



NORTH CAROLINA MILITARY AFFAIRS COMMISSION

Minutes of the 2nd Quarter April 13, 2021, Economic Development Committee meeting
Microsoft Teams/Conference Call #: 984-204-1487 Conference ID: 112 337 687#

MEMBERS IN ATTENDANCE:

David Hayden, Chairman
Frank Bottorff
David "Crockett" Long
Tim McClain
Rodney Anderson

MEMBERS ABSENT:

Will Lewis
Arnold Gordon-Bray

OTHER COMMISSION MEMBERS:

Representative George Cleveland

ADDITIONAL ATTENDEES:

Will Best, Department of Commerce
Jamie Norment, ACT
Denny Lewis, EDPNC
Mike Scalise, Camp Lejeune/MCI-East
Scott Dorney, NCMBC
Sean Cox, NC4ME
Kimberly Williams, NC4ME
Tammy Everette, DANC
William Herrold, DANC
Jay Gothard, DANC
Jeff DeBellis, NC Commerce
Joshua Levy, NC Commerce
Greg Bethea, Interagency Coordinator DMVA
Macey Webb, Legislative Liaison, DMVA
Kelly Jackson, Executive Director NCMAC

WELCOME/INTRODUCTORY REMARKS: CHAIRMAN DAVID HAYDEN

Chairman David Hayden called the meeting to order at 10:01 am. He welcomed everyone to the meeting and said that we had a lot to cover today so we needed to get started. He said he was a lawyer at Smith Anderson Law Firm and has been the Chairman of this committee for a long time. We will need to approve the draft minutes from the last meeting. He asked Kelly Jackson to give the ethics briefing. Kelly Jackson said that if any Committee member has a conflict or potential conflict of interest with any business coming before this meeting today, please make the committee aware of the conflict or potential conflict of interest. Also, during the meeting if you feel that you have a conflict or potential conflict of interest bring that forward to the committee. Chairman Hayden did a roll call of attendees to the committee meeting and had a quorum.

CONSENT MINUTES: CHAIRMAN DAVID HAYDEN

Chairman Hayden requested a motion to approve the minutes from the 1st Quarter meeting of the committee on January 21, 2021. David "Crockett" Long made a motion to approve the minutes, which was seconded by Frank Bottorff and passed by unanimous vote and there was no discussion about the minutes.

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OLD BUSINESS: CHAIRMAN DAVID HAYDEN

Chairman Hayden said that he had just received information that the NC National Guard Association of the United States convention had been moved from North Carolina to another state. We will need to talk about the funding that the Commission had agreed to budget for the convention when we talk about the budget. Kelly Jackson introduced Greg Bethea, DMVA Interagency Coordinator. He will be part of the Economic Development committee and help with moving initiatives from this committee. Greg Bethea said it was a pleasure to be part of this committee and he was looking forward to working with this committee. If they need assistance from him moving forward he is happy to help in any way. Chairman Hayden said that he welcomed Greg Bethea to this committee.

BUDGET UPDATE: FRANK BOTTORFF

FY 2020-2021 Expenditures:

<u>Item:</u>	<u>Spent:</u>
Cassidy and Associates (Lobbying Service)	\$ 255,000
EDPNC	\$ 120,000
Sentinel Landscape (MOU)	\$ 150,000
NC4ME	\$ 40,000
Defense Alliance for NC	\$ 50,000
Temporary Solutions (Stipend)	\$ 417.40
Strategic Plan (Employee)	\$ 5,330.26
Strategic Plan (Printing)	\$ 1,334.00
Travel	\$ 101.64
ADC Fees	\$ 1,200.00
TOTAL:	\$ 623,383.30

Community Grants:

Fayetteville State University	\$ 31,200	Grant sent to awardee
Homefront Room Revival	\$ 47,976	Grant sent to awardee
City of Fayetteville	\$ 66,880	Awaiting placement of second Kiosk
TOTAL:	\$ 146,056	

Estimated expenditures:

Expenditures to date	\$ 623,383.30
Community Grants	\$ 146,056
NGAUS MOU	\$ 10,000
Strategic Communications	\$ 50,000
Cassidy & Associates	\$ 51,000
TOTAL:	\$ 880,439.30

Frank Bottorff said that we have been spending the funds according to the plan. He also said that since the NGAUS Convention was not going to be in North Carolina, did the Commission still want to fund this event in another State? Chairman Hayden said that if the event is not in North Carolina then we do not need to be supporting the event. Frank Bottorff said that we did not need to make a motion at this meeting but needed to talk about this at the Executive Steering Group meeting and plan not to expend

that money. There is not much new in the budget but there could be a request for some marketing materials for STRATEGIC Communications from the Administrative funds that we have.

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

Jamie Norment gave an update from MCAS and FRC-East. He said that at FRC-East there is a lot going on. The State of NC has funded the F-35 Sustainment Facility for FRC-East and that is a \$5 M facility that will be used in conjunction with the Lift Fan Repair and Testing Facility. That has gone out for bid and hopefully breaking ground this year. The Lift Fan Facility itself is being paid for by federal dollars and they expect for that contract to be awarded this week. The funds are there, and they hope that will move forward soon with a \$22 M facility for their unique capability. Nowhere in the military will they be able to test the F-35 Lift Fan, so this will make Cherry Point even more valuable to the Marine Corps and the military overall. There is an unprecedented new cooperation between FRC-East Command, the Navy, and the State of NC and specifically the Department of Transportation and the Global TransPark (GRP) in Kinston. FRC-East has a tremendous space problem because of their old buildings and increased workload. They have moved some of their Air Force Huey repair work to the GTP which has never been done before or at least in NC or FRC-East. The FRC-East employees are working at the GTP on military aircraft. This is a small project but a legacy system, so it will not be a permanent solution, but it does show the cooperation between the State, the local Community, and the Navy. The FRC-East facility continues to be at full employment which is over 4,000 people which includes the contractors and the civilian federal employees. FRC-East is a great employer for the Eastern part of the State.

