

Business Plan

North Carolina Global TransPark

March 15, 2018

1 Opportunity Overview

The North Carolina Global TransPark Authority (NCGTP) was established by the General Assembly in 1991 as an independent government agency located within the North Carolina Department of Transportation (NCDOT), charged with the development of an industrial facility built around a multimodal transportation network that included an airport capable of handling international cargo flights. This plan is specific to NCGTP. In 1993, the General Assembly also created the Global TransPark Development Commission, which was charged with industrial product development and economic development marketing with a 12-county (later 13) region surrounding NCGTP; the Development Commission was later eliminated by the legislature. The GTP Foundation was also established to leverage private funding in support of the NCGTP mission, which effort continues today.

Upon the completion of the initial transfer of property to NCGTP, its designation as a magnet site within the Foreign Trade Zone (FTZ), and acquisition of United States Army Corps of Engineers (US Army Corps) Section 404 permit for site development within 5,800 acres in 1998, NCGTP attracted its first tenants which valued its uncongested runway access. Today, NCGTP has expanded and enhanced its physical plant to include 2,500 acres of land, 11,500-foot long runway, nearly one million square feet of leasable space, an on-site advanced manufacturing training center, access to multilane highways, on-site rail spur and transload facility serviced by the Gulf & Ohio (G&O) Railroad and providing connection to Norfolk Southern Railway.

NCGTP provides a unique combination of attributes with its ready access to aviation, rail and highway infrastructure at a single facility. Its close proximity to military installations, two state ports, major interstate and rail thoroughfares and its central location in Eastern North Carolina make it a strategic asset at both the state and national level. As a government entity, NCGTP is exempt from property tax and has exclusive zoning jurisdiction over the industrial complex and additional zoning jurisdiction within six miles of the complex boundaries. North Carolina General Statutes Chapter 63-A defines the powers granted by the State Legislature to NCGTP to execute its mission.



Figure 1: Aerospace Activities at NCGTP

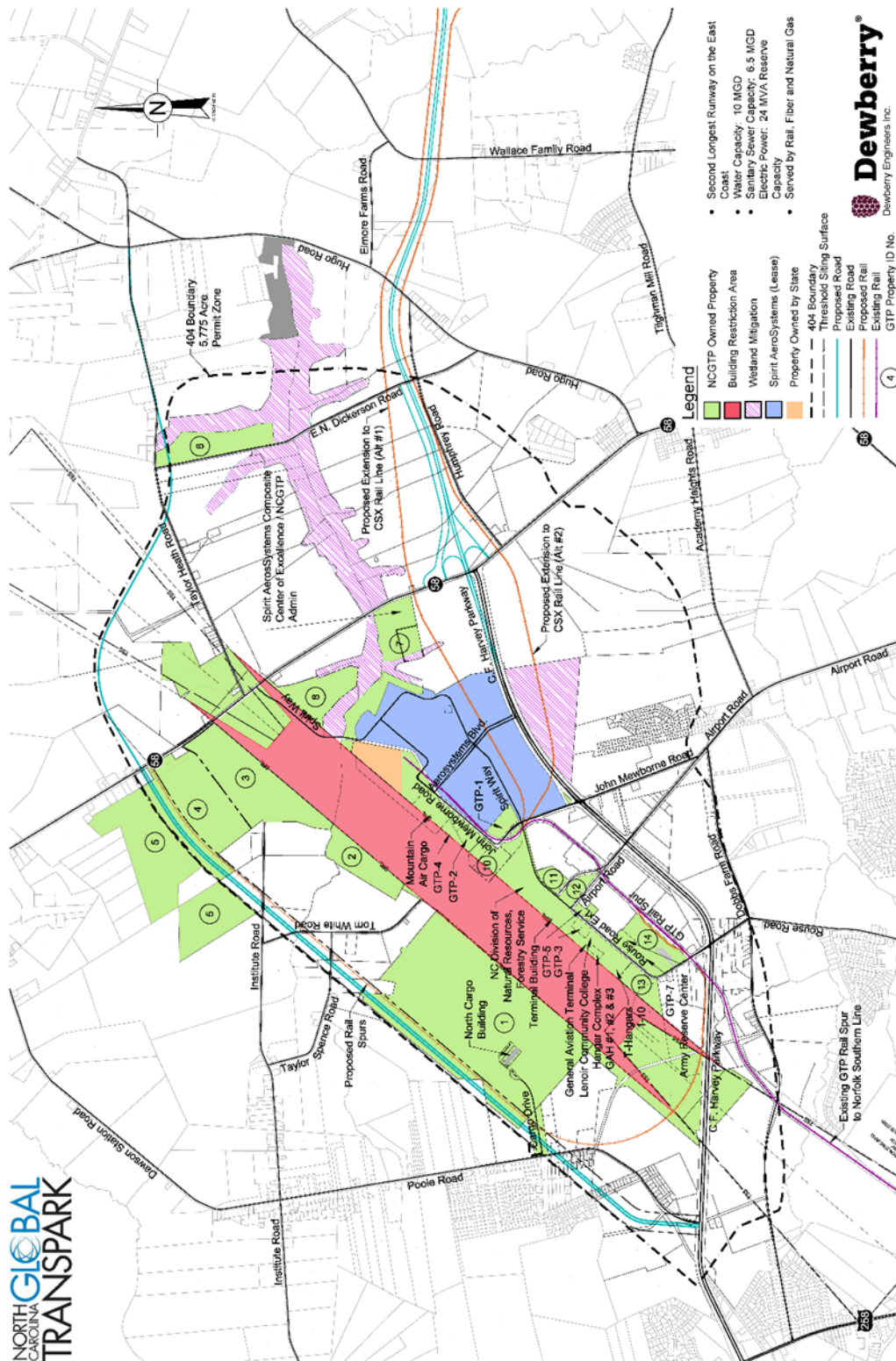


Figure 2: NCGTP Site

Global TransPark Mission

The mission of the NCGTP is to enhance the economic well-being of North Carolinians by providing multimodal capabilities for global commerce. This mission is accomplished through:

- Dedicated focus on the requirements of its customers, both existing and new;
- Business-oriented management to realize opportunities of regional economic value for Eastern North Carolina;
- Workforce training and development that supports the retention and attraction of well-paying jobs; and
- Modern, well-maintained facilities and equipment capable of generating economic opportunity for generations to come.

NCGTP success will be measured against achievement of these goals.

Current NCGTP Users

NCGTP benefits from the presence of established businesses that value its location and access to a multimodal transportation network. **The companies at North Carolina Global TransPark draw employees from 21 surrounding counties and represent active and growing industry clusters of aerospace and aviation, advanced manufacturing, logistics, and government services.**

Aerospace and Aviation

Spirit AeroSystems: Manufacturing of aircraft fuselages and wings

Henley Aviation: Flight instruction

Kinston Jet Center: Fixed Based Operator (FBO)

Mountain Air Cargo, Inc.: Express cargo delivery and FedEx air fleet maintenance

Fly Exclusive: On-demand charter service, operating 31 aircraft

Logistics

CrateTech: Full service packing and crating solutions

DB Schenker: Integrated transportation and logistics

Advanced Manufacturing

MJE Telestructure: Electronic components

Government Services

NCDOT: Regional highway construction & maintenance

North Carolina Division of Emergency Management:

Disaster response, recovery and mitigation assistance

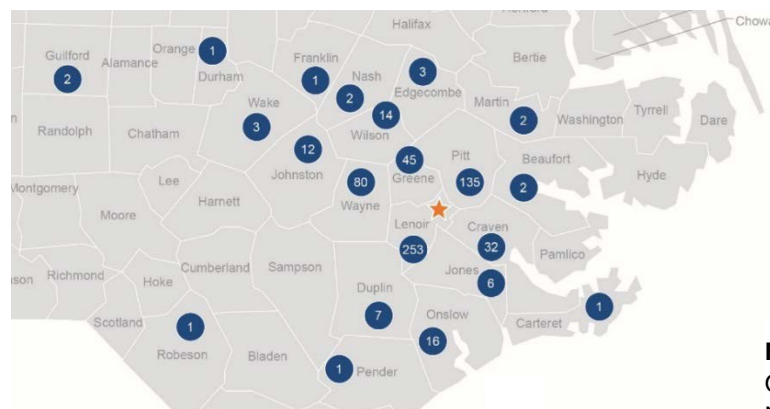
North Carolina Forest Service: Air operation for firefighting, training and education

Lenoir County Sheriff's Office: Detectives field office

Workforce Training

Lenoir Community College: Education and Workforce Training, including the Advanced Manufacturing Academy and on-site composite training

Spirit AeroSystems Composite Training Center



“NCGTP Employs People from 21 North Carolina Counties”

Figure 3: Spirit AeroSystems Manufacturing Operation at NCGTP Employs People from 21 North Carolina Counties

Business Plan Objectives

The NCGTP Business Plan seeks to maximize the effective use, economic benefits, and job-creating opportunities at the Global TransPark. This will be achieved through a multi-pronged approach to:

- **Enhance existing NCGTP assets**, including multimodal transportation, on-site utilities and roadway infrastructure, shovel-ready sites, and 22-county foreign trade zone (FTZ);
- **Build upon current uses, without being constrained by them**, so land uses within and adjacent to the NCGTP site can be optimized;
- **Draw from regional strengths** to focus staff and budget on target industries that value the resources available in proximity to NCGTP;
- **Identify and plan for the needs of targeted opportunities** so that strategic actions can be taken to improve NCGTP's physical, operational, and regulatory conditions, available workforce, and institutional relationships;
- **Implement a proactive marketing plan** to effectively attract targeted site users; and
- **Aim for the future**; today's actions will lay the groundwork for tomorrow's opportunities.

NCGTP Achievements

The NCGTP is not starting from scratch. Recent achievements provide momentum for the industrial park to achieve future objectives. Of particular note, NCGTP has realized the following goals in recent years:

- ✓ **Environmental Permit** NCGTP has recently renewed its US Army Corps EPA Section 404 clean water permit for another 10 years, encompassing a total of 5800 acres. This includes \$20 million in wetland mitigation credits for industry use and expansion.
- ✓ **Runway Resurfacing** NCGTP has undertaken a major, \$8 million rehabilitation of its runway, scheduled for completion July 2018.
- ✓ **Restructured Debt** During Fiscal Year 2014, NCGTP completed the restructuring of its debt, significantly reducing total liabilities and putting the NCGTP in a positive cash flow position over the last two fiscal years.
- ✓ **Jobs** NCGTP supports 1,420 jobs on site, with employees attracted from 21 surrounding counties, and beyond.
- ✓ **Spirit AeroSystems Expansion** In December 2017, Spirit AeroSystems, who established its original manufacturing operation at NCGTP in 2010, announced plans to expand its operation to include an additional investment of \$55.7 million over the next five years.
- ✓ **Rail and Transload Facility** With support from NCDOT, NCGTP has constructed a rail spur connection to the North Carolina Railroad (NCRR) corridor operated by Norfolk Southern Railway (NS) and transload ramp; the Gulf & Ohio Railroad provides on-site services to support transfer of goods between truck and rail.
- ✓ **CF Harvey Parkway Extension** NCDOT is advancing the project development for NC 148, which will improve regional connectivity between US 70, NC 58, NC 148 and NC 11 and increase access to NCGTP from commercial centers and business located along NC 11. Work is projected to be completed in 2020.
- ✓ **Emergency Management Headquarters** As home to North Carolina Forestry Service, Highway Division, and Division of Emergency Management (NCEM), NCGTP has served as the Eastern North Carolina coordinating center for response to recent hurricanes and major storm events.
- ✓ **Website** On March 1, 2018, NCGTP launched its new website, which provides greater information to site selectors and industries seeking to locate at NCGTP
- ✓ **"Super Park" Designation** Site selection consultant McCallum Sweeney has recommended that NCGTP pursue certification as a Super Park, a designation for facilities of more than 500 acres that have at least one site of 100 contiguous, developable acres

SWOT Analysis

Through active engagement of stakeholders as well as critical analysis of NCGTP market position, the Business Plan development included evaluation of NCGTP strengths, weaknesses, opportunities and threats. Important findings of the SWOT analysis include:

Strengths

- The NCGTP **airfield and 11,500-ft long runway are unique assets** that should be exploited to attract industries that treasure these resources;
- NCGTP's **location near six military bases** is an opportunity to support defense-related industries and also to attract exiting military workforce and their families;
- NCGTP sits in the center of one of North Carolina's **strongest agribusiness regions**, which produces 30 percent of the state's agribusiness output from the 14 counties surrounding the industrial park; and
- Recent ten-year renewal of the **US Army Corps 404 permit**, which covers the NCGTP multimodal complex and surrounding properties totaling 5800 acres is a valuable asset to attract users to the developable properties at NCGTP.

Weaknesses

- The NCGTP image and ability to effectively realize its mission has been challenged by **lack of clarity of vision and purpose**, inconsistent funding, **lack of focused marketing resources**, and leadership and staff turnover;
- The NCGTP landside transportation network is evolving -- recently completed highway and rail projects and additional highway improvements underway have significantly improved connectivity between NCGTP and regional supply chains; however, NCGTP **rail access and port access** are weakened by unavailability of competitive Class I rail service to and from the site; and
- NCGTP site improvements and buildings have suffered from **deferred maintenance** due to lack of adequate funding.

