airport Authority. The Airport Authority accepted their offer of \$2.4 M to purchase the land. The Coast Guard is committed now between the building and the land. Several people that are re-completing for this contract have worked in the building before and understand and see the potential.

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The other things are that several them have offered to sweeten the deal by bringing in other capabilities.

Scott Dorney said that there is a Defense and Economic Development trade show on August 7<sup>th</sup> at Fayetteville Tech. Senator Tillis will be a key note speaker at the event. Secretary Larry Hall and LTG Lucky, Commanding General, US Army Reserve Command will also be guest speakers at the trade show. The next event is the Aerospace Supply and Services Summit in Winston-Salem on August 15-16. The Coast Guard ALC and FRC-East will be participating. The Warner Robbins Air Logistics Center is also participating and that is a big addition. The key note speaker will be BG Linda Hurry, Commander, Defense Supply Center Richmond and Defense Logistics Agency Aviation, Richmond. If you know of any aviation company that need to attend, please get this information to them. Participation should be around 200. Cresswell Elmore asked if any of the services companies participate? Scott Dorney said that they do. We get companies from all over.

Frank Bottorff said that there was a Sustaining Military Readiness (SMR) Conference in St Louis, MO on Aug 13-16. Robert Hosford from Department of Agriculture will be speaking at that event. We have a few people from NC that will be attending that conference.

Secretary Hall said that he wanted to thank Stuart Ruffin and the Military Foundation. Since last September when they started working on the AUSA schedule of people to visit and the meetings that needed to happen. The Military Foundation worked very hard to secure meetings Chief of Staff of the Army and the various heads of Divisions. We met with about 4 leads in the Army to start the process for the AFC. They have been a great resource for the Governor and the DMVA. We look forward to working with them in the future. The NCMAC was also a participate in the AFC as they have supported the position that Brad Helton is in with EDPNC. The NCMAC has also been part of the team.

**ADJOURNMENT:**

Chairman Elmore requested a motion to adjourn the meeting. David Hayden made a motion to adjourn the meeting, seconded by Frank Bottorff and passed by unanimous vote at 11:38.