Cherry Point is going through some major construction and all of that is on track. The funding has been appropriated and spent and there is more coming in the future years. A lot of positive changes at Cherry Point. The big concern that they wrestle with in terms of economic development and impact is the future of the Marine Corps and they cannot fix or dictate that. Whatever the Commandant plans are for a smaller Marine Corps will eventually impact Cherry Point, but we do not know how that will happen yet. No further comments from Cherry Point and FRC-East.

FORT BRAGG UPDATES: RODNEY ANDERSON/ARNOLD GORDON-BRAY

Rodney Anderson gave an update for Fort Bragg. He said that he had recently had an opportunity to go to Fort Bragg and take a tour of the new area that they have designated for companies that want to connect with transitioning veterans. It is a space that is being re-purposed for companies that want to establish a relationship with Fort Bragg. This is an initiative that began about 5 years ago in some temporary buildings, and it has operated under what is called the Career Resource Center. The concept of it is that companies who apply and once approved through the Department of the Army, they are able to have an office and individuals that represent their company on Fort Bragg. This makes things easier for transitioning veterans to go by and conduct interviews and talk to them about opportunities that exist. During his visit, they will learn about Home Builders Institute (HBI) which is an initiative through Home Depot to train Soldiers to be carpenters. That is a good example of this. This is a good program for transitioning veterans. With his conversations with both the Garrison Commander and the Commanding General, they are looking forward to expanding this initiative to assist transitioning veterans with finding employment. As we all know, those that leave the Army after completing their tour of duty and they draw unemployment, they send that bill back to the Department of the Army. The

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Army and all of the Services have a vested interest in ensuring that those who transition find employment. That is positive news and look forward to further engagements reference transitioning soldiers.

He also wanted to let everyone know that April is the Month of the Military Child. Secretary Gaskin was in the Fayetteville/Fort Bragg area, and he delivered the Proclamation from the Governor for the Month of the Military Child. That was a great partnership between Fort Bragg, the local community and recognizing our Military Children. The Month of the Military Child is an initiative across the State and the State has identified April 16th as Purple Up Day. Purple being joint Services. The intent is to recognize and thank Military Children for what they do and also to remind us that there is more that we can do in order to better facilitate their transition. So, please wear purple on April 16 in support of our Military Children.

David Hayden asked about the Fort Bragg facility. Rodney Anderson said that this is an initiative that allows the companies to establish a contract through the Corps of Engineers and lease some space. These are buildings that are being prepared for demolition. These companies once they get approved can establish someone who is like a recruiter. When the soldiers process through and the company has their banner up, they can make a pitch to these transitioning soldiers. There could be 8-10 different companies talking to these transitioning soldiers. This is a couple of steps beyond what NC4ME does. NC4ME does a great job, but with this program, there is someone there, five days a week that they can go by and talk to. This is a good program for those 25% that are proactive and the 50% who wait a while. It serves a large portion of the transitioning population. These are global companies such as Home Depot and Spectrum. There can be some local, regional and NC companies there also. At the beginning, the companies thought that all they needed to do was show up, but they need a recruiter that can do some messaging and be ready to convince these transitioning soldiers to have an interest in that company. The Community College is also a part of this program. If this is working a company will identify a person and then screen them to see if they have all of the attributes. Then the company can say they will hire that person with these certain certifications. Then the Community College can help the person get those certifications so when they leave the service they can go to work. The ideal situation is that the company will screen and select the individual and then the veteran can get the credentialing to make a smooth transition. Rodney Anderson said that Camp Lejeune does something similar to this, but he is not sure about other Installations.

Will Best asked if this was a change, replacement or completely separate from the Employment Readiness Program at Fort Bragg? Rodney Anderson said that this was in addition to the Employment Readiness Program. He said that the Employment Readiness Program is a great program for Guardsmen and Reservists, but this program takes advantage of the Skill Bridge which is the Department of Defense (DoD) program that allows service members up to the last six months to train in a specialty as it relates to employment. If someone says they want to be a truck driver and want to go to work for Long Beverages in Raleigh, NC, then they will have the opportunity to go and get their Commercial Driver License (CDL) while they are still on Active Duty. Then when they leave the service, Long Beverage can recruit that person and give them a job. This is based on the DoD program, that allows service members to prepare themselves before they leave the Service. Will Best asked if there was a contact person for this program? He has a couple of people he needed to get connected to this program. Rodney

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Anderson said that he could be the contact person for Will Best, but the contact person would be Bill McMillian at the Fort Bragg Transitioning office.

NORTH CAROLINA MILITARY BUSINESS CENTER (NCMBC): SCOTT DORNEY

Scott Dorney gave an update to the committee from NCMBC.