Opportunities

- The Composite Training Center and NCGTP partnership with Lenoir Community College offers a good model for **expanded partnerships with regional colleges and universities to support workforce development** in advanced manufacturing and composite training;
- NCGTP has not realized the potential value of its location within **Foreign Trade Zone (FTZ) 214**; and
- The region has not been successful in engaging the potential of **exiting military personnel** to meet its workforce needs – 2016 veteran unemployment in Eastern North Carolina was 8.7 percent.

Threats to Success

- Increased **urbanization** is driving down the working age population in Eastern North Carolina, threatening the availability of a talented workforce required to attract businesses to NCGTP;
- NCGTP **ability to be nimble** – including quick response and commitment to private sector site location opportunities – is challenged by State legislative and administrative policies and procedures; and
- Lack of coordination in **lead generation process** for site attraction.

More information on SWOT findings are provided in Appendix B.

Cluster Approach

Business Plan strategies and supporting tactics are built around a cluster strategy that focuses on targeted industry groups for which the unique NCGTP assets are attractive. These target clusters include: Aerospace & Aviation, Defense, Agribusiness & Food Science, and Government Services. Strategic actions are defined to enhance the NCGTP's ability to attract businesses in these clusters and expand job opportunities within each of those industry clusters. The action plan strategies are aimed to address the requirements of each targeted cluster.

The NCGTP cluster approach focuses Business Plan strategies on specific areas to attract, promote, and enhance each targeted cluster:

- **Physical:** strategies that provide or enhance the physical assets needed by businesses within each cluster, including on-site facilities and supportive regional infrastructure (transportation, utilities)
- **Environment:** strategies that connect target clusters to complementary businesses, services, environment, and non-physical features that support the objectives of cluster businesses and stimulate overall cluster growth (e.g. FTZ, logistics support, regulatory environment, surrounding industries)
- **Workforce:** strategies that attract, develop, and support the talent pool to support the cluster, stimulate opportunities and career pathways
- **Partnership:** strategies that bring together cluster businesses with supporting public and academic institutions to directly support the cluster needs, including incubation of new skills or services
- **Marketing:** strategies to deliver a message that directly addresses cluster interests, to attract new users to NCGTP, and to promote overall cluster growth

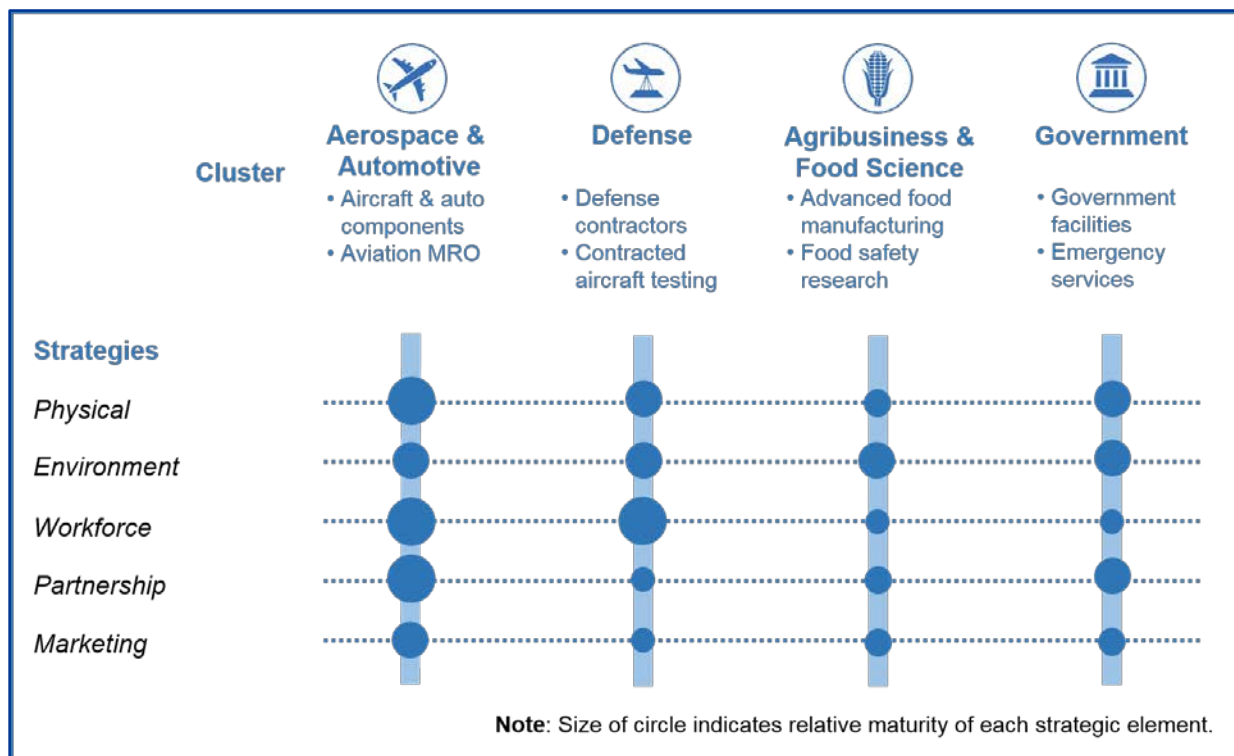


Figure 4: NCGTP Cluster Approach

The NCGTP Region: Quad-East

The NCGTP is an employment growth center for the broader region. By providing higher wage job opportunities, NCGTP can attract workforce within a 60-minute drive time radius. This area of attraction comprises all or a portion of 14 counties: Beaufort, Craven, Duplin, Edgecombe, Greene, Johnston, Jones, Lenoir, Nash, Onslow, Pamlico, Pitt, Wayne, and Wilson. Notwithstanding this designation, NCGTP on-site employment data indicates that a share of today's workforce is attracted to NCGTP jobs from 21 counties in Eastern and Central Northern Carolina, and beyond.

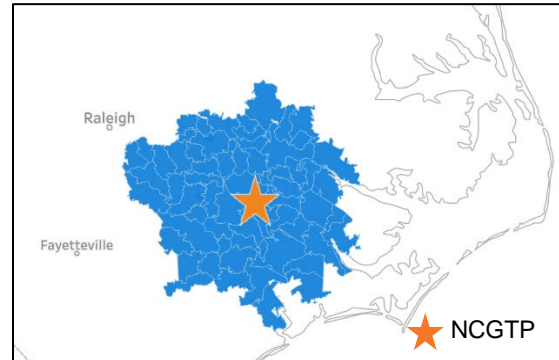


Figure 5: NCGTP Region: Quad-East

NCGTP's targeted cluster approach builds upon the Quad-East concept, which seeks to propel economic growth in Eastern North Carolina by improving interconnectivity to allow the region to take better advantage of shared military, academic, medical, agribusiness, and manufacturing resources.

Planning Horizons

Proposed action items within the Business Plan are targeted toward three planning horizons: near-term, medium-term, and long-term as described below.

Near-term: “Ground Control”

In the near-term, NCGTP Business Plan strategies focus on activities required to reestablish solid footing that will better prepare NCGTP to capture the opportunities to come. Planning horizon for near-term activities is one to two years. **The vast majority of Business Plan actions fall within the near-term planning horizon.**

Specific strategies and tactics identified for this timeframe will:

- Firmly establish and communicate the NCGTP mission and vision;
- Protect the State's prior investments by returning NCGTP facilities to a state of good repair;
- Secure resources – both internal and external – that will allow NCGTP to ably respond to and capture opportunities;
- Develop, reaffirm, and formalize institutional relationships and cooperative agreements with partners who are critical to NCGTP success;
- Implement supporting management processes and systems; and
- Establish NCGTP marketplace position/visibility, with a focus that has been honed to match NCGTP assets.

Near-term Outcome: At the end of two years, NCGTP will have in place the resources, funding, and systems to realize its mission. Upon completion of near-term strategies, it is recommended that NCGTP perform an assessment of milestones achieved, conduct renewed stakeholder outreach, and refine its industry focus if necessary to match resources to opportunities.

Medium-term: “Lift Off”

Medium-term strategies and tactics, focused on a planning horizon of two to five years, target the implementation of best practices for site attraction. During this planning horizon, NCGTP will seek to establish and maintain operational stability, with resources in place to realize medium- and long-term objectives. During this period, NCGTP will build from the strong base established by near-term activities to “work the plan” through:

- Fully-engaged pursuit and marketing to targeted clusters
- Continued expansion of marketing influence and impact
- Maintenance of assets and resources in ready state to capture opportunities, and
- Advancement of strategic investments, both on- and off-site to support specific targeted users

Medium-term Outcome: Over the five-year medium-term horizon, NCGTP will have achieved organizational stability and stable growth. At the end of five years, it is recommended that NCGTP conduct a comprehensive review and update of its Business Plan, to re-evaluate successes and challenges, and to confirm or revise long-term goals. Active engagement of NCGTP stakeholders will be an important element of this process.

Long-term: “Aim for the Horizon”

Business Plan strategies also include “stretch” goals that look out ten or more years. Long-term action items seek to position NCGTP well into the future through:

- Investment in resources for tomorrow (infrastructure, workforce)
- Acting as a change maker in the economy of Eastern North Carolina by supporting economic growth, job creation, land use planning, and quality of life beyond the boundaries of the business park.

Long-term Outcome: Long-term strategies are transformational, aimed to use NCGTP as a state-level resource to reverse economic trends that are negatively affecting the rural population in Eastern North Carolina. They will be reviewed and refined as part of the Business Plan update in five years. Certain items are likely to move forward in the future in response to changed market conditions or NCGTP position.

Key Activities:

Near-Term (1-2 years)

- ✓ Perform due diligence for site certifications
- ✓ Align NCGTP with site selection companies
- ✓ Work more closely with NC Ports, EDPNC, and regional economic development interests to generate leads
- ✓ Establish advisory councils to drive opportunities within targeted clusters
- ✓ Bring NCGTP assets to state of good repair
- ✓ Optimize rail accessibility
- ✓ Activate on-site Foreign Trade Zone operations
- ✓ Restructure GTP Foundation
- ✓ Establish and grow educational partnerships

Medium-Term (2-5 years)

- ✓ Option land around NCGTP
- ✓ Collaborate with regional partners on land use and zoning around NCGTP

Long-Term (10+ years)

- ✓ Provide road and rail access to north side parcels
- ✓ Provide secondary Class I railroad access to NCGTP users

The Georgia Ports Authority made transformational investments through collaboration with the Savannah Economic Development Authority, Georgia Department of Economic Development, Quick Start, Savannah Technical College, and other local and community officials, to develop a port-centric logistics cluster that now accounts for the one of largest in the United States for import retail distribution centers with more than 5 million square feet of distribution facilities. The cluster leverages the availability of land, short drayage distances to the international seaport, effective use of container assets, availability of intermodal rail service, and proximity to producers and consumers to attract major shippers, distribution centers, and logistics service providers. The establishment of the Georgia Center of Innovation for Logistics further fuels statewide logistics industry growth and global competitiveness.

Supported by this logistics cluster, the Port of Savannah has grown to be the second largest container port on the U.S. east coast.



2 Industry Targets & Approach

Industries attracted to NCGTP will value its unique assets over other sites and locations that are competing to attract those same businesses. For greatest success, NCGTP must identify those industries where a differentiated competitive advantage can be achieved. Factors affecting the competitive position of any location includes some combination of:

- State and regional business climate including costs and regulatory issues;
- Depth of workforce talent;
- Connective infrastructure (roads, air service, water & sewer, energy and broadband);
- Currently available buildings and shovel-ready sites; and
- Quality of life factors that appeal to current and potential workers.



Workforce availability is the top consideration for many companies evaluating a new investment.

Just over 900,000 people live within a 60-minute drive-time of the NCGTP site. The population has grown by 2.3 percent over the past 10 years, less than half the growth rate of North Carolina and well below the growth rate of the more urbanized parts of the state. The growth rate for the counties surrounding NCGTP has also slowed considerably over recent years and 20-year demographic projections anticipate overall regional population loss. The working age population is similarly projected to decrease. Both population and job growth in North Carolina's 80 rural counties has significantly lagged behind the growth in the 20 more urbanized counties in every industry sector. In the NCGTP area, only Pitt County is designated urban and Johnston County is designated suburban.

The US military supports 578,000 jobs in North Carolina, with more than two thirds of those jobs residing in the private sector. 78,000 active duty personnel are projected to separate from the military from 2015 to 2018, many with strong skillsets in professional, scientific and technical services. 7,500 military personnel based in the 14 counties surrounding NCGTP exited the military over the last five years.

North Carolina is a right-to-work state, precluding employers from requiring their workers to join a labor organization. This, among other factors contributing to North Carolina's business-friendly environment, is attractive to industries seeking site locations.

