

# NORTH CAROLINA ECONOMIC DEVELOPMENT BOARD



## Minutes Raleigh, North Carolina May 30, 2002

The Economic Development Board met in Room 755 of the New Education Building on May 30, 2002. Chairman Gordon Myers called the meeting to order at 12:30 p.m.

Chairman Myers called for a motion to approve the minutes of the April 25 meeting. A motion was made and seconded to approve the minutes as submitted. The motion carried without opposition.

Watts Carr said that the Recruitment and Retention Committee had planned to submit the recommended economic incentives to the Board at this meeting, but the Committee still has additional work to do before it can be unveiled. Mr. Carr said that incentives, including those offered by the William S. Lee Act, have proved to be less effective than anticipated; therefore, the recommendations will be designed to make incentives more aggressive. Suggestions to accomplish that are to offer changes to the William S. Lee Act as follows:

- Make it more user friendly;
- Raise some of the thresholds; and
- Drop the wage test completely for Tiers 1 and 2.

The committee may also recommend continuing the qualified business development investment credit, which is supposed to sunset this year, and creating a job development grant/investment program.

Robert Stolz discussed the Strategic Plan and updated the Board on the status of the work toward developing the Plan and explained what the Board should expect to accomplish in the next thirty days. He said that the Board work on the Plan is about 80 percent complete and, going forward, he recommended that each Committee pattern their portion of the Plan after the Science, Technology and University Outreach Committee.

Mr. Stolz also explained that at the next Board meeting on June 27, there would be no Committee meetings, but the Committee Chairs will come before the full Board and present their Committee's recommendations. In addition, the Board members will have time to ask questions and provide input into each of the recommendations. He suggested that after the Board meets in June, it would not meet again over the summer months. He also noted that the KPMG information would be forwarded to Board members as it becomes available.

Chairman Myers called for a report from the Science, Technology and University Outreach Committee. Committee member Scott Daugherty reviewed the Committee's recommendations as follows.

- Create an environment that promotes and supports discovery and innovation and efficient transfer and application of new knowledge and technology
- Allocate resources and make investments in innovation, which will sustain and enhance North Carolina's competitiveness as a leading technology state.
- Engage, target and coordinate public and private resources towards the Economic Development Board's strategic goals in science and technology
- Mobilize broad-based public leadership support for science and technology and university outreach objectives

Secretary Jim Fain reviewed the SWOT Analysis of the North Carolina Economy which he suggested might be useful in refining the components of the Strategic Plan. The SWOT analysis reviews strengths, weaknesses, opportunities and threats to North Carolina's economy.

Bill Coley reported for the Infrastructure, Transportation and Environment Committee. He said that the Committee discussed an issue earlier in the day and offers a resolution that the Board should consider endorsing. House Bill 644 is an act to authorize public toll roads and bridges in North Carolina and creates a Turnpike Authority. Mr. Coley said that the bill will be discussed in the General Assembly during the Short Session and, if it passes, would provide another way to fund infrastructure that would allow projects to be done now rather than postponing or even eliminating the work. He said that this would preclude the need to consider a gasoline tax to fund infrastructure, as additional taxes along those lines would further remove us from competition with our neighboring states.

Mr. Coley, on behalf of the Infrastructure, Transportation and Environment Committee, offered a resolution (attached as Exhibit I) regarding House Bill 644.

A motion was made and seconded to endorse the resolution. There was discussion regarding the condemnation authority clause, which is believed to impede the ability to acquire appropriate land on which to construct roads and bridges.

The resolution to endorse HB 644 passed without opposition.

Mr. Coley said that his Committee, with the help of DENR Secretary Bill Ross, took a look at the GIS capability of the State of North Carolina. He said that when a company is looking for a different location, the first order of business is to visit the Internet. He commended Secretary Ross, DOT Secretary Tippet and Secretary Fain for their cooperative attitude in making the GIS system work as an economic development tool for the state.

Pat Corso reported for the Tourism, Film, Sports, Arts and Cultural Resources Committee. He said that both tourism and cultural resources are major assets for our state and provide jobs for a large number of people in North Carolina. He said his Committee had discussed a number of ways to improve incentives, especially in the area of tourism, but he feels the state should look at a proposal that encompasses focusing on all of North Carolina's attributes through marketing – with one brand for North Carolina.

Bill Forsyth, Chair of the Rural Development Issues Committee, said that his Committee has very little work to do on their portion of the Strategic Plan, but will likely meet one more time in order to finalize their recommendations.

Chairman Myers said that documents would be available within the next thirty days for most of the issues outlined in the Scope of Work of the Consultants' Study being performed by KPMG.

Watts Carr stated that the Recruitment and Retention Committee would probably want to meet at the June 27 Board meeting to hear presentations from a couple of marketing and advertising firms and other committees are invited to join.

Mr. Stolz advised Mr. Carr that the Board meeting would be lengthy and most committees would not meet. He also advised Mr. Carr that the Recruitment and Retention Committee could meet either before or after the Board meeting.

Secretary of State Elaine Marshall asked if any of the Board's committees thus far had addressed the tax issues in North Carolina or had heard any people of authority speak on an overhaul of the tax system?

Secretary Fain stated that several of the committees had indirectly written tax issues to be considered into their recommendations. He said that the Board should be prepared to provide input to the Tax Study Commission as they go through the process of reviewing the tax system.

As there was no further business to come before the Board, the meeting was adjourned at 1:35 p.m.

**EXHIBIT I**

**Resolution by the  
North Carolina Economic Development Board  
In Support of  
House Bill 644, An Act to Authorize Public Toll Roads and Bridges in North Carolina and the  
Creation of a Turnpike Authority  
May 30, 2002**

**WHEREAS**, from 1970 to 2000, North Carolina's population has grown by nearly sixty percent, and

**WHEREAS**, over the same time period, vehicle-miles of travel on the state's roadways has increased by 200 percent, and

**WHEREAS**, over the same period, Department of Transportation Revenues have increased in real terms by only twenty-seven percent, and

**WHEREAS**, in 2001 the Legislative Study Commission's Committee on Transportation Finance identified \$45 billion in unmet roadway construction needs within the state; and

**WHEREAS**, current NCDOT budgets will allow only a small portion of needs within the state to be addressed; and

**WHEREAS**, there appear to be no foreseeable prospects for increased revenue to address these needs; and

**WHEREAS**, the construction of new roadways as toll facilities is a means of providing a critical transportation facility when it is needed, rather than when—or if—funding becomes available through conventional means, and

**WHEREAS**, toll facilities more directly link user cost with user benefit and provide a dedicated source of revenue to be directed toward project cost recovery, and

**WHEREAS**, implementation of electronic toll collection technology can minimize the disruption to motorists often associated with toll collection activities,

**NOW THEREFORE BE IT RESOLVED** that the North Carolina Economic Development Board encourages the North Carolina General Assembly to provide additional funding flexibility to meet critical transportation needs and provide opportunity to advance strategic larger-scale transportation projects, by ratifying House Bill 644, "An Act to Authorize Public Toll Roads and Bridges in North Carolina and the Creation of a Turnpike Authority."

This, the 30<sup>th</sup> day of May, 2002