Situation/Current Operations

- NCMBC growth (staffing) continued per plan presented to General Assembly. New:
 - Barbara Bowles, Strategic Industry Professional (SIP), Contract Vehicles, Fayetteville
 - Donna Walton, Business Development Professional (BDP), Jacksonville
 - Rob Robinson, SIP, AI/Machine Learning, Automation, Robotics, Fayetteville
 - Randy Chandler, BDP/SIP, Subsistence – new office, Carteret Community College, Morehead City
- NCMBC Operations
 - Strategic Focus: ***sustain and expand the defense industrial base in NC***
 - Strategic business development operations
 - expanding BD operations in select industries (Textile/Soldier Systems, Subsistence, Medical)
 - leveraging major IDIQs, GWACs, MACCs and relations with major primes (Barbara Bowles)
 - leveraging HFR/MILCON to maximize opportunity (Sue Kranes, Paulanne Page)
 - Tactical business development operations, CY2021 (as of Mar 31)
 - Opportunities managed (analyzed, distributed) by BD team: 650
 - Businesses notifications of BD team-managed opportunities: 1,250,262
 - MatchForce.org: 23,128 business users
 - Technology transition (DEFTECH operations: Denny Lewis to brief)
 - Training, WEBCONS and Events
 - Defense Logistics Agency, Aviation 2021 Forecast (Feb 4)
 - Joint Artificial Intelligence Center (JAIC) – How to Make AI Real Webinar (Mar 18)
 - ARPA-E Open 2021 Funding Opportunity Announcement (Mar 22)
 - Defense Advanced Research Program Agency (DARPA) Industry Day (Apr 1)
 - US Marine Corps Combat Development Command (Apr 8)
 - Weekly CyberChats – (January/February)
 - Department of Defense Cybersecurity Regulations Workshop (Jan 26)
 - NC Installation Construction Prime-Subcontractor Virtual Outreach (9 sessions, Mar 2-3)
 - Defense Contractor Academy – (12 Sessions, Mar - Apr)
 - Elimination of obstacles, threats to the DIB (principally Cybersecurity)
 - Concerns: pace of CMMC implementation uncertain, primes flowing CUI/CMMC requirements to subs, impact on DIB in NC
 - Coordinating I3C, developed tools to accelerate CMMC certification – see www.cybernc.us
 - CyberChat series ongoing - build compliance program, CMMC Level 1
 - Senate Bill 621 (SEN Davis, 6 APR): funds to create Defense Cyber Office in NCMBC (\$250k)

Future Operations

- Training, WEBCONS (partial list, see www.ncmbc.us)
 - Introduction to Federal Contracting (May 5, Virtual)
 - Post-Award Contract Administration Workshops (May 12-13; Aug 24-25)

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- Advanced Proposal Development Workshops (June 14/16/18; Oct 4/6/Defense Contractor Academy (TBD, Nov, or Dec)
- Events:
 - Federal and Defense Textile and Soldier Systems Summit (Virtual, May 18-20)
 - 19th Annual Defense Trade Show and Cybersecurity Forum/Expo (Fayetteville, AUG 4)
 - MCI-East/NAVFAC Small Business Outreach Event (Jacksonville, TBD AUG)
 - Medical, Biomedical and Biodefense Symposium and Human Performance Forum (Chapel Hill, SEP 29 - 30)
 - Federal Construction, Infrastructure & Environmental Summit (Wilmington, OCT 28 - 29)
 - Seymour Johnson AFB Small Business Outreach and GPC Trade Show (Goldsboro, Nov 10)
 - Southeast Opportunities in Aerospace Summit (Raleigh, TBD Nov)

Rodney Anderson said that he appreciated Scott Dorney and his team for all that they do for North Carolina.

DEPARTMENT OF COMMERCE (DOC): WILL BEST

Will Best said that he would give up his time for the presentation from Jeff DeBellis and Josh Levy.

ECONOMIC DEVELOPMENT REPORTS: JEFF DEBELLIS

Economic Impact of the Military on North Carolina:

About LEAD:

- Produce labor market information in partnership with US Department of Labor.
- Conduct big data analysis of wage & employment outcomes of participants in NC education & training programs.
- Create websites, dashboards, online tools, and publications for the public to access NC economic data.
- Analyze data, make presentations author briefs and reports to help policy-makers, program managers, and the public understand and utilize economic data to make informed decisions.

LEAD-Authored Previous Military Economic Impact Studies:

- North Carolina's Military Footprint (2008)
- The Economic Impact of the Military on North Carolina (2013)
- The Economic Impact of the Military on North Carolina (2015)

Previous Impact Studies:

- Utilized REMI- economic impact modeling software.
- Examined economic impact of total US military spending on NC's economy
 - Impact on total NC jobs & by industry
 - Impact on total personal income
 - Impact on state GDP
- Additional military-related data
 - DoD prime contracting

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- Active – duty personnel – by installation
- Top occupations
- Veterans – by region, age & projections

2015 Study Approach for 2021?

- Written by Commerce/LEAD
 - Analysis, data collection & report writing by Commerce/LEAD
 - In-kind contribution
- Modeling by REMI (contract)
 - Model creation, impact figures
 - Estimate \$60,000 to do in 2021
- Data collection help
 - NCMAC
 - DMVA
 - Military Business Center
- 5-6 Month duration

Minimum Data Needed:

- All active military employment (on or off-base)
- Military members in training
- Federal civilian employment
- Contract civilian employment – directly employed by base (on or off-base)
- Average compensation for military & civilian staff
- Annual or average annual spending on materials, services & other
 - Breakout of spending that was awarded in-state and out-of-state
- Any proposed or planned expansions in the near-future
 - Personnel & Construction /Equipment – breakout of spending would be ideal

Discussion: Will Best said that the Committee has both Jeff DeBellis and Josh Levy that have participated in the past on producing these reports. They have the institutional knowledge to produce these reports. The opportunity to add REMI is a value added component. We also have more people now and on the NC Military Affairs Commission that are invested in doing this. This is not a simple or easy task and certainly will not be quick but there are opportunities. He would also ask the Commission and the Chairman to consider the other components that we have that we can consider such as spousal employment, education as well as the potential to use this as an economic development tool to promote why defense related businesses should come to North Carolina. David Hayden asked if anyone had a questions for Jeff DeBellis? Rodney Anderson said that this was a great idea and he asked if he could get a copy of the last study. He has one comment and that he recommends that we add the Veteran population specifically because one of our great resources is transitioning military personnel who become Veterans and then become a key part of our workforce going forward in the State. Anything that we can do to include the Veteran population and include the military to Veteran employment would be of great value to local, regional, and State decision makers. David Hayden asked if that would that be a substantial expansion of what they were considering? He is not sure if that was