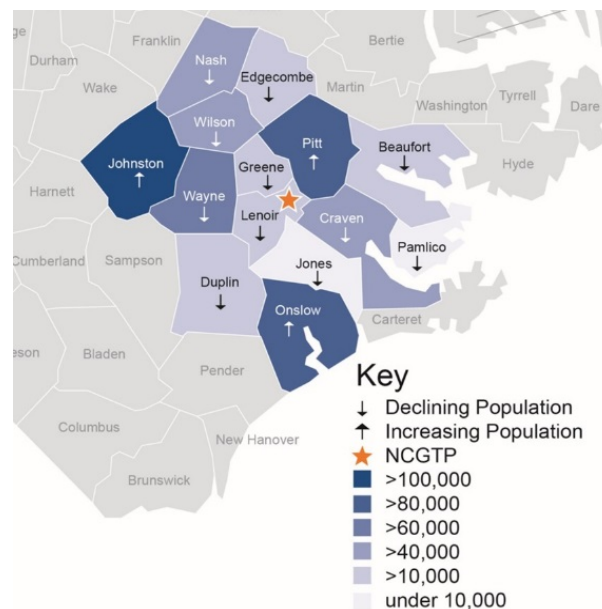


Figure 6: 2017 Working Age Population and Growth Trend in NCGTP Region (ages 25-64)

Customized Training

Declining regional population and urbanization that attracts businesses to metropolitan centers present a challenge to NCGTP's ability to attract new job-creating industries to Eastern North Carolina. Through strong workforce training programs, however, this is also an area where NCGTP can have the greatest long-term positive economic impact on the region. By partnering with the state's network of colleges and universities, NCGTP can support the development of a strong regional talent pool and customize workforce training to match the needs of specific targets. The Spirit AeroSystems Composite Center of Excellence, which is home to workforce training programs developed specifically to meet the needs of Spirit AeroSystems (Spirit), exemplifies the value of this partnership approach. In addition to using the facility to train its onsite personnel, Spirit has also used the Center to train employees based at its Wichita KS headquarters.

The Composite Center, which includes a 2,950-sf composites training lab operated by Lenoir Community College, is available for use by others interested in hands-on training customized to the aerospace, marine, and wind energy industries. Through partnerships with additional institutions with a strong connection to traded industries, NCGTP can build upon this model to make a lasting positive impact on the region's workforce development.

Potential Educational Partners for Customized Workforce Training

Lenoir Community College – advanced machining, aerospace manufacturing readiness, aviation management, global logistics technology

Craven Community College – aerospace

Wayne Community College – aerospace

Pitt Community College – manufacturing

East Carolina University – engineering and engineering science, logistics

NC State University – aerospace engineering, materials science engineering, Biotech center, agricultural institute

North Carolina A&T University – agribusiness and agriscience; transportation and supply chain management

Mount Olive University – food science

Capturing Exiting Military Workforce

North Carolina currently has the fourth largest military population in the US. The North Carolina Department of Commerce reports that 78,000 active duty personnel will separate from the military in North Carolina from 2015 to 2018. With several bases in close proximity, including Fort Bragg, Camp Lejeune Marine Corps Base, Cherry Point Marine Corps Air Station and Naval Depot, New River Marine Corps Air Station, and Seymour Johnson Air Force Base, NCGTP is in a good position to attract this skilled personnel.

As of 2014, 114,000 veterans reside in North Carolina's Southeast region, of which more than 30 percent are below the age of 50. While overall veteran unemployment in North Carolina is low (3.1 percent as of January 2018), veteran unemployment in Eastern North Carolina has been significantly higher (8.7 percent as of January 2016)

The exiting military workforce and existing veterans in the NCGTP region represent a strong, skilled talent pool upon which NCGTP can draw. To date, however, connection with military bases to capture this workforce has been inconsistent with limited success. A more focused outreach to military and veterans organizations will tap the potential of this workforce.

Actions to Advance Workforce Training Needs:

- Collaborate with educational institutions to develop a skilled workforce that is customized to the needs of targeted industries
- Capture exiting Military workforce and veterans



Economic Trends

National and global trends that are likely to impact the future of NCGTP include:

- North Carolina is consistently ranked among the best business, tax, regulatory and legal climates in the country.
- Agribusiness continues to be a top contributor to the North Carolina economy, with prime crop and animal production sites located in the counties surrounding NCGTP.
- North Carolina has witnessed the decline of its traditional manufacturing industries, yet the state's manufacturing output continues to increase and there is growth in advanced industries.
- North Carolina has risen 14 spots to become the fourth most-attractive state in the nation for aerospace manufacturing, according to the annual PwC *2017 Aerospace Manufacturing Attractiveness Rankings*.
- The education and skills of the residents in the NCGTP region will be the most important competitive factor for future economic success as additional skills and education are demanded by industry.
- Technological trends are disruptive but are also creating new opportunities.

Existing Industry Clusters

Traded clusters are groupings of industries that serve markets outside of a region and contain a supply chain that supports an industry such as suppliers, infrastructure, and machinery. Traded clusters often account for less than 40 percent of a region's employment, however, they are usually responsible for 50 percent or more of a region's income and innovation.

In 2017, nearly 75,000 workers in the NCGTP region were employed in traded (freight-dependent) industries. This accounts for 22 percent of the total regional workforce. Wages within a traded cluster are, on average, \$14,000 higher than other jobs in the region; however, regional decline in traded industry jobs has been twice as severe than overall regional employment loss over the last decade. In the next ten years, the outlook for traded clusters is predicted to grow at a moderate pace of ten percent.



Figure 7: Aircraft Fuselage Manufacturing by Spirit AeroSystems at Their Existing NCGTP Facility

Evaluation of the relative strength of various industries, both for relative strength in the region and for growth trends, reveals certain traded sectors that offer strong opportunity at NCGTP due to regional presence and growth potential. For industry clusters present in the NCGTP Quad-East region, the cluster matrix shown in **Figure 8** plots the regional strength of various industries (vertical axis), against the five-year growth trends of each industry (horizontal access). Relative regional strength is expressed as Location Quotient (LQ), for which a value of 1.0 indicates an industry is equally present in the NCGTP as it is across the nation as a whole; LQ below 1.0 indicates relative underrepresentation or weakness of the cluster in the Quad-East region.

The top left quadrant (Legacy) includes mature industries that have strong regional presence but are declining in workforce. Interestingly, this includes Biopharmaceuticals, which is one of the strongest regional clusters but appears to have become saturated. Industries in the top right quadrant (Assets), including Agribusiness and Production Technology clusters, are both strongly represented and growing. Traded industries in the bottom right quadrant (Emerging Opportunities), with LQ below 1.0 but experiencing strong growth, are new opportunities for the region.

Eight of the 51 clusters in the region registered as emerging clusters. There are 17 traded clusters in the NCGTP region, each employing 300 people or more, that have experienced growth from 2012 to 2017. The fastest growing traded cluster was aerospace vehicles and defense, which grew 73 percent from 2012 to 2017. This is likely due to the presence and impact of the NCGTP itself. The growth of the plastics and automotive clusters is encouraging for the NCGTP's efforts on recruiting advanced manufacturing companies.

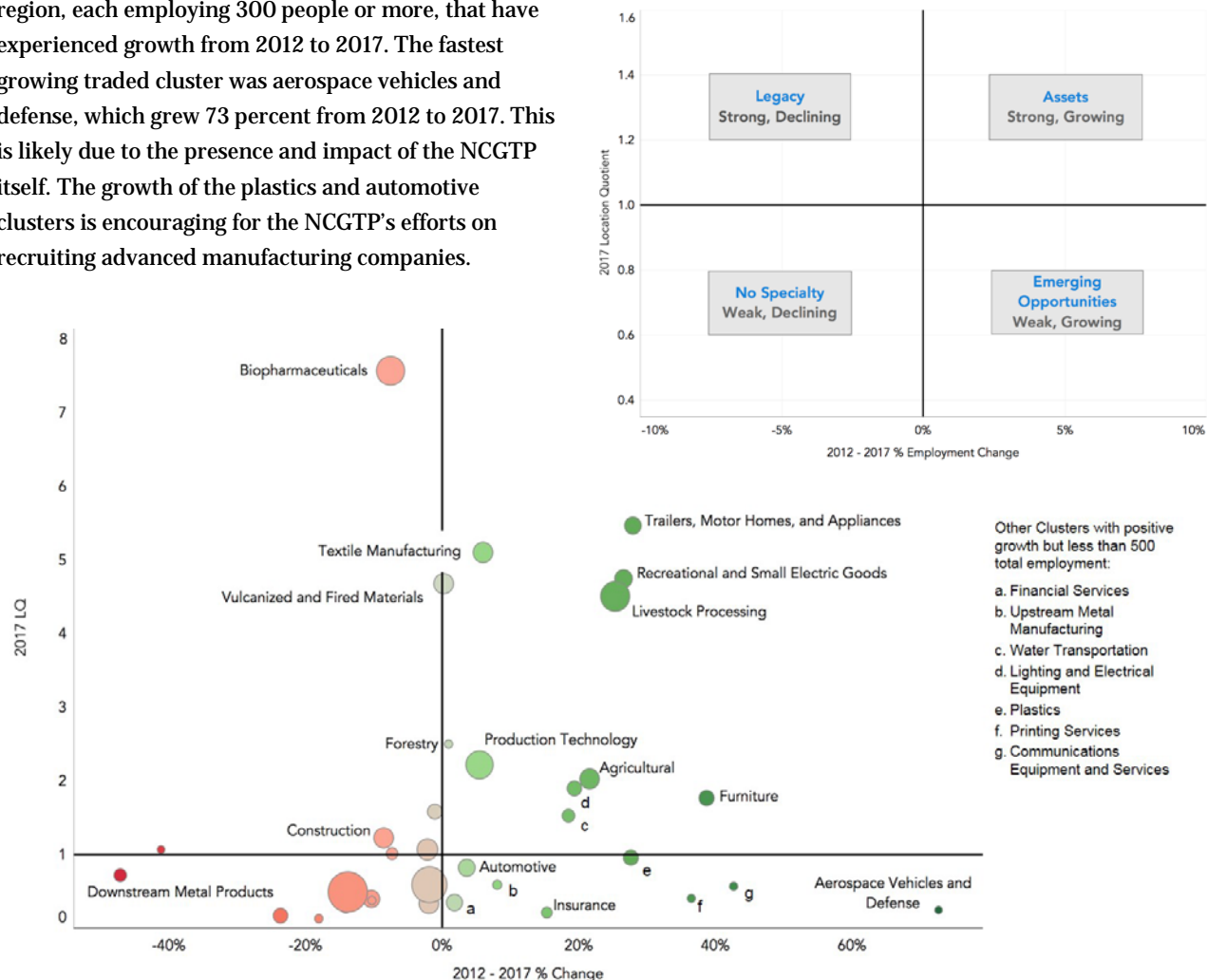


Figure 8: Industry Cluster Analysis

Note: The size of each cluster bubble is determined by the size of 2017 employment levels. The color of each cluster is determined by the employment growth from 2012 to 2017.

Advanced Industry Analysis

Another approach to identify potential marketing targets for the NCGTP is to examine the presence and growth of advanced industries. Advanced industries, as defined by the Brookings Institute¹, constitute 50 technology-based industries characterized by deep involvement with research and development (R&D) and science, technology, engineering, and math (STEM) workers. Over the past 10 years some of the advanced industries that have shown the greatest growth are:

- Management, Scientific, and Technical Consulting Service
- Motor Vehicle Parts Manufacturing
- Aerospace Product and Parts Manufacturing

Quality of Life

Quality of life factors are an important contributor to industry attraction. Companies seek locations that offer not only a positive business climate, but also feature the resources and amenities that will allow them to attract good talent. Moderate climate, low cost of living and available housing, outdoor recreational opportunities, strong educational system (K-12 and beyond), arts and culture amenities, and access to health care are all important factors that contribute to quality of life.

Education: Eastern North Carolina is home to more than two dozen of the state's 58 community colleges as well as five of North Carolina's 16 public universities. East Carolina University, North Carolina State University and the University of North Carolina at Chapel Hill – three of the world's premier educational and research institutions are nearby.

Health Care: More than a dozen systems in Eastern North Carolina, including UNC Lenoir Health Care, Vidant Health and CarolinaEast Health System, provide residents with a network of state-of-the-art health care close to home that includes preventative services as well as specialized care in areas such as cardiology, oncology and radiology.

Recreational Attractions & Culture: Recreational amenities and attractions in close proximity to NCGTP are a championship golf course, historic Grainger Stadium, world-class eateries in central Kinston along with shopping and dining on the New Bern waterfront, and nearby beaches.

Military Facilities: For veterans, access to amenities offered at and near Eastern North Carolina's many military facilities is an important feature of the NCGTP region.

Advanced industries engage technology research and development (R&D) and STEM (science, technology, engineering, and math) workers. These dynamic industries are an important component to supporting innovative and sustainable economic growth.

Emerging opportunities of interest to NCGTP include:

- ✓ Drone technology
- ✓ Autonomous vehicle technology and testing



Quality of Life



¹ <https://www.brookings.edu/research/americas-advanced-industries-what-they-are-where-they-are-and-why-they-matter/>

Supply Chain Access: Logistics Services

Clusters targeted for location at NCGTP are primarily in traded, or freight-dependent, industries. These users will be attracted to locations that offer infrastructure and services that will facilitate supply chain connection, both to suppliers and to customers. This may include regional transportation connections as well as on-site capabilities and services to support the packaging, storage, handling distribution, import, and export of goods.

Actions to Advance Logistics Needs:

- Activate NCGTP magnet site status within FTZ 214.
- Allow NCGTP to serve as a global point of entry and exit by enhancing on-site logistics support services, such as US Customs, FTZ services, on-site third-party logistics (3PL) or fourth-party logistics (4PL).
- Enhance NCGTP capabilities to support on-site distribution and handling needs of target industries, such as temperature-controlled storage, container unloading and reloading, and enhanced truck-rail transload capabilities.
- Attract value-added contracted logistics to NCGTP such as E-Commerce fulfillment or return centers and contracted repair centers.



Rickenbacker Global Logistics Park

The Rickenbacker Global Logistics Park (RGLP), put into operation in 2008 by the Columbus Regional Airport Authority, is located 18 miles southeast of Columbus, Ohio. The 1,777-acre master-planned industrial park surrounds an international cargo airport and an intermodal rail terminal. The site is 11 miles from the nearest interstate.

RGLP is a public/private partnership of five separate industrial campuses that focus on specific logistics, rail transport, intermodal, and air cargo uses. An internal heavy-haul road allows for overloaded containers to pass directly between a manufacturing or distribution facility to the intermodal terminal.

In addition its transportation assets, companies located at RGLP also have access to 15-year 100% real property tax abatement and a Foreign Trade Zone #138.



Industry Attraction: Best Practices for Multimodal Site Development

Industry experts agree that 70 percent to 90 percent of sites are eliminated from consideration by prospective industries (across markets) **before** any contact is initiated. Multimodal industrial parks take a varied approach to attract businesses; however, there is a commonality of success factors:

Location Factors	Site-Specific Factors
<ul style="list-style-type: none"> Proximity and connectivity to population centers Convenient interstate access Adjacent to rail (critical for megasites) Nearby passenger air service (for use by employees and business partners) 	<ul style="list-style-type: none"> Availability of reasonably-priced land with limited impediments to development Engaged state and local economic development teams Facility site amenities to support manufacturing and distribution of goods, including air cargo services, heavy haul roads, rail equipment, truck or rail car storage, logistics support services, and foreign trade zone (FTZ) and related services Engaged railroad providers to support transload operation Significant public or private developer involvement to provide for: <ul style="list-style-type: none"> Site master planning Development of connective infrastructure and on-site facilities Marketing, including dedicated sales team, web materials, and facility brochures

In addition to evaluating the market potential for the NCGTP, site specific factors heavily influence industry targeting. The chart below summarized the strengths and weakness of NCGTP for potential industry targets. Business Plan strategies and tactics are aimed to build upon attractive attributes and overcome site location challenges.

Attributes attractive to many target industries:	Site location challenges for certain industries:
<ul style="list-style-type: none"> 11,500 ft. runway; CAT1 Instrument Landing System Central east coast landing location, with proximity to RTP Minimal commercial aircraft service Existing aerospace related tenants Military aircraft use; proximity to six military bases and veteran workforce Foreign Trade Zone (FTZ) #214 Numerous existing sites adjacent to the airport, with over 900 acres available for lease Significant private land, which appears developable, adjacent to the airport Rural location, uncongested with excellent buffers Proximity to major ports in NC, SC, and VA Proximate road system with access to key markets Rail access, including on-site transload capabilities Composite Center of Excellence for on-site training in partnership with local educational institutions Wetlands permitting in place Existing on-site utilities on site: dark fiber; excess water and sewer capacity, natural gas Strong, motivated leadership 	<ul style="list-style-type: none"> The presence of the International Association of Machinists and Aerospace Workers Likely labor draw limitations for large projects requiring more than 1,000 employees No proximate Interstate access; however, this will be addressed by the completion of Interstate 42 Property lease versus ownership Perception of challenges related to lease approvals required from federal agencies (FAA/DOD) Lack of large (greater than 500 acres) contiguous sites Proximity to coast and potential hurricane activity Perceived risk associated with locating near an active runway, including vibration and airport-related terrorism Lack of on-site US Customs services

Evaluation of each of the 17 traded clusters within the NCGTP Quad East region against important site attraction factors reveals industry grouping that rank “High” or “Medium” for NCGTP attraction as summarized in **Figure 9** below.

		Aerospace & Automotive				Defense		Agribusiness & Food Science		Other Mfg.	Services	Logistics Services	
		Aircraft Components Mfg.	Maintenance, Repair & Overhaul	Automotive Parts Mfg.	Defense Aircraft Assembly & Testing	Aerospace Vehicles & Defense	Food Processing & Mfg.	Advanced Agricultural Inputs & Services	Production Technology & Heavy Machinery	Business Services	Air Freight/ Distribution	Transportation & Logistics	Distribution & E-Commerce
Significant Regional Cluster	●	●	●	●	○	●	●	●	○	○	○	○	
Growing Regional Cluster	●	●	○	●	●	○	●	●	○	○	●	○	
Projected Growth Cluster	●	●	○	●	●	○	●	●	○	●	●	○	
Regional Business Climate	●	●	●	●	●	●	●	●	●	●	●	●	
Workforce Availability	●	○	○	●	○	○	○	○	○	○	○	○	
Importance of Rail Access	●	○	●	●	●	●	●	●	●	○	●	●	
Importance of Port Access	●	○	●	●	●	●	●	●	●	○	●	●	
Unique Assets Valuable to Industry Target	●	●	○	●	●	○	○	●	○	●	○	●	
Attractiveness of a Leased Site	●	●	○	●	●	○	○	○	●	●	○	●	
Regional Target	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	
EDPNC Target	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	
Recommended NCGTP Target	High	High	Medium	High	High	Medium	Medium	Medium	Medium	High	Medium	Medium	

Factors that are the same for all industries:

- State Business Climate (high)
- North Carolina Economic Strength (medium); except for Business Services (high)
- Regional Road Transportation (medium)
- Regional Commercial Air Transportation (low)

● High ● Medium ○ Low

Figure 9: Factors Affecting Cluster Attraction to NCGTP

Top Industry Targets

In consideration of the NCGTP industry analysis and SWOT analysis, NCGTP will focus its resources on the following industries:

- **Aerospace and Automotive**, including maintenance, repair and overhaul (MRO) operations, civilian aircraft assembly and testing, civilian aircraft components manufacturing as well as automotive parts manufacturing, which has a supply chain with much commonality with aerospace components manufacturing.
- **Defense**, including defense aircraft components manufacturing and defense aircraft assembly and testing as well as defense contractor functions and services.
- **Agribusiness and Food Science**, including food safety research and development, advanced agribusiness inputs and services, and food processing and manufacturing.
- As a state asset, NCGTP also offers a unique opportunity to support statewide economic interests by housing regional **Government** functions and serving as a base for national- and state-level disaster response and recovery functions.

NCGTP will avail itself of the expertise of industry, academic, and government by establishing advisory councils to guide the direction of each targeted cluster. Secondary areas of focus for NCGTP that have good connectivity to these primary clusters include production technology and machinery, and back-office business services. Strategic areas addressed in this targeted focus are summarized in **Figure 10**.

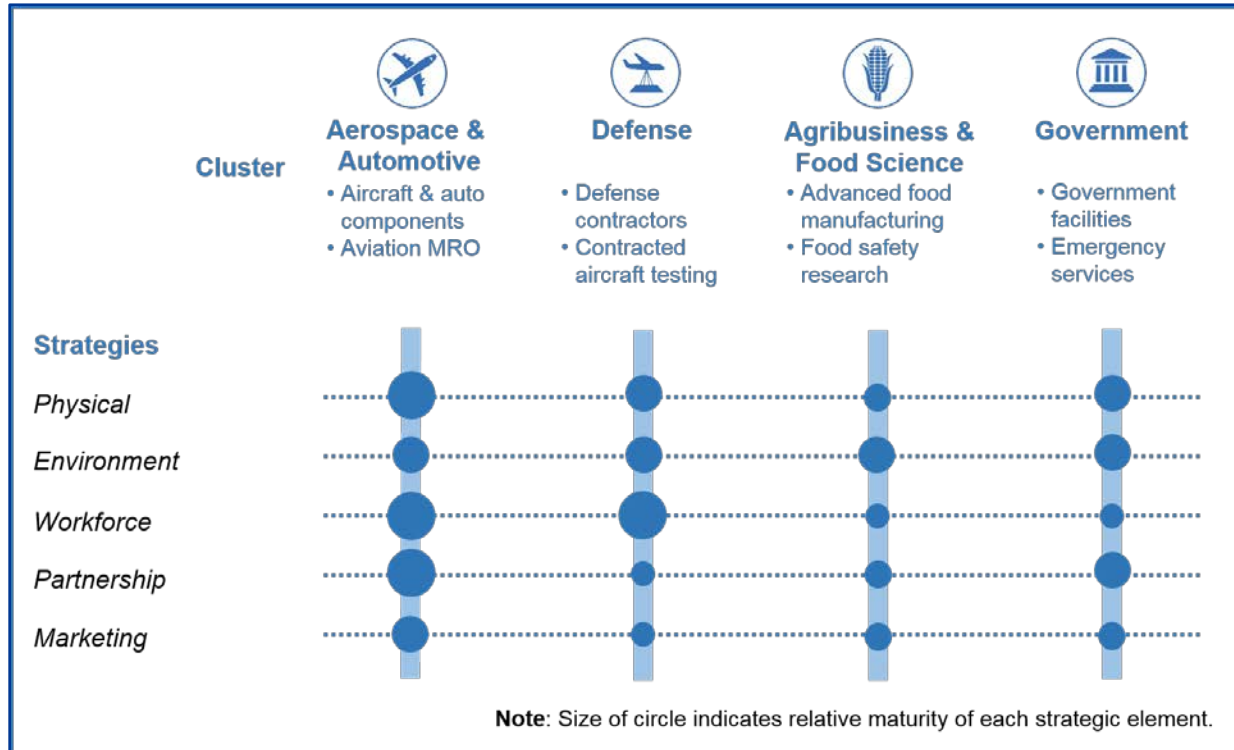


Figure 10: NCGTP Cluster Approach



Aerospace, Aviation and Automotive Cluster

Aviation and Automotive Manufacturing Supply Chain

Large aviation and automotive manufacturing facilities in the Mid-Atlantic region present an opportunity for NCGTP to build upon its existing aviation presence, with Spirit AeroSystems as its current anchor tenant. Each of these facilities is supported by a robust supply chain that includes manufacturers of various aircraft and vehicle component parts. A simple review of North Carolina and its surrounding area illustrate a few potential targets to be analyzed including but not limited to HondaJet in Greensboro NC, Boeing in Charleston SC, and BMW in Greenville SC. These companies are major final assembly manufacturing facilities that depend upon the input of thousands of companies within their supply chains. NCGTP has the opportunity to attract suppliers that will benefit from:

- **Proximity to the final assembly plant.** Suppliers that are currently located far from their product destinations may reduce their transportation and logistics costs by locating at NCGTP.
- **Improved margins.** The NCGTP manufacturing cluster is best geared for companies with medium to medium-high margins. The overall goal will be to evaluate firms within the supply chains and develop a work force that matches the skill level of the suppliers.
- **Skilled work force.** Work force can be quantified in quantity and quality. Overall, the multi-county area around Lenoir County provides good quantity. With a collaborative effort with state resources (i.e. community college), a work force can be created to meet suppliers' needs.
- **Ability to cross-pollinate supply chains.** A supply chain vendor may be able to serve multiple manufacturing facilities within the NCGTP's sphere of influence.

Strategic targeting of component manufacturers will allow NCGTP to analyze, promote, and enhance the site's favorable metrics for location of these suppliers to NCGTP. Recruitment targets will be prioritized through a data-driven process to identify and attract prospects that will value NCGTP assets and location.

As an example, supply chain vendor information was gathered for the HondaJet manufacturing facility in Greensboro NC. The information collected for each supply company included: location, gross sales, number of employees, product supplied to HondaJet, and other companies the supplier also serves. The sample supplier data, which is provided in Appendix C, was

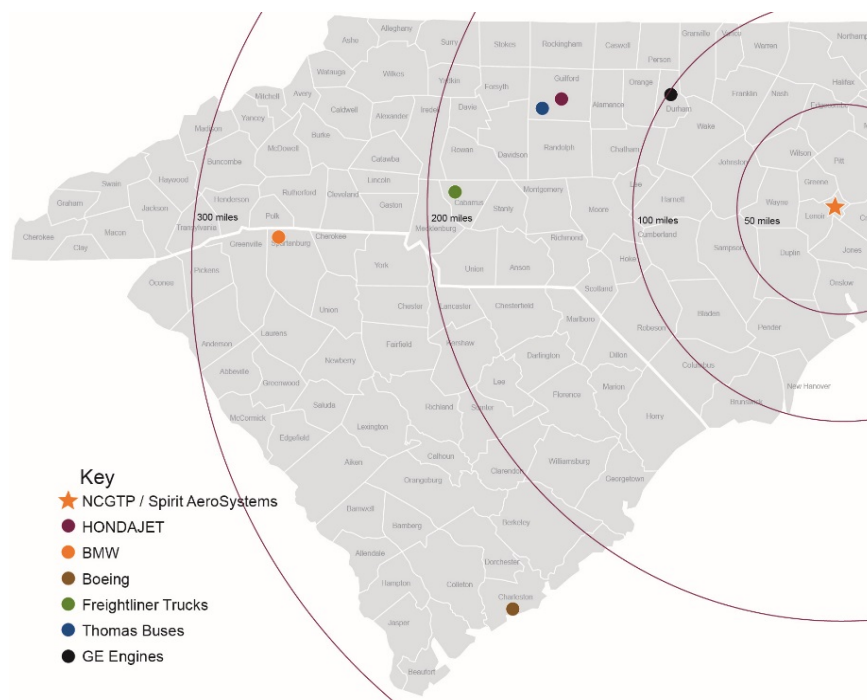


Figure 11: Major Aviation and Automotive Assembly Plants near NCGTP

obtained from a third-party vendor and represents only a small fraction of the data available. Boeing has a supplier portal for equipment procurement which offers insight into its input supply chain. Data held by the Economic Development Partnership of North Carolina (EDPNC), the NC Department of Commerce, and other economic development entities can also be used to define the regional supply chain.