part of what they were originally thinking about. Has the impact of not only the active duty, government civilian and federal civilians and then the retirees who then stay in North Carolina and continue working. Is that something that could be included, or would it even be relevant to the impact of the military on the North Carolina economy? Jeff DeBellis said that certainly they would include and do include data and information on veterans and their impact. What they do not do and is hard to do is to actually measure the impact of their collective activity. So, projecting that out into a greater economy can be more difficult. They can work on veteran own business or participation that labor forces can provide that data. The impact that they have on the economy is harder to put into a model. It is easier to say, here is the employment and the spending for all of the industries for the economy at large. Rodney Anderson said that he thought that the information was still useable to do whatever can be done in a reasonable way and then perhaps the next time around we can get better. One of the things that the Commission is seeking to do is to establish North Carolina as the most Military and Veteran Friendly State. The impact of the transitioning military workforce is a key part of that. He knew that this could be difficult but any data along that line or anything we can do to gather data would assist us in doing that. It would also serve to highlight the transitioning military workforce to attract businesses to come to North Carolina. He thinks there is a lot of good value in doing this even if it is not perfect. Jeff DeBellis said that they would look into this going forward and the data that is available. David Hayden said that at least we can plant that seed when someone is looking at the report. When we looked at renewing this report we know that this Administration is serious about Base Realignment and Closure (BRAC). This new Administration and more than one person at very critical positions have indicated that they favor BRAC and have supported it in the past and we may very well be looking at something like a BRAC. The more data and information that we can show the impact of the military and how important it is to our economy is going to be helpful in responding to outside entities who come to look at North Carolina to move forces and bases. So, updating this Economic Report is very important and he thinks that the Commission should be an advocate for this. So, hearing from Jeff is the first step in that process. One of the concerns that he has from what Jeff DeBellis described is that you are looking for a lot of data and will require cooperation from other entities such as the Installation in North Carolina to support gathering that information that can go into the analysis. We do have a NC Commander's Council that meets prior to the NC Military Affairs Commission meetings and it may make sense to make them aware of what we are trying to do and getting by in from them. That is something that we may need to consider. We will need more granularity on how much money will be necessary to supplement this and he is interested on what Frank Bottorff has to say on this matter.

Frank Bottorff said that he had a question for Jeff DeBellis or Joshua Levy. For the previous version of this report did we go down to the installation or regional level? You have talked about the difference in cost if you do the statewide for \$60,000 and if we try to drill down from the installations it could be up to \$100,000. What did we do before and what are your recommendations for this and what are the benefits for going local? Jeff DeBellis said that no in the of the previous studies but in 2018 there was more of a regional impact, but it was not specific to the bases. We need to be clear that the way that this model has been conducted in the past and all of the studies that he has mentioned, it looks at the impact of the United States military and their investment overall. It is not necessarily specific to the individual installations that we have in North Carolina. We have a number of companies in the State that serve other installations outside of North Carolina and that impact is contributed and felt in the overall report. If you want to get down to what is the economic impact of each installation, that could

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be done and there are obvious benefits to telling the story of their importance specifically to their local communities or regional communities. Just understand that doing that alone would not total the complete economic impact that the military and military spending has on each its state's economy and far from it. Frank Bottorff said that within Marine Corps Installation-East (MCI-East) and the other installations of the other services also do an annual or bi-annual economic impact statement for their installations for their local communities. He does not think that we need to duplicate that effort and what they put out is a good product. From what he is hearing he is reasonable satisfied that the \$60,000 is the right amount. Is NC Commerce able to share any of that burden or are you asking the Commission to pay the cost for REMI to conduct the modeling? Jeff DeBellis said that they are asking for the Commission to pay the cost for REMI, and they will supply the in-kind contribution to be able to work with REMI. They will come up with some numbers and they will interpret that and put it into a report with the other information that will be supplied. Will Best said that it would be in kind contribution from Commerce. If the NC Military Affairs Commission were part of Commerce it would be a different story. He agrees 100% that the leg work can be done by someone like him or staff and gather that information from each installation and then Josh Levy and Jeff DeBellis can figure out how it can be imbedded and included. Frank Bottorff said that in the end, we will need to make a motion to request \$60,000 and take that motion to the Executive Steering Group (ESG).

David Hayden said that he now wanted to let Scott Dorney speak. Scott Dorney said that the military installations have an excellent impact sheet which are called military impact fact sheets. We recently just got the installation fact sheets which are the 2019 fact sheets. He wants to ensure that everyone understands the value of the REMI model. Where the bases will really talk about their direct payments or direct impact. What are the number of contracts and the value of those contracts? What the REMI model really does is take that data and expand it to the second and third order effects on the economy. In addition to the direct payments the bases provide in their fact sheets, REMI model really is very thorough in determining the overall second, third and fourth order total economic impact. So that is the value of this REMI model. He thinks that Commerce has done an outstanding job on this report in the past.

Kelly Jackson said that in the proposal from Jeff DeBellis that has the Department of Military and Veterans Affairs (DMVA) has being partners of this project and the DMVA looks forward to been part of this project moving forward. She and Greg Bethea will be the contact people for this project for DMVA. David Hayden asked if the Department wanted to be a financial partner in this project? Kelly Jackson said that the Department would like to be a financial partner but does not have funding that they can put to his project. David Hayden said that we will look at this more closely moving forward but he thinks that just giving this a flat number will help to understand what all is included would be useful. We can talk between now and the Commission meeting. The Committee members need to decide if they want to recommend this project and then make this recommendation to the Full Commission in May. He said that the motion was to support the recommendation that the NC Military Affairs Commission provide funding to support the updating of the Economic Report to an amount not to exceed \$60,000. Frank Bottorff made the motion update the Economic Report with funding up to \$60,000 and support the REMI modeling. Rodney Anderson seconded the motion. David asked if there was any discussion. Rodney Anderson said that he thinks we agree to include whatever is feasible regarding Veterans and transitioning military. David Hayden said he felt that was part of the understanding. Jeff DeBellis said

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that the \$60,000 quote came from REMI as an estimate so there will need to be a formal request and a submission of a proposal and bid. David Hayden said that he understood that this was an estimate. We hope that as we get closer to the Commission meeting we will have a better quote and know the top number. He asked Will Best to help ensure that we have the best number. The motion passed unanimously.