A map of HondaJet vendors shows the range of states within which those companies are located. States denoted in green represent supply chain vendors that service at least one major manufacturing facility within 300 miles of NCGTP (sphere of influence). States denoted in yellow represent locations of suppliers that service at least two major manufacturing facilities in close proximity to NCGTP. This data allows targeting of supply chain vendors based on:

- **Proximity** - Prioritizing supply chain vendors, geographically removed from a final assembly facility within the NCGTP's sphere of influence, are deemed better recruitment prospects. In this case, supply chain vendors in the mid-west would be deemed to be better recruitment prospects than vendors in South Carolina.
- **Estimated Number of Jobs created at the NCGTP** – seek supply chain vendors with medium level (minimum) manufacturing process that will likely offer the NCGTP larger job creation
- **Work Force** – seek supply chain vendors with medium level (minimum) manufacturing process that will likely offer the NCGTP higher wage rates

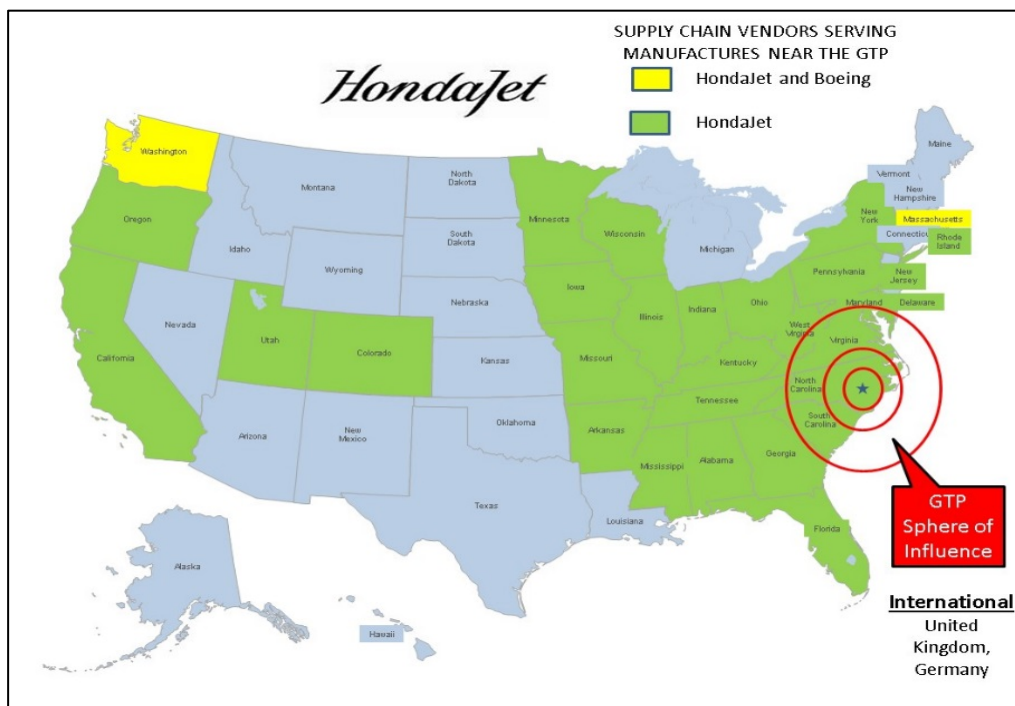


Figure 12: Locations of HondaJet Suppliers.

Aviation Maintenance, Repair, and Overhaul (MRO)

NCGTP's mid-Atlantic location provides easy connectivity to air facilities and fleets across the US east coast. Additionally, North Carolina is home to several large aviation MRO facilities:

- HAECO Americas – Greensboro, NC
- DRS - Elizabeth City, NC – support Aviation Logistics Center – Coast Guard Base Elizabeth City
- Mountain Air Cargo – support FedEx fleet at NCGTP

While new aircraft demand is high, MRO facilities continue to maintain high levels of production as illustrated by a large expansion currently underway at HAECO Americas facility in Greensboro, NC. While the MRO facilities require a strong technical workforce, the overall margins remain competitive as an industry and are suitable for expansion at the NCGTP. Developing a strong technical work force will be of particular importance to MRO facilities in North Carolina.



Figure 13: NCGTP Air Connectivity

Aerospace, Aviation and Automotive Opportunities:

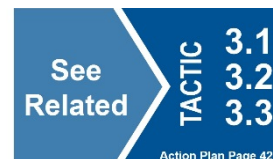
- Component manufacturing in support of regional aerospace, aviation, and automotive manufacturing and assembly
- Aircraft maintenance, repair and overhaul (MRO)
- Staging for global aerospace logistics (e.g. Antonov Companies)

Aerospace, Aviation and Automotive Cluster Needs:

- Well-maintained airfield
- Import / export services
- Access to skilled workforce (18,000 annual exiting military personnel)
- Statewide aviation policy and marketing focus
- Supply chain connectivity

The action plan for the NCGTP includes:

- Network with the existing MRO facilities in the region to determine future needs
- Investigate potential MRO facility needs for aircraft manufacturers in the region
- Review supply chain for the large MRO facilities in the NCGTPs sphere of influence





Defense Cluster

Defense Aerospace

Among the numerous mission-critical military facilities within the state, North Carolina hosts major military aerospace installations, including:

- *Fleet Readiness Center East, Marine Corps Air Station Cherry Point, Cherry Point NC* - The Fleet Readiness Center East is one of three major depot operated by the US Navy operates over 2.1M square feet of aircraft maintenance facilities valued at over \$1.3B. The facility services nine Navy aircraft and is the only F-35 fighter service facility in the US. The facility utilizes a strong mix of military and civilian personnel.
- *Aviation Logistics Center, Base Elizabeth City, Elizabeth City NC* – The ALC is the largest fully operational base in the coast guard inventory. In addition, it operates as the only Maintenance Repair and Overhaul (MRO) facility for the entire US Coast Guard. As such, every Coast Guard aircraft (fixed wing and rotary) come to the ALC for full servicing once every three years. The facility utilizes a strong mix of military and civilian personnel.
- *Seymour Johnson Air Force Base, Goldsboro NC* – Seymour Johnson is a Tactical Air Command and an active Air Combat Command (ACC) base. Designated as the 4th Fighter Wing, the base is home to the F-15E Strike Eagle and provides worldwide deployable aircraft and personnel capable of executing combat missions in support of the Aerospace Expeditionary Force. The Wing also provides logistical support to an Air Force Reserve unit.

Each of these facilities utilizes a public procurement process, supported by numerous supply chain vendors. NCGTP opportunities to support military aerospace supply chain needs are similar to those for the Aerospace and Aviation discussion above.

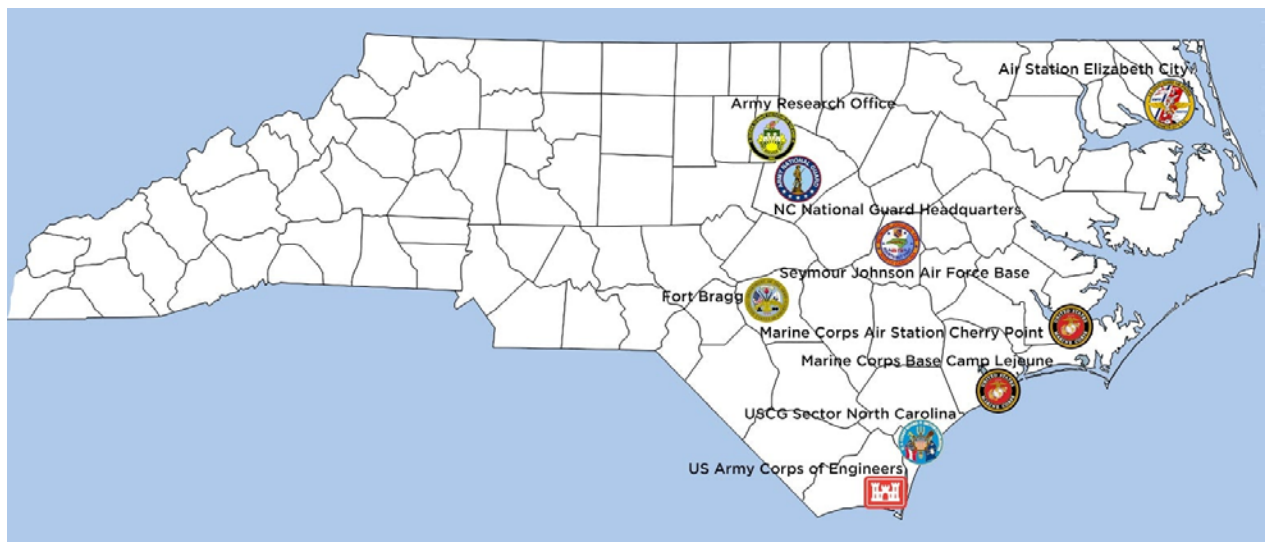


Figure 14: Military Facilities in North Carolina

Defense Contractors

North Carolina is home to the third largest military population in the United States. The combined population including active duty, reserves and the civilian workforce exceeds over 134,000 personnel. Under the most recent Base Realignment and Closure process, North Carolina military footprint has grown dramatically. With the additions of the U.S. Army Forces Command and U.S. Army Reserve Command, Fort Bragg will be the largest Army installation in the world. In addition, the Marine Corps will add an additional 11,500 Marines. As the military continues to invest in North Carolina, private sector defense contractors will continue to open new facilities in our region.

Defense Cluster Opportunities:

- Military MRO facilities and other support service roles (e.g. Lockheed Martin)
- Private sector military flight training (e.g. Discovery Aviation Defense)

Defense Cluster Needs:

- Well-maintained airfield
- Military-friendly facilities
- Access to skilled workforce
- Supply chain connectivity

To harness opportunities in the Defense cluster, the action plan for NCGTP includes:

- Target defense MRO facilities supporting Fleet Readiness Center East
- Identify and catalog current defense Contractor(s) serving the military complex in North Carolina.
- Seek defense Contractor(s) needing a staging area close to the North Carolina military complex. These complexes offer versatility to be used for military contracts and civilian contracts.
- Be innovative in identifying new opportunities such as private sector flight training and military training to support the Eastern North Carolina military complex, drone technology development and testing, and contracted adversary air services.
- Identify opportunities to become storage depot for military equipment





Agribusiness & Food Science Cluster

NCGTP sits in a rich agribusiness center. The 14-county region surrounding NCGTP represents 29 percent of North Carolina's total cash receipts for livestock and crop production, representing more than 30 percent of the state's production of corn and soybeans and 50 percent of the state's output of sweet potatoes, beef cows, hogs, and turkeys. Location within this food-rich region represents an opportunity to grow a higher-skilled workforce to support food research and production.

While agribusiness is a major contributor of the North Carolina economy, livestock and crop production and processing generates relatively few jobs. Employment opportunities in agribusiness – particularly higher paying jobs – are in food science and advanced food manufacturing.

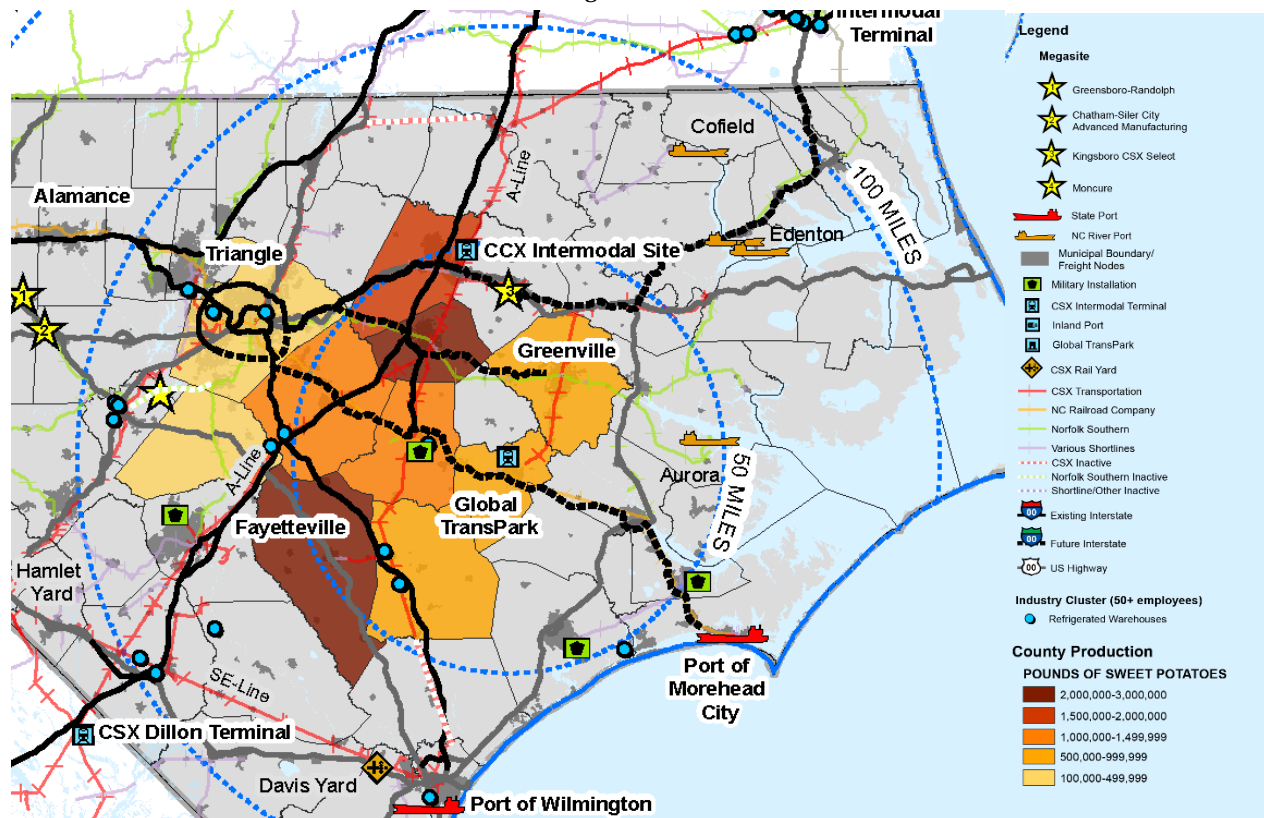


Figure 15: Sweet Potato Production in NCGTP Region

See Appendix C for additional graphics showing density of crop and animal production near NCGTP.