ECONOMIC DEVELOPMENT FOR NORTH CAROLINA (EDPNC): DENNY LEWIS

Denny Lewis said that he wanted to update the committee on the Defense Marketing Plan

North Carolina Defense Marketing Plan Update:

Grow the Defense Industrial Base in North Carolina

- Raise the profile of North Carolina with Department of Defense and the Defense Industrial Base
- Develop message consistency and advocacy to “spread the word”.
- Advance existing defense industry expansion and attract non-NC defense contractors to our state.

Situation:

EDPNC Business Development Manager

- **Metrics:** 30 Leads 6 Qualified Leads 2 Wins
- **Other:** Respond to initial inquiries if Defense related, Assist Business Recruitment on large projects; Educate/inform/Create awareness in EDPNC
- **How:** Referrals, contacts, trolling trade shows
- **Results:** Marginal

Environment:

- Outreach/advertising funding...significantly outspent by competitors
- Lack of existing structures/facilities
- No presence of a large federal program agency/office (PEO)
- Taxes and incentives visa vi competitors
- COVID
- One person BD team
- Several State independent Economic Development organizations
- Big projects come to NC via Economic Developer Referral corporations

Need a new approach!

Strategy:

1. External Market Analysis

- Competitive Assessment
- What “wins”
- NC Strengths/Weakness
- Messaging

2. Formulate Marketing Campaign

- Refine Messaging

- Establish DEFENSE webpage
 - <https://edpnc.com/industries/defense/>
- Develop DEFENSE Brochure

3. Launch On-Line C-Suite Targeted Marketing Campaign

- LinkedIn
- Defense Watch
- Weekly Insider
- Policy Watch Weekly

4. Why NC for Defense

- Internal/External Messaging for DIB and DoD
- Specific but broad enough to support independent Economic Developers
- Concise Talking Points for C-Suite level executives, congressional, and other NC leaders
- Outreach Briefings to:
 - MAC, DANC, NCMBC, Commerce
 - Economic Developers
 - Congressional
 - Industry
 - NC Military Leaders

LinkedIn: Tech Focus:

LinkedIn Ad: Carousel (Tech Focus):

LinkedIn Ad: Carousel (Business Climate Focus):

Defense Watch e-newsletter & Weekly Insider e-newsletter

LinkedIn Policy Weekly Defense Watch Weekly Insider:

Why NC for Defense Messaging Campaign:

Background:

- Challenge: 4th largest military population yet 24th in defense contracting.
- Research: AFC proposal; DAMC Cluster Study: Nat'l Security Strategy: Defense Budget: National Security Priorities: Mythic marketing assessment: etc.
- Conclusions:
 - DoD focus & funding for high tech; DoD & DIB ISO high tech areas
 - NC has exceptional tech talent
 - Tech jobs create more wealth & ancillary businesses NC has significant high tech capabilities
 - Competitor states outspend NC on marketing
 - NC must have a clear message and share widely

Goals & Objectives:

Promote NC as a Leader in National Security Innovation:

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- Attract more federal technology national security investments, contracts, and organizations to NC.
- Entice more high tech national security/defense companies to set up shop in NC.
- Encourage existing NC companies to expand into the defense market.

Message & Key Talking Points:

Frontline of the Future:

- Top-notch tech innovation ecosystem.
- Deep DoD, Industry, and Academic Partnerships.
- Expansive commitment to national defense.

Frontline of the Future:

Top-notch tech innovation ecosystem:

- #3 (Raleigh) and #5 (Charlotte) tech hotspots in America (CompTA)
- 70% patent growth over past decade
- Largest research park in North America
- NC Universities win highest share of industry funded research (12.1%). Avg is 5.9%
- NC ranked #1 best state for business by FORBES 3 years running.
- Top 10 tech talent markets in North Carolina (CBRE, August 2020).

Deep DoD, Industry, and academic partnerships:

Discussion:

David Hayden said that Denny Lewis came to the NCMAC to restructure and shift. A Strategic Communications Plan. Rodney Anderson said that he appreciated the passion that Denny Lewis brings to his job and the messaging plan. He asked what will it take to continue the messaging plan? Denny Lewis said it will take funding as the current funding will be depleted in April. Things will be opening up again in August. We need to be reaching out to the Congressional staff. We could be looking at about \$30-40 K. Rodney Anderson said that we need to work on how we continue the messaging. David Hayden said that we need to talk to EDPNC about how we can continue the messaging. Denny Lewis said that he would go back to his marketing team. David Hayden said that he would need information for the upcoming NCMAC meeting.

DEFENSE ALLIANCE OF NORTH CAROLINA (DANC) PROJECT UPDATE: TAMMY EVERETTE

Tammy Everette gave the presentation to the committee from Defense Alliance of North Carolina.

DANC & NCMAC: A Strategic Partnership to Promote the Defense industry in North Carolina

Our Goal: "Understand the business economic development opportunities of the military related business and academic sectors as they relate to the expansion or attraction of military-related business economic development opportunities".

Our Project Task Categories:

- Understand

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- Discover
- Educate
- Communicate
- Analyze
- Report

UNDERSTAND: DANC Team Leader; Bill Herrold

- MOU Task: 1 Overview
 - Review & Understand Goals & Mission of NCMAC.
 - Understand and inventory existing NCMAC programs and communication strategies.
 - Convene meetings with the NCMAC Strategic Plan Working Group.
 - Exchange ideas, gather information and develop implementation.
 - Present recommendations to the NCMAC leadership & full Commission or others as required.
 - Issue Progress Reports at the end of each quarter or at the end of each task.

DISCOVER: DANC Team Leaders; Ruth Anderson & Allison Blango

- MOU Task: 4 Overview
 - Develop and conduct a membership based survey of military related business and governing interests in NC.
 - Survey will gauge Awareness of the value and economic impact of military in North Carolina and the expansion of military related business.
 - Analyze Results of Survey and create a baseline of results and report NCMAC.
 - Monitor changes and conduct a project assessment in the 10th month of MOU in order to understand any changes in membership awareness and knowledge.
 - Prepare and publish a written analysis including results of baseline survey and 10th month review in the 12th month of the MOU.

EDUCATE: DANC Team Leaders; Kevin Klug and Phil Williams

- MOU Task: 5 Overview
 - DANC will convene vendor forums throughout eleven (11) months of the MOU term commencing no later than thirty (30) days after effective date of MOU.
 - DANC will conduct forums organized around key NCMAC developed goals and objectives and share major events with other defense related support providers.
 - DANC will create additional forums, as deemed needed by DANC or as required by NCMAC Strategic Working Group, organized to support the six target markets of the currently iterations of the NCMAC Defense Asset Inventory and Target Market Industry Cluster Analysis.
 - DANC shall conduct quarterly meetings with each forum group to develop lists of opportunities and/or needs to better position the state to grow each of the identified target markets.

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- DANC will provide a quarterly report to the NCMAC detailing each forum and event, participant feedback, and recommendations.

COMMUNICATE: DANC Team Leader; Van Carpenter

- MOU Task: 2 Overview
 - DANC will develop outreach strategy for each quarter and attend NCMAC meetings and NCMAC subcommittee meetings for coordination of outreach strategy.
 - DANC will conduct outreach throughout eleven (11) months of MOU team. DANC will advocate and promulgate NCMAC priorities, document in detail opportunities and challenges through direct stake holders contacts, conventional and online communications structured meetings, and industry or academic events.
 - DANC representatives will attend NCMAC meetings, and coordinate with NCMAC subcommittees to ensure ongoing coordination of goals and priorities in conducting outreach, DANC will refine activities as appropriate.
 - DANC shall provide NCMAC quarterly feedback reports on activities, including the quarter's detailed documented opportunities, follow-up action and results from such action.

ANALYZE: DANC Team Leader; Jay Gothard

- MOU Task: 6 Overview
 - Conduct an analysis of defense related services.
 - Develop a database of offered services as a reference and assistance for the NC Defense Business Sector.
 - DANC will develop comparison charts of available services and sources of services to assist businesses in locating assistance,. DANC will provide the comparison charts to NCMAC in the 10th month of the MOU.
 - Analyze gaps between available and needed services and sources. Provide a report and recommendation in the 12th month MOU.
 - Use data to assist businesses in locating and procuring assistance.
 - DANC will develop a database of offered services and a printed report of services compiled from the database.

REPORT: Senior Director of DANC: Tammy Everett

- MOU Task: 3 and Task 7 Overview
 - DANC shall prepare an activity presentation and present it to the NCMAC when requested by NCMAC Strategic Working Group.
 - Quarterly Reports on Tasks
 - Reports and end of tasks.
 - Reports called for in each MOU task.
 - DANC will conduct a comprehensive review of partnership activities thirty (30) days from the MOU end date.
 - DANC will prepare a comprehensive review of the DANC/NCMAC partnership and activities, goals achieved, and recommended future priorities and present the review to NCMAC at the next scheduled quarterly NCMAC meeting following the end of the MOU.

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- DANC will propose to continue, modify, or discontinue the strategic partnership based upon the decision of the DANC Board of Directors and feedback from NCMAC members.

YOUR DANC PROJECT TEAM:

Project Manager: Jay Gothard

Team Leads: Jay Gothard , Bill Herrold, Tammy Everett, Ruth Anderson, Alison Blango, Phil Williams, Kevin Klug, Van Carpenter

Board Advisors: Bob Dickerson, Tim Gabel, Chris Edge, Fred Day

What's Going On & What's Next?

- Current Activities
 - Recent Kick-Off Meeting with NCMAC Leadership.
 - Align Focus of effort on key NCMAC Topics and Priorities.
 - Design Quarterly Outreach Strategy.
 - Select appropriate survey instruments and methods.
 - Develop key messaging.
 - Conduct Forums.

In Summary:

“Understand the needs of the military related business and academic sectors as they relate to the expansion or attraction of military-related business economic development opportunities”

David Hayden said that he approved the presentation by Tammy Everette and is looking forward to working with the Defense Alliance of North Carolina.

STRATEGIC COMMUNICATIONS WORKING GROUP UPDATE: RODNEY ANDERSON

Rodney Anderson gave an update from the Strategic Communications Working Group (SCWG)

NCMAC 2020 Strategic Plan:

I – Plan Summary

a. Audience: NC Legislature; NCMAC Plan Due Every 4 Years (Senate Bill 63)

b. Theme: “Our major military installations are the cornerstone of the second largest economic sector in North Carolina”.

II – Plan Workgroup

Chuck Allen

Frank Bottorff

Paul Friday

Arnold Gordon-Bray

Larry Hall

Kirk Warner

Chad Sydnor

Stan Waltz

Ed Adams MCI-East

Kathy Sturgis, PhD (Planner, NCMAC Contract)

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III – Plan Pillars

1. Installation & Mission Sustainability

Goal: Promote, enhance, and protect NC existing military installations and missions.