Establishment of an agribusiness and food science cluster at NCGTP will take advantage of its location to support careers in value-added food production as well as food safety research and development. Incorporation of a food science institute to incubate science- and technology-based careers in agribusiness will generate significant benefits to the long-term economic health of the rural counties surrounding NCGTP.

Through partnering with the state's academic institutions, such as Mount Olive University, North Carolina A&T University, and North Carolina State University, NCGTP can promote careers in food science technology, research and development. Further, collaboration with food and beverage manufacturers offers direct connection to industry. Such a model has consistently propelled the University of California at Davis to the world's top agribusiness research

university. UC Davis sits within California's rich central valley growing region and collaborates with growers and producers in emerging agri-food innovations, food production systems, and food science technologies and solutions.

A food science institute at NCGTP would build upon and complement the David H. Murdock Research Institute (DHMRI) located at the North Carolina Research Center in Kannapolis NC. This contracted research campus provides research and development solutions at the intersection of human health, agribusiness, and nutrition. Established as a 501(c) 3 organization, DHMRI is a public/private partnership that connects industry to academia.

Agribusiness & Food Science Opportunities:

- Advanced food science institute
- Partnership with University of Mount Olive, NC State, NC A&T

Agribusiness & Food Science Cluster Needs:

- Incubator: research institute as educational partnership
- New facilities to support food science research and development
- Supply chain connectivity, including proximity to crop and animal production

To take advantage of its proximity to North Carolina's rich agribusiness resources and provide incubator services for Agribusiness and Food Science industries, the NCGTP action plan includes:

- Collaborate with state and regional academic institutions to establish an incubator food science institute at NCGTP
- Seek private sector partners interested in agribusiness and food science research





Government Cluster

Consolidated Government Center

Since World War II, NCGTP has housed a variety of government functions and also supported temporary uses by various public agencies. The Army Reserve Center, for example, has been a long-time tenant of NCGTP. In recent years, the principal agencies located at NCGTP have included the North Carolina Forest Service, the NCDem, and the Lenoir County Sheriff's Department. NCDOT recently located its Division 2 office at the NCGTP.

Of particular interest for economic development is the current NC Forest Service location in WWII-era facilities next to the runway. These facilities are not adequate for today's needs and they occupy a site better suited for a user seeking commercial runway access. Direct runway access was a key factor in attracting Spirit AeroSystems to NCGTP.

Discussions date to the mid-2000s regarding the possibility of building a state agency "campus" to support these functions, and allow multi-agency uses of the combined facilities. Such facilities would not require significant acreage and could allow access to the airfield when necessary but not on a daily, recurring basis.

Disaster Response and Recovery

Collocation of various governmental entities also facilitates coordination in times of disaster response and recovery. Because of its central location in Eastern North Carolina and the topography of the site itself, NCGTP has often been the center for disaster relief and recovery for the eastern half of the state. These disasters have included hurricanes, related floods, forest fires, and terror response. In support of its disaster response and recovery capabilities, the NCGTP has:

- Dual-capacity electric systems;
- Facilities constructed to withstand hurricane force winds and rain; and
- Multiple, permanent backup generators at critical locations, including the ARFF building, runway, terminal building, response and recovery buildings, and NCDOT Division 2 headquarters.

NCGTP's role in disaster response and recovery to protect regional economic interests may be expanded by building upon the existing relationship with NCDem and NC National Guard to establish NCGTP as a staging area for state-controlled resources. While FEMA has typically mobilized and staged its disaster response activities on an event-by-event basis, this state-level relationship could also position NCGTP to serve as a staging area for federally-controlled resources as part of FEMA Region 4 response efforts. Many large shippers such as big box stores like Lowes and Walmart, may need post-event staging areas. The suitability of the NCGTP site and location, including the historical ability to operate post-event, will be incorporated into NCGTP value proposition and marketing materials.

Governmental Use Opportunities:

- Optimized land use
- Stable core tenant that will attract contractors interested in serving those organizations
- Capacity for regional economy to respond and recover from catastrophic events

Governmental Use Needs:

- New, consolidated government facility
- Institutional collaboration (federal, state)
- Emergency response capabilities (FEMA relationship, staging area)



3 Marketing

Economic developers across the globe work to attract companies, talented employees, and academic expertise into their market. Competition for jobs, investment, and workforce is fierce. Never has it been more important to create an economic development strategy that sets the stage for success.

Cluster-focused economic development is the foundation of the NCGTP marketing approach. Cluster-based economic development, which took hold in the 1990's, is an approach that efficiently, effectively and collaboratively creates economic growth. Michael Porter of Harvard Business School, states that "Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, and firms in related industries, and associated institutions." Economic clusters are created when industries and institutions become linked with suppliers of specialized services, machinery, and infrastructure that are within proximity, forming a supply chain. Focusing the marketing message on clusters that are highly correlated with NCGTP assets increases the probability of creating jobs, developing skilled workers, attracting talent, fueling investment, stimulating trade, improving productivity, raising incomes and creating wealth. When marketing tactics resonate with targeted clusters, NCGTP will receive the greatest return on marketing investment and obtain a competitive advantage in the global competition for company locations and talented workers.



Stakeholder Engagement: Our Process

Thought leaders and influencers from government, partners, and the private sector played a key role in the development of the NCGTP Strategic Plan.

To leverage stakeholder influence, knowledge, creativity and vision, the consultant team designed a structured approach to engage stakeholders early and often during plan development.

The Stakeholder Engagement process involved a diverse group of attendees who may be affected by the Strategic Plan recommendations and those who could influence the implementation of recommendations. In developing the list of NCGTP stakeholders, we asked:

1. Who will be affected by plan outcomes?
2. Who can influence implementation of recommended actions?
3. Who can contribute ideas, knowledge, and expertise?
4. Who can provide implementation resources?

The initial list of stakeholders was approximately 70 people, so the Stakeholder Engagement process was designed to engage a large audience of stakeholders through all phases of the project. The Stakeholder Engagement process consisted of a series of workshops as well as a stakeholder survey. A list of stakeholder categories who provided input during the strategic planning process can be found in the Appendix section.

- NCGTP Visioning Workshop December 6, 2017
- Stakeholder Survey January 15, 2018
- NCGTP Opportunities Workshop January 18, 2018
- Presentation to NCGTP Board of Directors February 1, 2018
- Recommendations Workshop February 16, 2018
- Strategic Plan Review February 22, 2018





State and Regional Economic Development (Recruitment)

NCGTP can maximize its success by concentrating its resources on those industries that are being targeted by state and regional organizations charged with client origination activities. The North Carolina East Alliance, North Carolina's Southeast, and the Economic Development Partnership of North Carolina (EDPNC) devote resources to marketing and client generation for the NCGTP and the surrounding area. Most new clients, especially larger clients, begin by contacting a state or regional economic development organization.

EDPNC Targeted Industries	Regional Targeted Industries
<ul style="list-style-type: none"> • Aerospace and Defense • Aircraft Manufacturing and Assembly • Automotive manufacturing • Food Processing • Furniture • Information Technology and Analytic Instruments • Plastics • Textile Manufacturing • Business Services • Production Technology and Heavy Machinery 	<ul style="list-style-type: none"> • Aerospace and Defense • Aircraft Manufacturing and Assembly • Air Freight • Automotive manufacturing • Distribution and E-Commerce • Textile Manufacturing • Transportation and Logistics • Production Technology and Heavy Machinery



Marketing and Economic Development Action Plan

See
Related

APPENDIX

E

A viable marketing and economic development program requires actions that capture the attention of the site selection community and industry decision makers within targeted clusters. The site selection process includes a detailed evaluation of project needs, which are then measured against the merits of potential locations.

A site selector will scout a prospective location by visiting the location's web site and eliminate the location without the economic development team even knowing it was being considered. The recent launch of the a new NCGTP web site significantly enhances the opportunity for site selectors, location advisors, real estate agents and industry decision makers to find information that keeps NCGTP "on the list."

Telling the NCGTP's unique story can differentiate it from competitors and shine a light on why a company should locate or expand at NCGTP instead of a competing site.

Key Plan Components

For each strategy, tactics to achieve successful implementation of the strategy have been identified, along with an estimated start date for each tactic. The Marketing and Economic Development Action Plan has an implementation timeline of 2018 to 2021. The most urgent business recruitment and marketing activities include:

1. Selection of an economic development marketing and communications firm
2. Hiring marketing, economic development, and communications staff

3. Augmenting the recently launched www.NCGTP.com website to align with targeted clusters
4. Enhancing the appearance of the NCGTP entrance and site
5. Developing collateral materials to support business recruitment
6. Investigating available site certification programs
7. Directly marketing to and conducting face-to-face visits with decision-makers active in targeted clusters
8. Attending tradeshow with preset appointments that expose NCGTP assets to targeted clusters
9. Partnering with state and regional economic development entities on business recruitment and marketing activities, including Economic Development Partnership of North Carolina (EDPNC), North Carolina Department of Commerce, North Carolina East Alliance and North Carolina's Southeast Regional Economic Development Partnership
10. Collaborating with Universities and Community Colleges to develop and market training programs that are attractive to targeted clusters

Measuring Impact

A set of metrics has been established to measure the impact of the Marketing and Economic Development Action Plan. The metrics will be reviewed quarterly so that modifications to an approach can be made in a responsive and timely manner.

The metrics include factors to track:

- Utilize a customer relationship management (CRM) program (manage NCGTP relationships and interactions with current and potential customers)
- Effectiveness of on-line marketing efforts (web site analytics)
- Economic Factors (# jobs created, capital investment, wage, etc.)
- Prospect Activity and Trends (# visits, project source, site/building attributes, etc.)
- Outreach activities (trade shows, desk side meetings, collateral developed, etc.)

Mid-Point Check In

Implementation of the NCGTP's Marketing and Economic Development Action Plan will be a multi-year process (2018 – 2021). The foundation for the program will be laid in Fiscal Year 2018 - 2019.

Because of rapid changes occurring in technology and target markets, it is recommended that the Marketing and Economic Development Action Plan undergo a facilitated review by stakeholders at the two-year mark to responsively identify necessary changes in approach.

The Plan

The complexity of the site selection process, the rapidly changing economy, global demographic shifts, and the fierce competition for talented workers creates economic development challenges for regions throughout the world. Creating economic growth in the midst of these challenges can be daunting. Details on the Marketing and Economic Development Action Plan are provided in Appendix E.