2. Economic Development

Goal: Increase economic viability and impact of military & defense industry in NC.

3. Quality of Life

Goal: Improve the quality of life for military servicemembers, veterans and families

4. Legislative & State Agency Coordination

Goal: Provide legislative and state agency coordination for military-related issues.

IV – Strategic Communications and Advocacy

Goal: Promote the value of the military and supporting entities at all levels.

Strategic Communications & Advocacy

1 – Summary

a. Audience:

b. Strategic Goal: Promote the value of the military and supporting entities at the federal, state, and local levels in order to sustain, enhance and protect our military installations and missions.

c. Responsibility: NCMAC

Strategic Communications Working Group

II – Strategic Communications Working Group

ET Mitchell: Chair

Rodney Anderson: V/Chair

Kelly Jackson: Sec

Frank Bottorff

Julie Daniels

Chuck Allen

Ariel Aponte

III – 2020 Priorities

1. STRATCOM Plan: Review, Refine, Implement

2. Committee Coordination: NCMAC goals

3. Regional Benefits: Promote features

4. Education: Public & Stakeholders

5. Overarching Organizations: NGOs

IV – Implementation Recommendations

1. Submit communications objections to NCMAC for approval

2. Delineate and prioritize messages, audiences to promote NCMAC goals

3. Prepare RFI for corporate communications

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Strategic Communications Working Group (SCWG)

I SCWG Overview

- a. Purpose: Strategic Communications
- b. Goal: Plan and Manage Strategic Communication
- c. Guidance: NCMAC 2020 Strategic Plan
- d. Type: Informal Working Group
- e. Governance: Robert's Rules of Order
- f. Documents: "Staff Working Papers"
- g. Oversight: NCMAC

II STRATCOM Definition

"The purposeful dissemination of themes, messages and images that promote and advance North Carolina as the most Military and Veteran friendly State in the United States:

III SCWG Members

ET Mitchell: Chair (Legislative)
Rodney Anderson: V/Chair (Economic Development)
Kelly Jackson: Secretary
Frank Bottorff (Installations)
Julie Daniels (Quality of Life)
Chuck Allen (Legislative)
Ariel Aponte (DMVA)

IV Planning & Operations Core Values

Accountability: Responsibility
Integrity: Honest and Truthful
State-wide: Inclusive, across the state
Proactive: Self-initiated

Economic Development Committee

I – Summary

- a. Audience:
- b. Strategic Goal: Increase economic viability and impact of military & defense industry in NC.
- c. Responsibility: Economic Development

II – Economic Development

David Hayden, Chairman
Frank Bottorff
Mayor Will Lewis
Arnold Gordon-Bray
Rodney Anderson
David "Crockett" Long

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III – 2020 Priorities

1. Defense Industry Growth
2. Workforce Development
3. Economic, Technological and Higher Education Partnership Expansion

IV – Implementation Recommendations

1. Regional Defense industry Study
2. Transitioning Military Talent Study
3. Cluster Study Next Steps: Increase R&D
4. Resource “career-focused” hiring events
5. NC Military Transition Center (Bragg)
6. NC Tax Exemption for Mil Retiree Pay
7. Public/Private UAS with Higher Ed
8. Research, Plan, Promote Micro Zones
9. Connect SAP partnerships with military

NC Military Transition Center:

I – Summary

- a. NCMAC 2020 Strategic Plan
- b. Recommendation: “Bragg Fayetteville Transition Center and other transition centers (Florida, Tennessee, etc) to identify best practices, concepts, federal funding and opportunities for NC Military Transition Center.”
- c. Lead: Economic Development Committee

II – Stakeholders

- a. US DOL: Transition Prep; Federal Funding
- b. NC DMVA: Military; Workforce
- c. NCMAC: Military; Legislative
- d. Fort Bragg: Military Transition (Employment)
- e. Employer Partners: Workforce Access
- f. Local Government: Workforce; Local Funding
- e. Education: Knowledge: Credentials

III – Concept

- a. Research best practices
- b. Develop initial operating concept
- c. Collect supporting Veteran/Workforce data
- d. Identify Initial Partners

IV – Milestones

Jul 21: Planning Committee; Concept

Oct 21:

Dec 21:

Mar 22:

May 22:

SENATE BILLS (619 & 621): CHAIRMAN DAVID HAYDEN

Chairman David Hayden welcomed Senator Don Davis to the Committee meeting. He said that Representative Cleveland was on the meeting today and he and Representative Grier Martin are both long time members of the NC Military Affairs Commission. We appreciate Senator Davis joining us today and getting another insight from a member of the General Assembly. David Hayden said that Senator Davis was from the Greenville District and Pitt County. You have also sponsored a couple bills that might be of interest to members of the Committee. Senator Davis said that it was an honor to come before this Committee. He also appreciates the work and mission that the Commission has. He would be remiss if he did not recognize Rep Cleveland and his friend. He also sees Scott Dorney as part of this committee. He would like to talk about Senate Bill 619, Protect our Military Installation Act. He wanted to start by saying that he has a son in school, and he remembers when he was in grade school, and he was excited to get a 90% or higher in a class. But he has a statistic that he wants to tell us, so when you look at our military installations, the counties that they are located in, either part or all of the county, 90% of our installations, using the current Department of Commerce Tier system. Then 90% of our installations are in economically distressed areas. He is defining that as Tier 1 or 2. Out of those counties only one of them is a Tier 3 county, is Moore County. This for him is unacceptable. This becomes more important, as all of us here understand BRAC. BRAC is concerned about quality of life and sustainability of our Host Communities. So, in summary this bill is designed to create a pathway for our Host Communities. We know that there are a lot of State programs and grants out there. This would pass to our State agencies with Grant programs that are engaged in a scoring process, to identify mechanisms for scoring and providing added scoring for our Host Communities that are in Tier 1 and 2 Communities with Military Installations. In summary, our defense industry is the number 2 Industry in this State, and he believes that we must do everything we can preserve this industry and our military communities for those who are serving us. At the end of today, we are dedicated, and this is not if but when we will talk about BRAC. He asked if there were any questions? David Hayden said that he wanted to know how this bill would be executed? Senator Davis said that basically what it would do if passed would task out agencies that have State Grants to examine their scoring mechanisms and then if there is not a component that specifically considers weighing in terms of priorities for military host communities as defined by a county that is in Tier 1 and 2 in part or in whole. Some of the bases could be in several counties. The aim would be, whatever the priority of the community and what they are working on to be factored in. They would still be in a mechanism of competing, but it would add something into the mechanism to assist those communities with those projects. David Hayden asked who would have oversight to ensure that the statute was being followed? Senator Davis said that accountability would defer to the Oversight committees because even when they are not in session, we are still providing oversight.