Action Items to Advance Marketing Objectives:

- Increase business attraction and marketing capacity
- Enhance brand identity
- Directly engage clients and stakeholders
- Leverage collaboration and partner relationships



4 Capital Assets

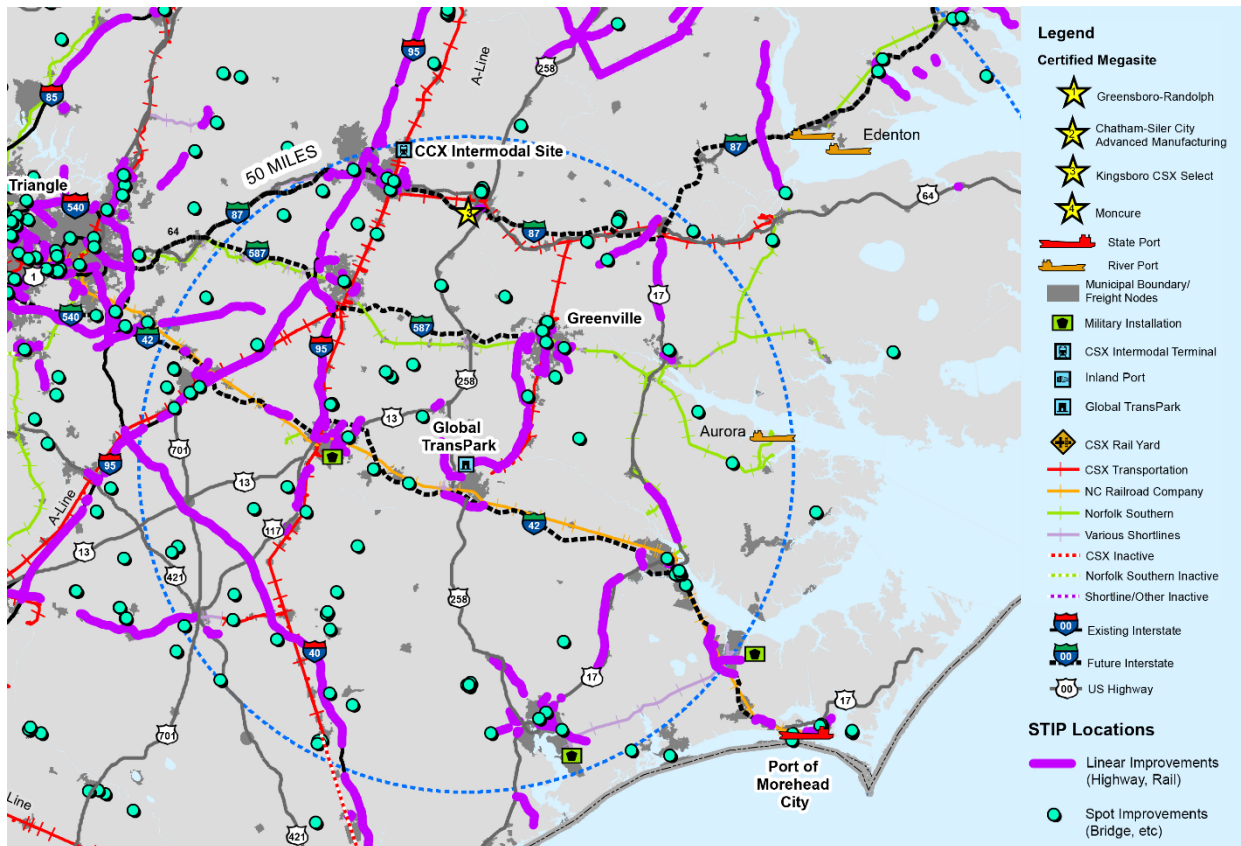


Figure 16: NCGTP Transportation Network



Land and Site Improvements

Existing Landside Improvements

NCGTP includes a multitude of building, equipment and land assets that stretch across 2,500 acres of NCGTP -owned property. These assets are bisected by an 11,500-foot long runway. Approximately 800 acres of the park is currently undeveloped and another 328 acres is set aside for wetland mitigation.

A majority of the existing building area located throughout the park, totaling approximately one million square feet, is leased; with Spirit AeroSystems being the largest lessee at present. A listing of these facilities are provided in Appendix G. Multiple building uses are supported including office, industrial, commercial and warehouse. Also present is an operational air traffic control tower and terminal building. NCGTP Administration is located in the Spirit AeroSystems Composite Center of Excellence, a 20-year-old, 33,000-square-foot, multiuse facility with multiple conference rooms and training areas.

Site Identity and Aesthetics

While there are multiple access points into NCGTP from adjacent highways such as the CF Harvey Parkway, the park lacks good entry and perimeter signage, wayfinding, or branded building identification.



Figure 17: Main Entrance to Spirit AeroSystems Composite Center of Excellence / NCGTP Administration



Figure 18: Auditorium and dining space at Spirit AeroSystems Composite Center of Excellence / NCGTP Administration

Facilities & Property Management

Forward-looking planning for industry location requires that NCGTP take a more proactive role in making sites available and attractive to target clusters. Today, the data available to NCGTP staff on the conditions, constraints, and features of various parcels within and adjacent to the NCGTP complex is insufficient to be responsive to site location inquiries.

Certifications that establish site readiness for development are an important factor for site attraction. The underlying information required to obtain certification from various economic development entities must be consolidated into a single database. Some investigations may need to be performed or updated. A comprehensive GIS database that documents developable parcel size, environmental permitting status, availability and capacity of utilities, geotechnical conditions, transportation services, and other features is an important tool to allow NCGTP staff to quickly respond to site inquiries.

Facilities and Property Management Needs:

- Maintain site assets in state of good repair - address immediate needs to address deferred maintenance and required modernization
- Enhance physical appearance and site identity with the addition of perimeter and way finding signage.
- Proactively manage asset lifecycle costs by conducting a comprehensive review of building systems and maintaining an asset management system.
- Develop and further improve GIS database to assure availability of real-time parcel data, constraints, and documentation to facilitate response to site inquiries. This tool should be attractive, user friendly and easily accessible.
- Prepare conceptual site specific layouts and renderings based on targeted industry needs.
- Investigate opportunities to expedite and/or eliminate approvals required from FAA and DOD.



Land Use Planning

Tenants of NCGTP-owned sites include a variety of aviation, logistics, and governmental users. The locations of these leases within the NCGTP complex are not optimized to maximize the availability to assemble larger parcels for new users. Certain tenants with no interest in aviation use, for example, occupy sites adjacent to the airfield. A comprehensive review of land uses and longer-term relocation or consolidation of clusters within the NCGTP is proposed.

Further, the 800 acres of undeveloped area owned by NCGTP is scattered across multiple parcels of land with the largest contiguous area being less than 300 acres. Interspersed with these parcels, and within the boundaries of the NCGTP US Army Corps 404 permit area, are multiple privately owned parcels. These sites also fall within the NCGTP zoning authority. There is an opportunity to assemble larger parcels within the NCGTP area of jurisdiction to consolidate land for designation as a megasite if desired by target industries.

Effective master planning of the NCGTP site, as well as use of the NCGTP zoning authority within six miles of the NCGTP boundary, can support the improved connection of industries located at the park with local amenities and supportive services. This may include gas stations, restaurants, and other services that improve quality of life for employees. Completion of the C.F. Harvey Parkway Extension project, which will provide improved access to NCGTP from nearby communities, also offers an opportunity to plan for uses that will support regional industry needs.

Land Use Planning Recommendations:

- Prepare comprehensive land use master plans.
- Proactively plan land use to support recruitment of targeted industries and retention of existing.
- Optimize land uses to allow for assembly of larger parcels
- Investigate and pursue site certifications that are relevant and recognized by targeted industries.
- Research, review and catalog site due diligence for NCGTP-owned and privately-owned sites within the 404 permitting area, including: property ownership control, geotechnical and environmental conditions, cultural resources, utilities (location and capacities), topographical maps, boundary surveys including location of any easements, wetlands permitting status and documentation of related approvals
- Consider optioning additional property adjoining the NCGTP for site development purposes. Larger parcels (500 to 1,000 acres) should be considered.
- Pursue joint zoning efforts to protect land uses surrounding NCGTP and along CF Harvey Parkway (could also begin to address Quality of Life concerns on regional basis)



Utilities

Overall, the NCGTP site has ready access to utilities services, including ample water, power, sewer and natural gas. Certain undeveloped parcels, however, do not have on-site utility connections. Existing capacity, reserve capacity, and new utility investment needs must be reviewed and evaluated to match targeted users. Preparation of a utility master plan will define these needs so that required funding can be obtained and utility investments can be made.

Table 1: NCGTP Available Utility Service

Utility	Water	Sewer	Power	Natural Gas
Provider(s)	City of Kinston Neuse Regional Water and Sewer Authority	City of Kinston	City of Kinston Duke Energy	Piedmont Natural Gas
Available Capacity	10 MGD	6.5 MGD	24 mVA	Information not available

Note: MGD = million gallons per day mVA = mega Volt Amps

Further details on existing utilities and available capacity are provided in Appendix J.

Utility Needs:

- Coordinate with utility partners to identify and secure future utility services to match target user needs
- Develop site utility master plan
- Seek funding for construction of new utility services as needed





Airfield and Supporting Facilities

Existing Facilities

NCGTP is centered on its primary asset – an airfield and supporting facilities served by Runway 05-23. The runway is 11,500 feet in length and is one of the longest runways on the east coast of the US. The runway has an all-weather capability with a full Category One Instrument Landing System (ILS). The runway is a high use general aviation facility with business aviation traffic, general aviation traffic and a high concentration of military aircraft. The airport is served by an Air Traffic Control Tower (ATCT) via the FAA Contract Tower Program.



Figure 19: Taxiway, air control tower, and terminal building at runway.

Airfield assets include:

- 11,500-feet x 150-feet Runway
- Full Parallel Taxiway
- Main Apron – ~675,000 square feet
- One main cargo apron

Air Traffic Control Tower

The NCGTP air traffic control tower (ATCT) is operated by the Federal Aviation Administration (FAA). FAA is under consistent pressure to reduce contracted ATCT operations nationwide; closure of the tower would have a significant negative impact on NCGTP from both a military user standpoint and for recruitment of new aviation-based industries. If FAA drops NCGTP from its program, an alternative source of funding will be needed.

Actions to Maintain and Enhance NCGTP Airfield Assets:

- Maintain airfield in state of good repair; consider ongoing maintenance needs for currently unused or underused portions of the airfield
- Demonstrate continued demand for FAA-contracted ATCT services to assure continued ATCT services
- Incorporate airfield needs into Master Plan update, including Terminal Redevelopment Program and Apron Redevelopment Program



Highway Access

Regional Highway Network

The NCGTP location within the center of Eastern North Carolina places it within easy reach of several key state highways, state and regional ports, and population centers. The US 70 Corridor, part of the state's Strategic Transportation Corridors Framework, provides access to Raleigh to the west, Seymour Johnson and the Port of Morehead City to the east. It also provides access to Interstate 95, the major north-south highway corridor in the eastern United States. US 70 is accessed via the C.F. Harvey Parkway (NC 148).

US 258, located west of the NCGTP, provides additional north-south highway access and links the site to the military community of Jacksonville (including Camp Lejeune and MCAS Cherry Point) to the south and Greenville to the north. Further north, US 258 crosses US 64 (the future I-87 corridor, with access to Rocky Mount at the proposed CCX Intermodal Freight Terminal) and extends north to the Port of Virginia. Accessed via the C.F. Harvey Parkway, US 258 is also a Strategic Transportation Corridor for the state.

Roadway connectivity to and from the NCGTP is provided via several secondary roads. Airport Road (SR 1578) and Rouse Road (SR 1572) are thoroughfares that provide access into Kinston, just south of NCGTP. Poole Road/Dawson Station Road (SR 1575) extends west and north of NCGTP, providing access to potential development north of the runway. Finally, Taylor Heath Road (SR 1703)/ Cameron Langston Road (SR 1727) provides a connection between NC 58 east of NCGTP to NC 11, which extends north to Greenville. Each are two-lane roadways.

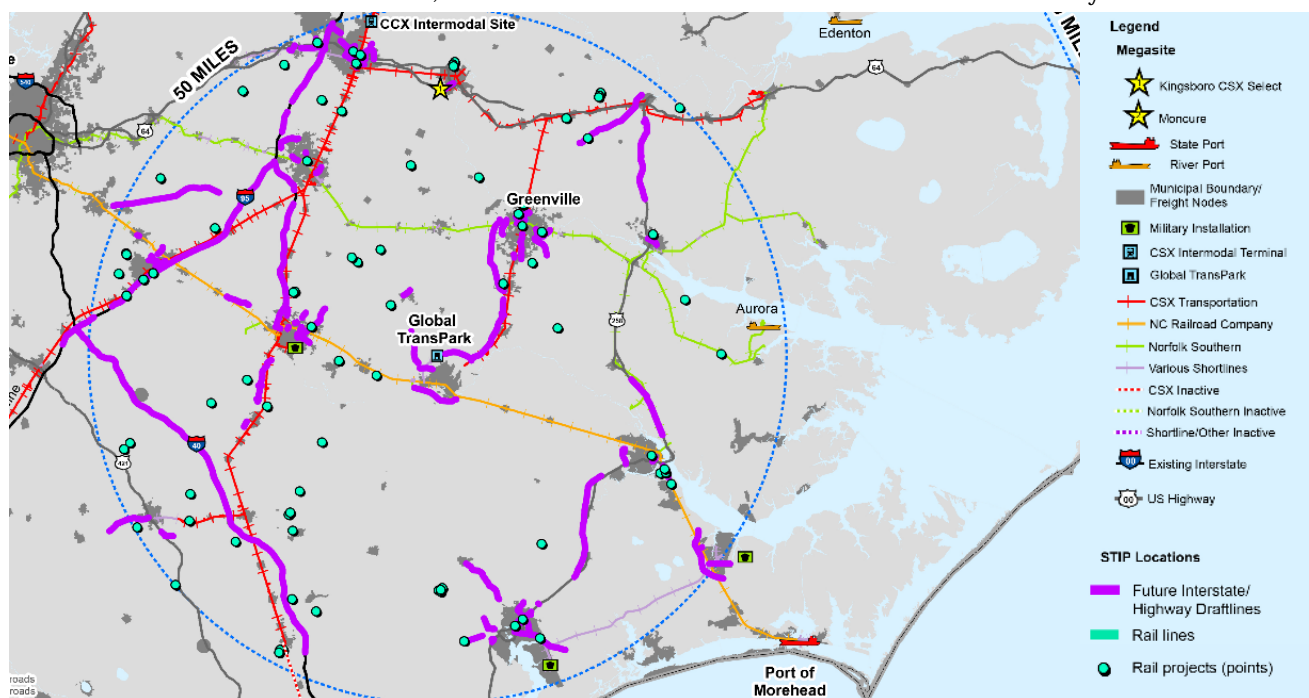


Figure 20: Regional Highway Network, including STIP Projects

Actions to Improve Highway Access:

- Advocate for state highway projects that promote connectivity to NCGTP.
- Incorporate internal roadway loops and circulation into the NCGTP land use master plan.
- Secure grant funding for construction of internal roadway loops and circulation.