Frank Bottorff said that he wanted to make a statement. He wanted to thank Senator Davis for bringing this forward. This is something that we have talked about for a couple of years. With BRAC as a potential, we have always talked about the military mission. Once you start to get into those other elements that are outside of the fence line, you can talk about how the State treats licensure and education, but it is also other quality of life issues. They do look very closely at the quality of life within the host communities that most of our members, 75% of them live off base. What we want to make

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ensure is that those host communities are the shining stars of North Carolina. Also, that those families want to come to the installations in North Carolina. It is important for North Carolina to help these host communities succeed. This can go through several agencies such as water and sewer grants to recreation grants. He thinks this is going to help host communities. Rodney Anderson said that he wanted to thank Senator Davis for introducing this bill. He lives in Cumberland County, and it is a Tier 1 county. The local elected officials in the county and city have had extensive conversations about how to take advantage of any opportunities that the State might offer related to the Tier 1 status. This will be helpful as Frank Bottorff has said across a number of other opportunities. This is a good thing.

Senator Davis said that he appreciated the comments but going back to the beginning 90% of our communities that our installations are in are economically distressed. That should be an alarming statistic for all of us. David Hayden said that he appreciates this support for our host communities. This bill will be brought to the attention of the Commission members. He asked the committee members if they want to consider a recommendation within this committee to advocate for this bill from the NCMAC? Frank Bottorff made a motion of a letter of recommendation in support of this bill. Rodney Anderson seconded the motion. No further discussion. This motion passed with a unanimous vote.

Senator Davis talked about Senator Bill 621, NC Military Business Center Funds. In summary this bill is to provide critical support to our NC Military Business Center (NCMBC). This is something that he has taken on the last couple of years because he thinks that it is unacceptable, and we must continue to push in North Carolina to make the connection with our Department of Defense (DoD) contracts. In summary his understanding is with the cybersecurity maturity model certification which is coming from the Federal level, they are pushing more of our contractors and subcontractors to have addressed cybersecurity. This is something that some of our contractors have struggled with. That is where NCMBC have been very helpful with helping the contractors out in the field. What this bill would do, and his understanding is that this would earmark \$250,000 so that we can properly staff and internally establish a cyber security office within NCMBC. Then they can provide technical assistance such as getting information out and assistance to contractors so they can become compliant with Cybersecurity Maturity Model Certification (CMMC). This would be an excellent move to support our businesses and contractors out there. The cybersecurity can apply to both contractors and subcontractors. We need to do everything that we can to help protect our contractors and help our businesses to exceed. David Hayden said that this is legislation that he considers a no brainer. This is a way we can supplement our businesses in North Carolina to give them the training to meet that minimum requirement and be certified and work on government contracts. The main reason is to protect our systems and National Security. He appreciates Senator Davis' efforts on this matter. He asked if there were any questions or comments about this bill? Rodney Anderson said that CMMC is going to be huge for the entire defense industry. For those of you who are not very familiar with this, it is going to establish some very stringent rules for everyone that is in the supply chain on how they protect their data in order to keep malicious activity from creeping in along the chain. This is a big deal to require every company to have this level of detail. This is a good bill and we to support it.

Scott Dorney said that the Senator summarized it great. He wanted to echo Rodney Anderson's comments. This is the biggest threat to the defense industrial base in North Carolina. It is also a great opportunity to grow the defense industrial base if we do this right. The second point is that this has

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been a great effort so far by State agencies, such as Commerce, NCMBC, the University System and also organizations like the Defense Alliance of North Carolina (DANC) and others to get good information out about requirements. But at the end of the day, we have to resource the effort appropriately if we are going to secure the defense industrial base and do it in the future. We cannot continue to do this out of hide. This additional funding would give us the resources to provide those services. Senator Davis said that this is huge, and he thanks Scott Dorney for his efforts. David Hayden said that he would entertain a letter of support for Senate Bill 621. Rodney Anderson made a motion to support a letter of support for Senate Bill 621. Frank Bottorff seconded the motion and supported with a unanimous vote. He thanked Senator Davis for attending the Committee meeting and taking time to discuss the bills with them today. He is always welcome back to speak to the committee. Kelly Jackson said that she wanted to thank Macey Webb who is the Legislative Liaison for the DMVA. She coordinated with Senator Davis' office to get him to attend the committee meeting today.

OPEN DISCUSSION:

Chairman Hayden asked if there was any further questions or comments from the group? No comments

ADJOURNMENT:

Chairman David Hayden asked for a motion to adjourn the meeting. Frank Bottorff made a motion to adjourn the meeting and seconded by Rodney Anderson. The meeting was adjourned at 12:20 pm.