Rail Access

Current Rail Service

NCGTP has rail service to the south side of the runway via a rail spur that was built and is owned by NCDOT. Under a lease agreement with NCDOT, Gulf & Ohio Railways, Inc. (G&O) operates, maintains and markets freight service on this NCGTP rail line interconnects with Norfolk Southern (NS), which has an exclusive lease of the NCRR-owned rail corridor connecting NCGTP to the Port of Morehead City and other points inland. Rail use has been limited due to carrier pricing, which has not been competitive with truck rates.

Future CSX Connection

The closest CSX rail line to the site is the AA-line, which branches from the ABC-line and runs from Parmelle to Kinston. The AA-line terminus is approximately 4 miles (perpendicular) east of the NCGTP site. A preliminary engineering report was completed by the NCDOT Rail Division in November 2017 (NCDOT STIP P-5602E) to examine the feasibility for extending the existing NCGTP spur track to tie to the CSX AA line at Elmer (Kinston), north of Kinston, thus providing service options from two Class I railroads. Project approval and environmental documents are under development by NCDOT for the preferred alignment, with anticipated project completion in 2020. This roadway alignment could be the basis for a CSX rail connection to NCGTP, since NCDOT will be purchasing right-of-way and the rail could potentially follow the same corridor. The least costly rail alternative was estimated at approximately \$37 million.

The CSX connection at NCGTP would provide NCGTP with dual rail carrier access and would also link the NCGTP to the Port of Wilmington. Dual rail service could potentially introduce competitive rates as a result. Without more demand for rail movements at the NCGTP or in the region, however, a second connection may not be viable. As of 2014, the AA-line that is currently in use carries approximately two trains per week from Kinston to the junction with the ABC-line in Plymouth. The ABC-line runs from Plymouth NC to Rocky Mount NC and carries approximately 14 trains per week before connecting to the A-line, which is the backbone of the CSX National Gateway rail corridor.

Rail Access to Northerly NCGTP Sites

Currently rail access to NCGTP parcels the northern side of the runway is unavailable. Prior concepts to provide rail service to undeveloped NCGTP parcels on the north side of the runway showed an alignment immediately adjacent to the runway; however, that would limit airside access from the northerly property. A modified alignment that abuts the future NCGTP Spine Road is proposed for future consideration. The updated conceptual land use plan reflects this modified alignment, which would provide rail access to NCGTP's larger parcels, which is required for certain site certifications and is one of the various criteria generally included for megasite certification.

Access to Improve Rail Access:

- Improve on-site rail facilities to meet needs of target industries, including permanent on-site transload facility
- Examine options for extending rail service to the northern side of the runway.
- Continue pursuing extension of rail service to CSX. Having access to two Class I railroads promotes competition and will be attractive to existing and prospective industries desiring rail service.
- Consider expanded role of short line operator to meet NCGTP's long-term rail service needs.





Port Access

Current Port Access

NCGTP lies within 100 miles of the two NC Ports at Wilmington and Morehead City. Truck connections primarily transport via US 421 and I-40 to Port of Wilmington and via US 70 to Port of Morehead City. This represents an approximate four-hour turn time (round-trip truck delivery time) between NCGTP and either of the State ports. As noted under Rail Service above, there is also a physical rail connection directly from the NCGTP site to the Port of Morehead City via G&O and NS. No rail connection is currently available between NCGTP and the Port of Wilmington.

In addition to North Carolina ports, NCGTP is located within close proximity to the Port of Virginia and to the Port of Charleston. Together, these seaports handle more than three million containers per year --about two-thirds of the regional demand-- and more than one million tons of non-containerized goods, excluding coal. Both ports are investing significantly in terminal capacity and inland road and rail connectivity. Located 300 miles southwest of NCGTP, drive time to Port of Charleston is about five hours via I-95. Distance to Port of Virginia's largest terminal is 150 miles and a three-hour travel time. NS and CSX also provide rail service into Charleston and Virginia terminals.

Potential Inland Port Uses

The land available at NCGTP and proximity to the two NC Port facilities generates a potential opportunity to move certain near-port activities off the waterfront to an inland site. Since the Port of Wilmington, the Port of Morehead City, and NCGTP are all located within FTZ #214, there is further potential for complementary uses that would establish NCGTP as an "inland port" that supports the logistics functions of the seaport. These near-port functions could include stripping and stuffing of containers, wherein inbound international containers are emptied and reloaded into domestic containers for transport to final hinterland destinations. Any outbound waterborne cargo generated from the NCGTP could then be loaded into the empty international containers for transport to the Port of Wilmington for export. The benefit of such an operation to shippers is to keep international containers closer to the seaport, reducing the need for repositioning of empty containers and the cost associated with that operation.

Cold storage and flash-freeze capabilities could also support packaging and distribution of North Carolina food products.

Actions to Improve Port Access:

- Collaborate with NC Ports to identify opportunities for near-port services to be provided at NCGTP. Jointly market and share leads.

Inland Port Greer, opened in 2013, is owned and operated by the South Carolina State Ports Authority (SCSPA) as an inland extension of the services provided at the Port of Charleston. Located 212 miles from the seaport terminals along the I-85 corridor and the Norfolk Southern (NS) Crescent Corridor, the facility provides overnight intermodal service by NS to and from the port, six days per week. The facility, primary users include BMW and Michelin, serves the needs of regional manufacturers by reducing their drayage time and cost. The inland port also provides regional shippers with access to empty containers.

To assure the availability of scheduled train service from the Greer site, SCSPA has guaranteed a minimum rail revenue to NS so trains will not be delayed or rail rates negatively affected by the need to move smaller volumes. This has been an effective means to attract inland port users.



5 Investment

Successful delivery of the NCGTP Business Plan objectives will require:

- Targeted capital investments to restore NCGTP assets to a state of good repair and improve ability to attract new users.
- A fully resourced organization, with the staffing capacity and functional expertise to address core operations and carry out planned strategic actions.
- Reliable, multi-year funding stream for staffing and contracted resources.
- Key operational processes and organizational best practices to achieve success, including critical milestones over next one to three years.



Capital Investment Needs

Of primary priority to NCGTP is protection of its existing infrastructure assets. Lack of dedicated funding to adequately maintain the State's investment in the NCGTP airfield, surrounding hangars, buildings, and landside infrastructure have put much of the NCGTP complex in a state of disrepair. Today, several buildings suffer from some combination of roof leaks, outdated fire/life safety systems, inefficient heating and cooling systems, and outdated light fixtures.

Proposed NCGTP capital investments constitute a combination of capital maintenance (renewals of existing assets to restore them to a state of good repair), upgrades to existing facilities, new on site investments to support multi-modal transportation access and circulation, and offsite regional transportation improvements planned by others that will benefit NCGTP current and future users.

Table 2: Capital Investment Plan

Investment	Benefit / Purpose	2019	2020	2021	Totals
Building Renewals – structural repairs	Required to return facilities to state of good repair (SOGR)	\$1,300,000	\$1,300,000		\$2,600,000
Building Renewals – HVAC, systems, electrical upgrades	Required to return facilities to state of good repair (SOGR)	\$600,000	\$600,000		\$1,200,000
Pavement / Parking Lot Renewals	Required to return facilities to state of good repair (SOGR)	\$300,000	\$300,000		\$600,000
Equipment Renewals	Replace or overhaul equipment past useful life	\$560,000	\$340,000	\$995,000	\$1,895,000
Training Center Technology	Improved capabilities for workforce development	\$60,000	\$60,000		\$120,000
Energy and Systems Audit	Proactive management and upgrade of building systems and energy usage	\$25,000	\$25,000		\$50,000
Improved Signage & Wayfinding	Enhanced NCGTP identity		\$175,000		\$175,000
Totals		\$2,845,000	\$2,800,000	\$995,000	\$6,640,000

Additional proposed long-term transformational projects include:

- Completion of the NCGTP Spine Road to provide access to north side parcels
- North side rail connection
- Secondary Class I rail connection to allow for dual rail service



Consistent and Reliable Funding for NCGTP Operations

The financial position of NCGTP has been inconsistent and uncertain for many years. State support for NCGTP routine operations has been reduced several times. Today, net of repayment of NCDOT loan, NCGTP receives approximately \$500,000 in annual operating support from the State. Uncertainty in continued available funding has made it difficult to recruit and retain staff for important functional positions to support ongoing NCGTP operations and growth. To the advantage of NCGTP success, on the other hand, recent restructuring of NCGTP debt has significantly reduced annual debt servicing requirements so NCGTP is currently generate positive cash flow.

With a primary objective of attracting job and economic activity to the region, NCGTP's lease agreements have been executed at below-market rates to incentivize industry location. Prior agreements with the U.S. military and GTP Foundation also offer use of NCGTP land at virtually zero cost. State government tenants (NCDOT and NCDDEM) are leasing space at market rates; however, several existing private tenant leases are below market.

Working within the constraints of its current operating budget, the NCGTP currently operates with a skeleton staff – with only 11 full time employees handling the full range of airport operations, industrial park operations, tenant needs, financial management, and industry recruitment. Many staff are handling multiple roles. For example, the Airport Director is also managing the non-airfield facilities and grounds.

To realize NCGTP Business Plan objectives, adequate resources are needed to address the full range of functions required to operate and grow the multi-modal industrial complex and its centerpiece airfield. The needs presented here may be addressed through a combination of full-time staff and contracted resources. NCGTP has been unable to fill certain budgeted positions due to uncertain and inconsistent funding of the organization. The use of contracted resources for routine maintenance of building and grounds, janitorial services, and marketing support will help alleviate this challenge. Still, a longer term commitment of funds toward NCGTP's core operations is needed to avoid disruptive staff turnover and inability to fill open positions. The designation of all NCGTP staff as exempt, unprotected employment positions (as compared to other positions within NCDOT) further challenges the recruitment of staff.

Additional multi-year funding commitments are needed, above and beyond currently budgeted amounts, to realize objectives as shown in **Table 3**.

Functional Resources and Staffing Needs:

- Address staffing needs and funding to provide resources needed to operate, maintain, and grow the industrial park.
- Engage supportive professional expertise in land planning and zoning to support NCGTP mission.
- Adopt multi-year budget that provides stability for staffing and resource planning



Table 3: NCGTP Additional Operational and Maintenance Resource Needs (5-Year Projection)

Expense	Purpose / Benefit	2019	2020	2021	2022	2023
Facilities manager	Adequate resources to meet basic operating needs	80,000	81,000	82,000	83,000	85,000
Conceptual Master Planning and Due Diligence	Ready access to site data for agile response to site location opportunities; GIS database	200,000	10,000	10,000	10,000	10,000
Marketing Action Plan	Proactive targeting and capture of industry opportunities	175,000	75,000	75,000	75,000	75,000
Asset Management System	Efficient use of maintenance resources for NCGTP-owned assets	375,000	20,000	20,000	20,000	20,000
Supply chain analyses (biannual update)	Strategic targeting of supply chains within primary industry clusters	25,000		25,000		25,000
Strategic Plan update	Reevaluation and update of NCGTP objectives to reflect market conditions					150,000
Routine Maintenance – Airfield	Protect and maintain NCGTP assets	By NCDOT Division of Aviation				
Routine Maintenance - Grounds	Protect and maintain NCGTP assets	150,000	500,000	500,000	500,000	500,000
Routine Maintenance - Buildings	Protect and maintain NCGTP assets	485,000	485,000	485,000	485,000	485,000
US Customs	Support import/export operations				300,000	300,000

Notes:

1. Figures shown are over and above FY18 budgeted expenses of \$3 million for operations and maintenance
2. 2018 budget (\$400,000 annually) for marketing is anticipated to cover hire of new marketing specialist as well as implementation of the Marketing Action Plan.
3. Staff costs assume additional 30 percent for fringe benefits and annual 1.5% escalation
4. Estimates for recurring maintenance costs assume that all deferred maintenance has been corrected.
5. Routine annual building maintenance is based upon \$1.40 per square foot estimated cost, net of \$215,000 amount budgeted for repairs and maintenance in FY2018; excludes Spirit AeroSystems Building.

GTP Foundation

The GTP Foundation is a non-profit corporation, organized and operated within the requirements of Internal Revenue Code section 501(c) (3), that was established for the specific purpose to lessen the burdens of government by supporting and undertaking functions that otherwise would be provided by NCGTP. The GTP Foundation has been designated certain authorities to support NCGTP under NC General Statutes 63-A. As a charitable organization, the GTP Foundation can also accept contributions and make distributions to NCGTP.

The GTP Foundation owns and leases a building on NCGTP-owned land, generating approximately \$200,000 in annual lease revenue. Today, this lease revenue goes back into the GTP Foundation fund, whose balance has now grown to \$5 million. Monetary contributions from the GTP Foundation fund to NCGTP have been made based on individual project requests. Previously, the GTP Foundation contributed to Spirit AeroSystems rent as part of the package to attract their manufacturing operation to NCGTP. Over the last five years contributions received from the GTP Foundation were \$130,075 in 2013 and \$55,000 in 2017.

GTP Foundation Needs:

- Clarify or redefine role of GTP Foundation to support realization of NCGTP Business Plan objectives.

